

Out of Scope Employees

# Covenant Health **Flex Benefit** Program

*Supporting Health and Wellness at Work*



**Covenant  
Health**

*Compassionate care led  
by Catholic values*

# What Is It? How Does It Work?

The “Flex Benefit Program” is a supplemental benefit program for Covenant Health staff that each year, provides benefit dollars (credits) for employees in benefit eligible positions in order to meet their future benefit needs.

## How does the Covenant Health Flex Benefit Program work?

Once a year, benefit eligible employees will have a dollar credit amount assigned to their Flex Benefit Program. The Flex Benefit Program is 100 percent employer funded. Each employee’s specific credit amount will be available to employees on the [Blue Cross web site](#) December 1.

This credit can be used to purchase benefits from three accounts (#1 Health, #2 Wellness, Education, Technology, Family Care and #3 RRSPs). Employees will need to determine how they wish to assign their annual credit, within the three accounts.

# Eligible Dependants

- Under the Healthcare Spending Account, eligible dependents for this benefit are expanded to the Canada Revenue Agency definition of dependents (such as adding dependent parents). If you would normally claim the expense on your tax return, the individual would be covered through the Health Account.
- Wellness, Education and Technology benefits are only offered to employees of Covenant Health, thus there is no coverage for dependents.
- Family Care eligible dependents include dependent child, spouse, parent, etc.
- Employees can elect to have a dollar amount of their credit allocation to either their RRSP or to a spousal RRSP.



# Credits, Eligible Expenses

New credits will be deposited each January. Credit allotments will not fluctuate if an employee's income changes during the year (promotion, FTE change, etc.). However, employees who become eligible after January 1 will receive a prorated amount.

## Eligible Expenses

During each calendar year, employees can claim reimbursement of eligible expenses against their account(s). Following is a description of each account, what benefits are eligible, and their tax treatment.

# Employee Choices

The Flex Benefit Program allows employees to allocate credits between three accounts.

1. Health (non-taxable)
2. Wellness/Education/Technology/Family Care (taxable)
3. RRSP

Existing employees will receive an allocation in December of each year through the [Alberta Blue Cross Member Site](#). Employees hired during the year will receive allocation forms with their Benefit Enrollment Package. Once employees have made their selection, the allocation cannot be changed. However, every year, employees will be allowed to allocate new credit amounts between the three accounts.

Unused credits (not expenses) will be carried forward for one additional calendar year and if they are not used by the end of the second year, they forfeit. Alberta Blue Cross will track credits on a "first in, first out" basis to minimize the risk of forfeiting credits.

All eligible employees will be automatically enrolled in the Flex Benefit Program, even if they have opted out of the core Health and Dental plans.

## Healthcare Spending Account

The account compliments the core health and dental benefit programs, reimbursing you for a wide range of health-related expenses over and above what is included under your core plans (e.g. co-payments, expenses above plan maximums, vision care, etc.). For an expense to be eligible (and reimbursement to remain non-taxable), it must fall within Canada Revenue Agency (CRA) guidelines. You can access the CRA guidelines online at: [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca) or by clicking the link below.

## Wellness, Education, Technology and Family Care Accounts

This account provides employee reimbursement for expenses that do not meet CRA regulations, but promote the overall wellness and professional development of staff. Benefits under this account are funded with pre-tax dollars through Covenant Health, but as benefits are reimbursed, they will be considered taxable. Employees should retain their original receipts for these expenses as they may be eligible for personal tax relief.

Canada Revenue Agency Guidelines

<http://www.cra-arc.gc.ca>

# Wellness

This category is intended to cover expenses that improve an employee's overall well being and physical health. Types of expenses covered include:

**Fitness centre memberships** (YMCA, Spa Lady, Kinsmen Centre, etc.) - monthly or annual passes

**Sport league membership/fee** (hockey, soccer, curling, etc.) - monthly or annual

**Instructed fitness classes** at a fitness facility (aerobic classes, yoga, Tai Chi, etc.) including drop-in fees or passes

**Home exercise fitness equipment** - new and used (treadmills, ellipticals, weights, etc.)

**Certified instruction** for a physical activity in excess of facility fees (personal trainer, tennis lessons, dance lessons, etc.)

**Wellness related programs** (such as stress management and nutrition counseling programs)

**Alternative health therapies** not covered under the Health Spending Account (such as light therapy, hydro therapy, etc.)

**Sports equipment** - equipment must be required for a physical activity (skis, bicycles, helmets, hockey equipment, etc.)

**Fitness/Exercise videos, DVD, CD's and books**

**Health Supplements** (vitamins and minerals only)

**Smoking Cessation Products**

*Exclusions: apparel/clothing, non athletic footwear or personal footwear, memberships/fees and/or expenses for a family member, nutrition replacements, food and supplements, services provided by a family member.*

# Education and Technology

This category is intended to financially assist employees who are improving their professional development through continuing education as well as the ability to purchase computer hardware and software that assists in their professional development. Types of expenses covered include:

**Course, seminar, conference or classes** provided by an accredited educational institution

**Books or texts** required for a course, seminar, conference or class

**Professional journals and subscriptions**

**Professional licensing fees**

**Internet services** registered in an employee's name

**New computer hardware** (such as a CPU, Modem, Monitor, Scanner, maintenance, repairs, extended warrantys, CD Burner, Printer, etc.)

**Business related software** (Microsoft Office products, anti-virus software, educational, etc.)

**Accomodations and travel costs** associated with course attendance (taxi, flights, hotel, meals).

**Professional communication devices** (such as Blackberry or iPhone, when used in a professional capacity)

*Exclusions: Supplies (paper, toner/cartridge, blank CD's), recreational / non-work related items (cameras, computer games, etc.), expenses for spouses and dependents; receipts must be in the employee's name, courses, seminars, conferences or classes provided by non-accredited institutions; courses, seminars, conferences or classes for personal development. Please note that all personally purchased products and software will not be supported by AHS Information Systems.*

# Family Care

This category is provided to help employees manage family priorities and responsibilities.

**Dependent care expenses** (friendly visiting, home care, nursing care, homemaking, accommodation assistance, etc.)

**Child care** (Day Care, day home, nannies, approved after school care)

*Exclusions: Services provided by a family member, costs related to after school care activities (field trips, childrens camps)*

# RRSP

This account is intended to assist employees who wish to set aside additional funds for retirement. Employees can choose to allocate all or a specified dollar amount of their credit to a personal or spousal RRSP. RRSP contributions made with Flex Benefit credits will be done in a lump sum at the beginning of the calendar year and deposited into each employee or spouse's RRSP account through the RBC Group RRSP. Optional employee contributions can be done through payroll deduction or in a lump sum directly with RBC.

Income tax will not be deducted by Covenant Health on all RRSP contributions and personal tax receipts will be issued by RBC directly to the employee in March to defer taxation. However, RRSP contributions paid by the Employer are considered a taxable benefit and subject to CPP and EI contributions.

Employees will have to fill out the RBC Application form to have a RBC group RRSP account established. RBC applications forms can be accessed online at: [www.caritas.ab.ca](http://www.caritas.ab.ca) Employees will be expected to monitor how remitted amounts are coordinated with their allowable annual RRSP contribution room and other Canada Revenue Agency regulations.

# Claiming Process

## Healthcare Spending Account:

Expenses not fully covered by the core health and dental plans (such as co-payments, expenses over benefit maximums, etc) will be automatically transferred over to your Health Account for reimbursement, provided you have allocated credits to this category. All other eligible Health Account expenses (such as vision, etc.) must be submitted to Alberta Blue Cross using their Health Spending Account claim form. Forms are available through the Covenant Health web site [www.caritas.ab.ca](http://www.caritas.ab.ca) or through Alberta Blue Cross web site [www.ab.bluecross.ca](http://www.ab.bluecross.ca).

## Wellness/Education/Technology and Family Care Account:

All eligible expenses under the Wellness/Education/Technology and Family Care categories must be sent to Alberta Blue Cross for reimbursement. Employees must include a copy of their receipts and submit with a "Wellness, Education, Technology, Family Care Account" claim form. Forms are available through the Covenant Health web site.

Alberta Blue Cross must receive all claims no later than March 1 of the following year to be eligible for reimbursement.

## Payments:

Cheques for reimbursement of claims greater than \$50 will be processed bi-monthly and mailed to your home address. Claims for less than \$50 will accumulate to the end of the quarter and will be paid if the total amount is greater than \$15. Any balance less than \$15 will accumulate and be paid at the end of the year.

Statements of your remaining credits will be attached to each payment. A statement will also be issued if you have not made a claim during the current quarter, as long as you have a balance. Please contact Alberta Blue Cross (780-498-8000) for questions relating to account status, claims information, or general inquiries related to your account. You may also view claim information and balances by visiting [www.ab.bluecross.ca](http://www.ab.bluecross.ca) and logging in under Group Benefit Plan Secure Online Service.

# Questions and Resources

## Any Questions?

If you have any questions please feel free to contact a Covenant Health Benefits Representative at 780-342-8252.

## Web Links

- [Blue Cross Web Site \(https://www.ab.bluecross.ca\)](https://www.ab.bluecross.ca)  
General information.
- [Blue Cross Member Site \(https://www.ab.bluecross.ca/login.html\)](https://www.ab.bluecross.ca/login.html)  
Log into your Blue Cross Account.
- [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)  
Access the CRA guidelines online.
- [www.caritas.ab.ca](http://www.caritas.ab.ca)  
RBC RRSP Applications, Healthcare spending account claim forms