

CLAIMING DEADLINES AND THE EMPLOYER HEALTH TAX (B.C.)

Extended Health, Dental and Health Spending Accounts

Claim turnaround times

Insurers are making it easier and easier to submit claims and receive your reimbursement sooner with electronic claiming and mobile applications.

Not long ago all claims had to be made by completing and mailing a paper claim form with all original receipts, to the insurer and waiting for your reimbursement cheque in the mail. Now you can submit most claims online to your insurer or through an app on your phone. You will, in most cases, have your reimbursement deposited directly into your bank account within 1 to 2 days after filing your claim.

With technological advances, insurers are even going another step, mostly with paramedical practitioners (i.e. massage therapists, physiotherapists, chiropractors). If the practitioner is registered with your insurer, they can process the claim directly with the insurer right in their office, similar to what is currently done with dentist offices.

Of course, some claims still need to be submitted by paper and through the mail. In these cases, claims will take longer to assess and reimburse, with the expected turnaround time to be approximately 2 to 3 weeks.

Claiming deadlines

It is vital to submit claims on a timely basis in order to be eligible for payment. All insurers set claiming deadlines that they strictly enforce and they will refuse payment of claims submitted after the deadline. It is always best to send all claims as soon as possible, or at the latest, within 90 days from the date of service. This is not the deadline, but a good rule-of-thumb to prevent refusal decline due to a late submission. Unfortunately, there isn't one standard deadline between insurers, or even between benefits, so just follow these guidelines. Claims for:

Extended Health and Dental – 12 months from the date of service. This means receipts dated December 15, 2017 must be in the insurer's office (not just in the mail) by December 15, 2018.

Health Spending Accounts – 30 or 60 days from the end of the policy period. So, if your H.S.A. runs from January to December, all 2018 claims must be received prior to either January 31 or February 28, 2019 depending on your contract.

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.**



B.C. is implementing an employer health tax (EHT) as of January 1, 2019

What is the employer health tax?

The employer health tax that the government of British Columbia is implementing as of January 1, 2019 is a remuneration tax that will replace the Medical Services Plan (MSP) premiums that all B.C. residents are currently required to pay.

Note that the MSP premiums will continue to be required for 2019. Therefore employers will be required to remit the employer health tax and B.C. residents will be responsible to pay (unless paid by an employer plan) MSP premiums for all of 2019.

The employer health tax is calculated based on the employer's payroll for residents of B.C. If you are an employer in B.C. and you have an employee that lives and works in Alberta, then their remuneration is not included in the calculation, the reverse also applies.

Employers with remuneration greater than \$500,000 in a calendar year must register for the employer health tax.

What remuneration is included?

Payroll amounts that are subject to the employer health tax include any taxable employment income. This includes the following;

- ☛ Salary and wages (including advances)
- ☛ Bonuses, commissions and other like payments
- ☛ Vacation payments
- ☛ Tips paid through an employer
- ☛ Taxable benefits
- ☛ Etc...

Note that this is a non-exhaustive list. For the full list of payroll items, please click the link below (or type it into your web browser).

<https://www2.gov.bc.ca/gov/content/taxes/employer-health-tax>

How much is the tax and how do I calculate it?

The term "employer" includes an individual, a corporation, a partnership, a trust or a government.

Employers with B.C. remuneration:

- ☛ less than \$500,000 do not pay EHT
- ☛ between \$500,000.01 and \$1,500,000 pay a reduced tax amount calculated as 2.925% x (B.C. remuneration - \$500,000)
- ☛ greater than \$1,500,000 pay the tax on their total B.C. remuneration calculated as 1.95% x total B.C. remuneration

Note that the \$500,000 exemption is temporary and will be eliminated in the future. There is no specific date set for this.

The exemption amount for charitable and non-profit employers is \$1,500,000. See the website for further details on the tax calculation.

What do I need to do

If your payroll is greater than \$500,000 you will need to register and make payments. Go to the B.C. government website for full details on the EHT and how it affects your company.

CONTACT US

Johnstone's Benefits

3095 Woodbine Drive
North Vancouver, BC V7R 2S3

Phone: 604 980 6227

Toll Free: 1 800 432 9707

Fax: 604 983 2935

Website: www.jbenefits.com

EI Increase Effective January 2019

As of January 1, 2019, the maximum insurable earnings (MIE) will increase to \$53,100 from the current \$51,700. As a result, the maximum weekly EI benefit will increase to \$562 from the current amount of \$547.

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.

