

HEALTH CARE SPENDING ACCOUNT

GIVE YOUR EMPLOYEES FLEXIBILITY WHILE MANAGING YOUR COSTS



Provide employee choice while controlling costs with Equitable Life's® flexible Health Care Spending Account options.

As workplace demographics change, it's difficult to find a benefits health and wellness program that meets the needs of all your employees. Fortunately, Equitable Life offers a range of Health Care Spending Account options to help you provide flexibility for your diverse workforce while keeping costs under control.

What is a Health Care Spending Account?

A Health Care Spending Account (HCSA) is basically a health benefits bank account set up for each employee to use for eligible health expenses. HCSAs provide coverage for a wide range of medical and dental expenses, including those that may not be covered under the traditional health and dental plan.

How it works

It's easy. With Equitable Life's HCSAs, the plan sponsor allocates a dollar amount to each plan member at the beginning of the plan year. Plan members can use this amount for:

- Eligible expenses not covered under their current benefit plan.*
- Eligible expenses in excess of current plan maximums.
- Co-insurance and deductibles charged by their current plan.
- Expenses for dependents not eligible under their current benefit plan, but eligible under the broader definition of 'dependent' as outlined on the Canada Revenue Agency (CRA) website.**

Since you set the HCSA dollar amount and employees choose how to spend it, HCSAs allow you to provide more choice without necessarily changing the total amount you invest in your benefits program.

* HCSA eligible expenses are determined by the Canada Revenue Agency and are identified on its website at www.canada.ca/en/revenue-agency.html.

Flexible options

Equitable Life has a variety of HCSA options to fit your budget and the amount of flexibility you want to provide:

- 1. Claims Carry-Forward** – Plan members can submit eligible medical expenses that they incurred in the prior benefit period to their HCSA in the current benefit period. For example, if a plan member incurred a physiotherapy expense last year but didn't have room left in their HCSA, they could submit the claim to their HCSA this year. Eligible claims can only be carried forward to the benefit period after they were incurred.
- 2. Balance Carry-Forward** – Plan members can carry forward any unused balance remaining in their HCSA at the end of the prior benefit period to the current benefit period. Unused balances can only be carried forward to the following benefit period. Any unused carry-forward funds remaining at the end of the following benefit period are forfeited by the plan member and not paid by the plan sponsor.
- 3. 'Use It or Lose It'** – Plan members forfeit any unused balance remaining in the HCSA at the end of the current benefit period. Forfeited amounts are not paid by the plan sponsor.



The Benefits of HCSAs: Flexibility and predictability.

HCSAs are designed to address the unique and differing needs of both you and your employees.

Plan sponsors benefits

- **Cost control** – A defined amount is allocated to each plan member, allowing you to better predict and control costs.
- **Recruiting** – A HCSA allows you to offer a flexible benefits package that can help attract new employees and retain current staff.
- **Employee awareness** – HCSAs typically increase plan members' awareness and appreciation for the value of their benefit plan.
- **Tax deductions** – Your contributions to the HCSA and the administration expenses associated with the plan are tax deductible (with the exception of Quebec).
- **Consolidated billing** – Monthly HCSA deposits (employee allocation amounts) can be shown on the policyholder's regular insured premium billing.
- **Flexible credit allocation** – Different HCSA allocations can be specified for different classes of employees.
- **Waiting period options** – You can select a different waiting period for your HCSA than for the regular benefit plan.

Plan members benefits

- **Benefit control** – Plan members have more control and choice on how to spend their benefit dollars.
- **More reimbursement options** – Plan members can get the most from their plan by coordinating their coverage with their regular health and dental plan, their spouse's plan and their HCSA.

- **Flexibility** – Plan members can claim some expenses that might not otherwise be covered under their regular health and dental plan.
- **Non-taxable income** – HCSA funds are considered non-taxable benefits (with the exception of Quebec).
- **Broader definition of dependents** – Plan members can claim eligible expenses for themselves and their eligible dependents, including dependents who may not be eligible under their traditional group benefit plan.**
- **Consolidated claims payment** – Plan Members receive one payment and one Explanation of Benefits (EOB) Statement if the claim involves both their traditional plan and HCSA benefits.
- **Easy online access** – Plan members can view their current HCSA balance online at www.EquitableHealth.ca or through our EZClaim mobile app.

** Eligible dependents are determined by the Canada Revenue Agency and are identified on its website at www.canada.ca/en/revenue-agency.html.

**Contact your advisor to learn more
about Equitable Life's Health Care
Spending Account**

Works for me.®

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Equitable Life is not your typical financial services company. We have the knowledge, experience and ability to find solutions that work for you. We're friendly, caring and interested in helping. And we're owned by our participating policyholders, not shareholders, allowing us to focus on your needs and providing you with personalized service, financial protection and peace of mind.



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