



THE JOURNAL

solid group plans made simple

BENEFITS TO ATTRACT & RETAIN EMPLOYEES

What are some of the current benefit trends that employers are utilizing to attract and retain the most important assets of their organizations – their employees? Here are a couple with growing popularity.

Wellness Spending Accounts

A Wellness Spending Account (WSA) – also known as a Lifestyle Spending Account (LSA) or Personal Spending Account (PSA) – is an employer-paid benefit for wellness or lifestyle expenses. Like Health Spending Accounts (HSAs), WSAs provide employers a unique way to attract and reward their employees. Unlike HSAs, these accounts are taxable and not subject to CRA guidelines for eligible expenses.

Both WSAs and HSAs give employees the freedom to choose how and where to spend money allocated to their account. Employers can customize what the WSA will cover based on specific business objectives – for example, if the goal is to promote better workplace health to improve productivity and reduce absenteeism, they could choose benefits that take a proactive approach to health, or if the goal is to retain talent, they could choose benefits that reflect employees' unique needs (for example, daycare, smoking cessation programs, or eldercare).

Additional WSA expenses could include:

- Gym or club memberships
- Nutritionists and vitamins
- Prescription or non-prescription sunglasses
- Personal training
- Teeth whitening
- Smoking cessation programs
- Over the counter medication
- Dermatology or cosmetic treatments
- Medical marijuana

THE JOHNSTONE'S ADVANTAGE

Our mission is simple:
Treat each client as if they were our only client.

Our value is clear:
We are completely independent. We work for you and offer total flexibility on insurers and plans.

We offer all your group insurance services including administration, brokerage, consulting, and communications.

We provide dedicated client support, customization and flexibility to meet all of your company's benefits needs. And we make **solid group plans simple.**



Health Spending Account (HSA)

Health Spending Accounts are self-insured health plans arranged by employers for their employees residing in Canada. They provide a way for employers to provide tax-free health and dental benefits to their employees and their family members), on a standalone basis, or as a top-up for existing extended health and dental plans. HSA plans must conform to private health service plan rules set out in CRA's Income Tax Act.

In our June 2019 Journal, we advised clients that CRA had clarified eligibility requirements for HSAs - incorporated businesses, including shareholder employees and all other corporate employees, are eligible to participate in an HSA. However, an HSA cannot be solely for shareholders unless the shareholders are also employees earning a T4 income. In the case of unincorporated businesses or sole proprietors, the owner and their employees are also eligible if the owner has at least one arm's-length employee.

Eligible HSA expenses include:

- Health practitioners, including registered massage therapists, chiropractors, and psychologists
- Assistance devices and equipment, including prescribed orthopaedics, hearing aids, and CPAP machines
- Prescription drugs, such as insulin for diabetes or vitamin B12 for anemia
- Hospitals, care, and facilities, including care in a nursing home
- Dental care, including preventative, diagnostic and restorative (not cosmetic)
- Additional expenses, such as laser eye surgery, radiological procedures, rehabilitative therapy and more

Reminder how Coordination of Benefits works ...

When both spouses have employer sponsored benefit plans, the payment order is established by the Canadian Life and Health Insurance Association, (CLHIA) as follows:

- ✉ Claims are paid first under the employee's own plan, and then any outstanding balance can be submitted to the spouse's plan.
- ✉ Claims for dependent children follow the "birthday rule" – submit claims first to the plan of the parent whose month and day of birth is earlier in the calendar year, and then any outstanding balance to the other parent's plan.

Coordination with a Health Spending Account (HSA) Claims should be submitted to all available group insurance plans first and then to the HSA if less than 100% of the expenses was reimbursed. The same COB rules apply as to which plan pays first.

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JOHNSTONE'S JOURNAL is published monthly and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies and share with your employees.

