



**MEMBERS OF CUPE 3287  
FLEXIBLE SPENDING PROGRAM**

**TERMS OF REFERENCE**

**Purpose**

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

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

Both the HSA and PSA are administered by Sun Life Financial according to their respective plan summaries.

**Eligibility**

Members of CUPE 3287 are eligible to participate in the FSP if, while employed as an in-scope sessional lecturer, they have taught a total of 9 credit units over a one-year period.

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

**Effective Date**

Coverage under the Flexible Spending Program for eligible members, will take effect on the date the employee qualifies. This eligibility date will be determined on a per term basis, based on the teaching in the one-year period preceding the start of each term.

## **Benefit Period**

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

## **Transition Year**

To transition the Flexible Spending Program plan year to January 1 – December 31, all eligible employees will receive an allotment of \$1,200 effective September 1, 2012. This allotment will be accessible until December 31, 2014.

There will be no allotment for the 2013 year. Employees will once again be provided an allotment of \$600 effective January 1, 2014.

## **Credit Funding**

A contribution (total credit allocation) in the amount of \$600 per eligible employee per benefit year is made by the University of Saskatchewan to the Flexible Spending Program. Annual credit amounts are not pro-rated and plan members receive the full credit amount on the date that the member qualifies.

## **Credit Allocation**

Eligible employees may choose, on an annual basis, to allocate the \$600 in total credits between the HSA and the PSA or designate the full amount to one account.

Human Resources will notify eligible employees' in-scope CUPE 3287 of the requirement to allocate their funds between accounts, or to one account 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 \$600 credit allocation will be automatically allocated to the members HSA. In subsequent plan years, if no allocation choice is made by December 31, the credits shall be allocated to the account chosen in the previous year.

## **Carry Forward 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.

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

## **Continuation**

Continued eligibility for a yearly Flexible Spending Program requires appointments totalling 6 credit units over each one-year period. It will remain in effect for the entire plan year even if the member has no active appointment.

## **Termination:**

The Flexible Spending Program will cease in the event of:

- the date your employment terminates
- your retirement date
- if you are deceased
- the date you are no longer an eligible employee, or
- the date the policy terminates

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 employee.

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

## **Claim Procedures**

All claims must be received by Sun Life Financial within 90 days of the end of the calendar year in which the expense was incurred. Expenses incurred prior to employment terminating (as defined under Termination of Coverage section in this summary) must be submitted within 90 days of termination.

### **Health Spending Account**

Sun Life 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 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.