



Spending accounts

Natural extension of Extended Health Care & Dental plans

Spending accounts offer unique advantages for both employers and employees. They're a great way to offer flexible benefits to attract and retain talent, while keeping costs low and predictable. And employees have the choice and flexibility to choose how to spend their allocated credits. That way they have a greater control over their benefits.

Plan Sponsors





There are two type of spending accounts:

Health Spending Account (HSA) and Personal Spending Account (PSA)

How do they work?

Spending accounts are all about flex credits or dollar amount that are allocated to a member's account.

- Under a traditional plan, the employer allocates a flat amount at the beginning of the year or monthly.
- Under a flexible benefits plan, members direct their unused flex credits to a Spending account at the time of enrolment.
- Employees can then submit claims for a variety of eligible expenses that aren't covered by their benefits plan.

What are the differences between them?

- HSA is a **non-taxable** benefit. Employer contributions are a taxable benefit to plan members living in Quebec.

The HSA covers expenses such as:

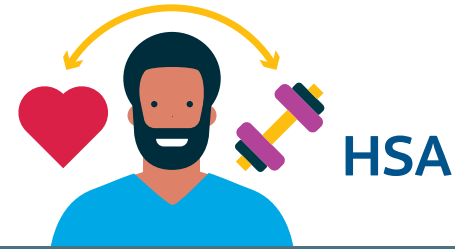
- Deductibles or co-insurance payments for health and dental expenses
 - Health or dental expenses exceeding the limits of your plan
 - A broad list of medical, dental and hospital expenses.
- The PSA covers a wide range of eligible expenses supporting the mental, physical, and financial well-being of employees. Unlike the HSA, the PSA is a **taxable** benefit to employees.










Categories of expenses include:

- Fitness services & equipment
- Health products and services
- Work-life balance
- Green living and safety initiatives
- Education and personal development
- Professional services, insurance premiums and financial products & services



Health Spending Account (HSA) vs. Personal Spending Account (PSA) at a glance



 Approach	<ul style="list-style-type: none"> Covers health or dental-related expenses, usually over and above what the regular plan would cover 	<ul style="list-style-type: none"> Covers broad range of expenses not covered by benefits plans 	<ul style="list-style-type: none"> Covers broad range of expenses not covered by benefits plans
 Taxation	<ul style="list-style-type: none"> Non-taxable benefit to employees (except in Quebec) 	<ul style="list-style-type: none"> Taxable benefit to employees 	<ul style="list-style-type: none"> Taxable benefit to employees
 Eligible expenses	<ul style="list-style-type: none"> Medical, dental and hospital expenses that are eligible under a Private Health Services Plan 	<ul style="list-style-type: none"> One standard list of eligible expenses 	<ul style="list-style-type: none"> One standard list of eligible expenses
 Customization	<ul style="list-style-type: none"> Non-customizable 	<ul style="list-style-type: none"> Clients can add approved items or exclude certain items based on the standard list of eligible expenses. It then becomes a Customized PSA with associated fees and certain limitations. 	<ul style="list-style-type: none"> Non-customizable
 Allocations	<ul style="list-style-type: none"> Monthly* or annual deposit** Flat dollar amount or flex credits Each individual can be assigned a different flat amount. <p>* not available for plans with fewer than 50 employees</p> <p>** annual deposit can be pro-rated for employees joining mid-year</p>	<ul style="list-style-type: none"> Monthly or annual deposit* Flat dollar amount or flex credits Each individual can be assigned a different flat amount. <p>* annual deposit can be pro-rated for employees joining mid-year</p>	<ul style="list-style-type: none"> Annual deposit can be pro-rated for employees joining mid-year Flat dollar amount Each class can be assigned a different flat amount.
 Carry-forward options <small>(all plan members within a policy must have the same carry-forward provision)</small>	<ul style="list-style-type: none"> No carry-forward Balance carry-forward (12 months) Expense carry-forward (12 months) 	<ul style="list-style-type: none"> No carry-forward Balance carry-forward (12 months) Expense carry-forward (12 months) 	<ul style="list-style-type: none"> No carry-forward Balance carry-forward (12 months) Expense carry-forward (12 months)
 Who's eligible	<ul style="list-style-type: none"> Employee and dependents An HSA eligible dependent is anyone qualifying as an eligible dependent under the Income Tax Act (Canada). This definition of dependents is broader than our standard Group Benefits plan. 	<ul style="list-style-type: none"> Employee* or employee and dependents Dependents include any family member financially dependent upon the employee <p>*Please note that the website will still display "employee and dependent" coverage even though dependents are not covered.</p>	<ul style="list-style-type: none"> Employee and dependents Dependents include any family member financially dependent upon the employee
 Claims	<ul style="list-style-type: none"> Claims can be submitted through the mobile app or online Combined claim form and claim statement (Extended Health Care/HSA and Dental/HSA) 	<ul style="list-style-type: none"> Claims can be submitted through the mobile app or online At this time, members with a Customized PSA don't have access to online claims or claiming through the app. Separate claim statement 	<ul style="list-style-type: none"> Claims can be submitted through the mobile app or online Separate claim statement
 Digital capabilities	<ul style="list-style-type: none"> List of eligible expenses, balance and claims history available through the my Sun Life Mobile app or online at mysunlife.ca 	<ul style="list-style-type: none"> List of eligible expenses, balance and claims history available through the my Sun Life Mobile app or online at mysunlife.ca 	<ul style="list-style-type: none"> List of eligible expenses, balance and claims history available through the my Sun Life Mobile app or online at mysunlife.ca

Any questions about spending accounts?

Please contact your Sun Life account team.

Life's brighter under the sun

Group Benefits are provided by Sun Life Assurance Company of Canada, a member of the Sun Life group of companies. GB-9656 06-22 mz-mp

