



**Exempt Staff
FLEXIBLE SPENDING PROGRAM**

TERMS OF REFERENCE

Purpose

The Flexible Spending Program provides additional health and wellness benefits for members through three separate spending accounts:

- **The Health Spending Account (HSA)** provides reimbursement for qualifying health and dental expenses for eligible members and their dependents for claims that have not been reimbursed by the extended health or dental plans. Benefits paid by the Health Spending Account are considered non-taxable.

The HSA is administered by Sun Life Financial.

- **The Personal Spending Account (PSA)** provides reimbursement for eligible expenses that promote the wellness of eligible members through physical fitness activities that have been shown to contribute to reduced absenteeism and reduce the cost of health benefits. Benefits paid by the Personal Spending Account are considered taxable.

The PSA is administered by Sun Life Financial.

- **The Tuition Spending Account (TSA)** provides reimbursement for eligible tuition and related expenses incurred by an eligible member and/or their immediate family to promote post-secondary education and career development. Benefits paid by the TSA may or may not be considered taxable. For detailed information regarding the taxation, please review the Tuition Spending Account Plan Summary.

The TSA is administered through the Financial Services Division (Payroll) according to the Tuition Spending Account Plan Summary.

Eligibility

Exempt staff who work at least half-time and are permanent, or who are in a term appointment of six months or greater, and are enrolled in the Extended Health Benefit Program are eligible for the Flexible Spending Program.

Members must also be a resident of Canada and be eligible under provincial government health care benefits.

Effective Date

Coverage under the Flexible Spending Program will take effect on the date when an eligible member is enrolled in the Extended Health Benefit Program.

Benefit Period

The benefit period is the twelve month calendar year, January 1 to December 31.

Credit Funding

A contribution (total credit allocation) in the amount of \$1,000 per eligible member per benefit year is made by the University of Saskatchewan to the Flexible Spending Program. Annual credit amounts are not pro-rated and members receive the full credit amount on the effective date of coverage.

Credit Allocation

Eligible members may choose, on an annual basis, to allocate the \$1,000 in total credits amongst the HSA, the PSA, and the TSA or designate the full amount to one account.

Human Resources will notify eligible exempt staff of the requirement to allocate their funds between accounts, or to one account online (through PAWS) before December 31 of each year. Credit allocations between accounts cannot be changed after December 31 of that year.

If no allocation choice is made by December 31, the \$1,000 credit allocation amount will be distributed in the same manner as the member selected in the previous year. New plan members who do not make an allocation choice, will have the full \$1,000 credited to the HSA.

Maximum Credit Accrual

If the member's HSA and/or PSA reach a zero balance at any time during the benefit year, further expenses cannot be carried forward. If there is a credit remaining in either

account at the end of the plan year, it can be carried forward to the next benefit year only.

Credits that the member has allocated to the TSA will accrue each year subject to a maximum of \$10,000. If the \$10,000 maximum is reached in any member's TSA at the end of each benefit year, their full \$1,000 annual allocation of credits to the Flexible Spending Account will be allocated to the HSA.

Any unused credit amounts are forfeited by the member and revert back to the University of Saskatchewan.

Continuation

The Flexible Spending Program is in effect while a member is actively at work and occupies an eligible position. If a member is on an approved leave of absence and has continued health benefits, the member's eligibility for the Flexible Spending Program will continue. If a member is on an unpaid leave of absence on January 1, they will receive their new allocation upon their return to work.

Termination:

The Flexible Spending Program will cease in the event of:

- a member's employment termination,
- a member's retirement,
- a member's death,
- a change in a member's eligibility, or
- a member's waiver of health coverage while on leave of absence, or
- the program termination.

Any unused credit amounts are forfeited by the member and revert back to the University of Saskatchewan. Eligible claims incurred prior to employment terminating must be submitted within 90 days of the date of termination.

Taxation

Any amounts reimbursed under the HSA are considered non-taxable benefits to the eligible member.

Under the University of Saskatchewan's interpretation of *The Income Tax Act*, amounts reimbursed from the PSA are considered taxable benefits to the eligible member.

Reimbursements of eligible expenses under the TSA may or may not be considered as a taxable benefit to the employee. The detailed taxation information is outlined in the Tuition Spending Account Plan Summary.

Claim Procedures

Health Spending Account

Sun Life Financial will provide reimbursement for eligible non-taxable health and dental expenses as defined in the underlying policy. Claim procedures for the HSA are detailed in the plan summary on Human Resources' website.

Personal Spending Account

Sun Life Financial will provide reimbursement for eligible expenses incurred by an eligible member as defined in the underlying policy. Claim procedures for the PSA are detailed in the plan summary on Human Resources' website.

Tuition Spending Account

The Financial Services Division (Payroll) will provide reimbursement for eligible tuition and related expenses incurred by an eligible member and/or their immediate family member. Claim procedures for the TSA are detailed in the plan summary on Human Resources' website.