

# Medical and Dental Cost Plus benefit coverage



To determine if Cost Plus benefit coverage is the right solution for your business, please seek the appropriate tax advice.

## **What is a Cost Plus claim?**

It is a claim:

- for an expense that is an eligible medical, dental or hospital expense under the Income Tax Act (Canada);
- for an expense that is not covered, or exceeds the coverage provided, under the group benefits plan; and
- for designated plan members and their dependents who are covered under the group medical or dental plan.

Cost Plus claims are limited to \$50,000 per person per benefit year.

Canada Revenue Agency may determine that Cost Plus benefit coverage does not qualify as a Private Health Services Plan and therefore any Cost Plus claims processed on this basis may not qualify as either a valid business expense or as non-taxable income to the plan member. Please consult your tax advisor.

## **What does the plan sponsor pay to Sun Life?**

In addition to the amount of the Cost Plus payment to the plan member, the plan sponsor must pay the following administration fee and taxes:

- Fee equal to the greater of \$50 or 10% of the Cost Plus payment, subject to a maximum of \$300
- Applicable provincial premium tax
- Applicable sales tax

# Medical and Dental Cost Plus benefit coverage



Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies, is committed to keeping your information confidential.

Please PRINT clearly.

## 1 Plan sponsor and Plan member details

A separate Cost Plus claim form is required for each plan member.

Service representative's last name (if known)		First name (if known)	
Plan sponsor name		Contract number*	
Address (street number and name)			Apartment or suite
City		Province	Postal code
Plan administrator's last name		First name	
Plan administrator's email		Plan administrator's telephone number	
Plan member's last name	First name		Certificate number
Address (street number and name)			Apartment or suite
City		Province	Postal code

The plan sponsor's province identified above will be used for governing this Cost Plus payment and the courts of such province shall have exclusive jurisdiction over any disputes and/or claims between the plan sponsor and Sun Life arising in connection with this Cost Plus payment.

If the address provided above is for a location outside Canada, the laws of the province of Ontario in Canada will be used.

\* For Medical and Dental Cost Plus payments, this contract number is being used for identification purposes only.

## 2 Plan sponsor payment to Sun Life

Sun Life Assurance Company of Canada must currently insure the person for either medical or dental benefits for claims to be considered on a Cost Plus basis.

### Provincial premium tax:

AB: 3.00%  
BC: 2.00%  
SK: 3.00%  
MB: 2.00%  
ON: 2.00%  
QC: 3.48%  
NB: 2.00%  
NL: 5.00%  
NS: 3.00%  
PE: 3.75%  
NT: 3.00%  
YT: 2.00%

### Provincial sales tax:

ON: 8.00%  
QC: 9.00%

A.	Total Medical claims	\$
B.	Total Dental claims	\$
C.	<b>Total Medical and Dental claims (A + B)</b>	\$
D.	<b>Fee: 10% of claims (C) subject to a maximum of \$300 and a minimum of \$50</b>	\$
E.	<b>Total claims and fee (C + D)</b>	\$
F.	<b>Premium tax</b> (select the premium tax from the margin based on the plan member's province & multiply it by the amount from E above)	\$
G.	<b>Total claims, fee &amp; premium tax (E + F)</b>	\$
H.	<b>Provincial sales tax</b> – if the plan member resides in either Ontario or Québec, calculate the tax for the applicable province as follows: Ontario (G X .08) Québec (G X .09)	\$
I.	<b>Cheque payable to Sun Life Assurance Company of Canada (G + H)</b>	\$

Upon receipt of the following:

- cheque in the amount of I (the company name appearing on the cheque must match the plan sponsor's name on the Sun Life contract),
- this form completed in full, and
- original expense invoices/receipts/Explanation of Benefits,

Sun Life Assurance Company of Canada will process reimbursement of the above non-contractual claim.

### 3 Legal and financial liability

Sun Life does not insure or underwrite this Cost Plus claim, nor will Sun Life provide advice to the plan sponsor relating to this Cost Plus claim. Sun Life acts only as the agent of the plan sponsor and not as an insurer.

The plan sponsor retains the legal and financial liability for this Cost Plus claim to the plan member, including any payroll related taxes or deductions, as well as all expenses incurred in connection with Sun Life's administration of this Cost Plus claim.

The plan sponsor will indemnify Sun Life and hold it harmless against any damage, liability, payroll taxes or deductions, fines, penalties, interest and expenses, including costs and lawyer's fees, resulting from and arising out of claims, demands or lawsuits brought against Sun Life in connection with this Cost Plus claim.

Sun Life has no duty to defend any action taken against the plan sponsor in connection with this Cost Plus claim.

### 4 Taxes, payroll deductions and tax reporting

The plan sponsor is responsible for all applicable taxes, interest and penalties and shall reimburse Sun Life any such applicable taxes, interest and penalties paid by Sun Life that are or become payable in connection with this Cost Plus claim arising from, but not limited to, payroll related deductions or remittances or a failure to file appropriate tax information slips.

### 5 Authorization and signature

I acknowledge and agree that:

- Sun Life relies upon the information provided by the plan sponsor set out in this form along with any supporting documentation to process this Cost Plus claim;
- Sun Life relies upon the plan sponsor to obtain the plan member's consent to collect, use and disclose information with Sun Life, its agents and service providers, for the purpose of administering this Cost Plus claim;
- the information in this form and any attached documentation are true and correct; and
- Sun Life has not provided any advice, including tax advice, to the plan sponsor regarding the administration of this Cost Plus claim nor has Sun Life assumed any tax deducting, remitting, or reporting obligations in the administration of this claim.

Authorized signature of plan sponsor X		
Last name	First name	Title
Location signed (city)	Location signed (province)	Date of signing (yyyy-mm-dd) — —

**Please mail to:**

Sun Life Assurance Company of Canada  
Montreal Health Claims  
Cost Plus  
PO Box 11658 Stn CV  
Montreal QC H3C 6C1