

Healthcount Benefit Plan

Target Market:

Incorporated businesses that wish to implement health and dental benefits, yet maintain complete control of the costs of these benefits both today and into the future.

Minimum Number of Employees: One

Fundamentals:

- The company determines the health and dental account limit annually per employee
- Employee spends account funds on health and dental benefits

Advantage to Employers:

1. All money spent on health and dental expenses, and any other fee or taxes, are deductible to the corporation
2. Employer knows in advance the maximum annual cost to the plan
3. The plan is very simple to use with only ONE limitation (spending limit) which eliminates the potential concern of putting a plan, and then having claims denied
3. The employer controls all costs to the plan from year to year, as the Health Spending Account amount is determined by the employer
4. The dollars invested by the employer in this program are not subject to additional charges such as WSIB, CPP, or EI.
5. The program requires no administrative time or effort on behalf of the employer
5. Any dollars not spent by the end of the year remain the property of the employer

Fundamentally, this program offers the greatest amount of good for the greatest number of staff, while maintaining a limited budget.

Employees:

1. Employee may spend their health dollars on any health or dental expense which may potentially be put toward the medical tax credit under CCRA guidelines
2. Employees receive the benefit of the plan without any tax implications
3. Employees have the opportunity to deal with a third party for the payment of receipts, this removes any potential embarrassment for the employee. In addition, this allows the company to avoid any issues with regard to the Privacy of Information Act.
4. Even staff who have benefits through a spouse will find the plan useful as it covers all of those areas where the spousal plan does not
5. Staff may check their own account balance and claims history at any time

How Does the Plan Work?

1. The company determines an appropriate level of benefit for each employee (\$1,000 for example)
2. On a monthly or annual basis the company then remits the premium amount to the administrator of the plan, where this money is held in the corporation's health spending account. Fees only apply at time of transaction.
3. When an employee purchases medication, the drug card pays for the full amount (up to individual max.) If a paramedical or dental visit, the employee pays the provider, and then submits the receipt to our office. The benefit amount is remitted directly to the individual by direct deposit
4. This is not an insurance plan, so there must be money in the account at all times to pay the claims submitted. Nonetheless, the costs on an annual basis are capped based on the level of benefit determined by the company
5. At the end of the year, those amounts in the account which have not been spent remain the property of the Employer

6. Monthly statements are produced for the employer
7. Account values are available at all times

Summary

This program is a great opportunity for:

- Those companies where there is a desire to implement health and dental benefits, but the cost of a traditional group plan would be exorbitant
- Companies where there are only one or two people, existing health and dental costs may now be paid through the corporation
- The company to give a benefit to the employee which is both tax-effective for the company and the employee receiving the benefit