



health & wellness spending accounts guide



introduction

Your health and wellness spending accounts are a flexible complement to your regular group benefits plan, providing you with additional choice for managing your health and wellness-related expenses.

Health and wellness spending accounts are offered by employers and administered by the Alberta School Employee Benefit Plan (ASEBP).

Essentially, your health and wellness spending accounts work like bank accounts. Your employer will deposit money in the form of credits into your accounts. The amount of credits you receive is determined by your employer. Annually, you can allocate these credits between the following two accounts:

- Health Spending Account (HSA)
- Wellness Spending Account (WSA)

You can use HSA credits to pay for eligible health-related expenses for you or your eligible dependants. Your HSA provides you with a tax advantage because it uses tax-free dollars to pay eligible expenses. Expenses may qualify for HSA if they are considered eligible as an individual medical expense tax credit under the *Income Tax Act* (Canada) 118.2 (1).

You can use WSA credits to pay for eligible wellness-related expenses, as defined by the plan, for you or your eligible dependants. Your WSA reimburses expenses that are not covered under your general health benefit plan or your HSA. Reimbursed WSA expenses are taxable.

This makes your HSA/WSA a flexible complement to your regular ASEBP benefits.

Eligibility

HSA/WSAs are part of a negotiated agreement between ASEBP and your employer. Your employer enrolls employees who are eligible for an HSA and WSA. ASEBP does not apply any eligibility guidelines.

If you are unsure whether you have an HSA/WSA, please refer to your ASEBP ID card, the Coverage section of your My ASEBP account (www.asebp.ab.ca/myasebp) or contact your employer or an ASEBP Benefit Specialist.

As part of your enrolment for ASEBP benefits, your employer will provide you with a copy of our resource sheet, *How to Get Started with Your Health and Wellness Spending Accounts*, as well as a copy of this guide. These resources will provide you with all the information you need to use your HSA/WSA.

Dependants

You can use your HSA and WSA to pay for eligible health and wellness-related expenses for your dependants.

The *Income Tax Act of Canada* establishes the criteria for determining eligible dependants. In general, these definitions are broader for an HSA or WSA than for a traditional benefit plan. To verify dependant eligibility, please contact the Canada Revenue Agency (CRA).

Packages

HSAs and WSAs are offered in two different packages. The package you participate in is decided by your employer.

- **Package 1:** Credits are deposited at a frequency determined by your employer. Eligible expenses will be processed for payment every two business days. Under normal circumstances, you can expect payment within a week of expense submission.
- **Package 2:** Credits are deposited annually and expenses are paid semi-annually.

If you are unsure which package you participate in, please refer to the View HSA Activity section of your My ASEBP account at www.asebp.ab.ca/myasebp.

Plan Year

The HSA/WSA plan year is from September 1 to August 31 every year and is followed by a 60-day run-off period, which ends October 30.

You will receive a fixed amount of credits during the course of the plan year, as determined by your employer.

Your employer determines the frequency at which credits are deposited. These credits may be a flat amount, a percentage of your salary or a combination of the two and are available to reimburse you for eligible expenses that are incurred during that plan year. There are specific rules that allow you to carry forward unused credits into the next plan year. See the Carry Forward Rule section on the next page for more information.

Allocation

Each year, you will receive a credit amount and will need to allocate the credits between your HSA and WSA. For example, you can allocate 50 per cent to your HSA and 50 per cent to your WSA or 100 per cent to the HSA and zero per cent to your WSA, etc.

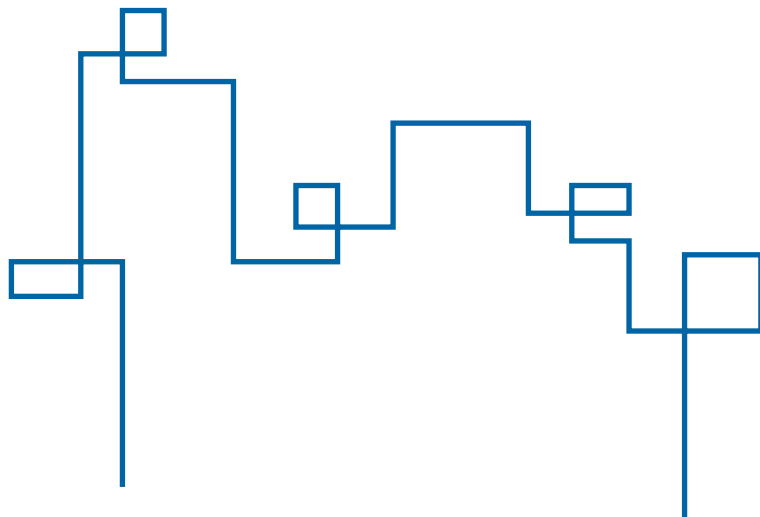
In June, when it is time to allocate your credits, you will receive an email from ASEBP to the address associated with your My ASEBP account. If you are not registered for My ASEBP, you will receive this notification by mail.

Credit allocations are due on August 31 every year. You can complete your allocation online via My ASEBP by visiting the Credit Allocation page in the HSA or WSA section. Your allocation must be submitted by August 31 and cannot be changed after this date. If notification is not received by this deadline, all credits are automatically allocated to your HSA. If you were hired part way through the school year, you have 90 days from your date of hire to make your credit allocation. Allocations are due on August 31 every year following.

Expense Submission

Expenses are submitted online via your My ASEBP account, www.asebp.ab.ca/myasebp.

They must be submitted within submission deadlines to be eligible for reimbursement. More information about submitting expenses can be found on page five.



Run-Off Period

On August 31, the end of the plan year, you have an additional 60 days (September 1 to October 30) to submit any expenses that were incurred during that plan year. This 60-day window is referred to as the run-off period. Once the run-off period has ended, you can no longer submit any expenses for that plan year. Expenses cannot be carried forward into subsequent plan years. See the Carry Forward Rule section to learn more about final processing at the end of a plan year.

Your account will also enter a 60-day run-off period if your HSA/WSA are terminated at any point during the year—for example, if your employment with your current school jurisdiction terminates.

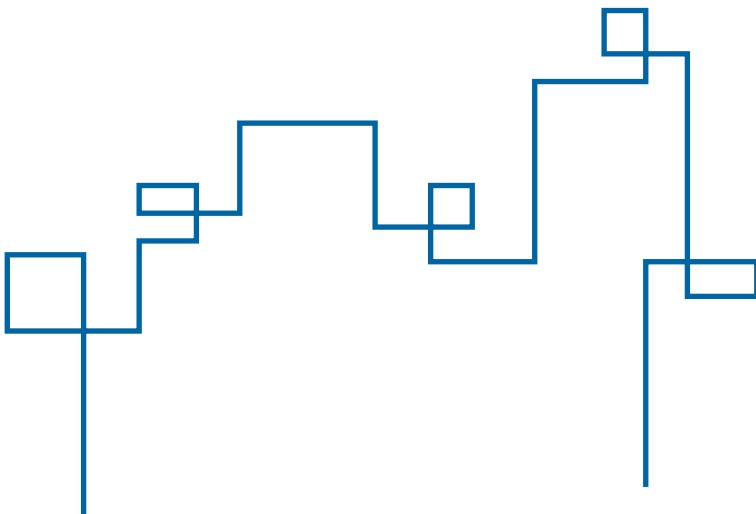
Carry Forward Rule

Under an ASEBP-administered HSA and the *Income Tax Act of Canada*, an HSA must include an element of risk for it to maintain its tax exempt status. Consistent with this, your unused HSA credits will be carried forward for one plan year. If you do not use these HSA credits in the second plan year, they will expire and be forfeited back to your employer. The same expiry and forfeiture rules are applied to WSA credits. ASEBP monitors this and reports any forfeited balances at the end of the plan year.

Credits are identified as 'Credits Carried Forward from Previous Year' when you view your account balances in My ASEBP (see Monitoring Your Balances on page six) and will only become available after the run-off period is over and eligible expenses have been paid for the previous plan year.

Credits are tracked on a "first in, first out" basis to minimize the risk of forfeiting credits. That means credits carried forward from a previous plan year are used to reimburse expenses before the current year's credits are used. Credits are also carried forward in the account in which they have been allocated and cannot be transferred to another account. For example, \$100 left in your WSA will carry forward as WSA credits to the next plan year.

Expenses are only valid in the plan year in which they were incurred and cannot be carried forward if there are insufficient credits available to pay for them in full.



Special Circumstances

TERMINATION OF EMPLOYMENT, END OF CONTRACT OR RETIREMENT

If your employment is terminated by resignation or dismissal, you retire or your contractual arrangement comes to an end, your HSA/WSA will end on the date of termination or retirement or on the end date of your contract. You have a run-off period of 60 days from your termination date to submit expenses incurred in the plan year up to the date of termination/retirement. After your expenses are paid, any unused credits will be forfeited.

UNPAID LEAVE OF ABSENCE OF 30 DAYS OR MORE

While on your leave, your HSA/WSA are still active and available for you to use for the remainder of the current plan year. Most employers will not deposit any new credits into your HSA/WSA during your leave.

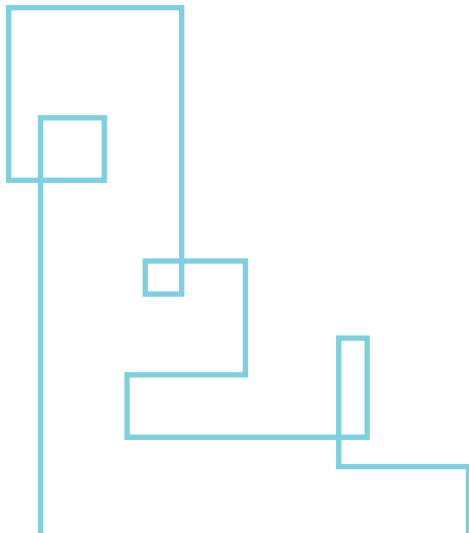
If you receive HSA/WSA credits during your leave, then your HSA/WSA operate the same as when you are actively at work. If in doubt, check with your employer or employee group representative.

If you are still on leave at the end of the plan year (August 31), your accounts will terminate and enter a 60-day run-off period during which time eligible expenses incurred in that plan year can still be submitted. Following the end of the run-off period, your accounts will remain closed until you return to work. Expenses submitted after the run-off period will not be reimbursed. Your credits will still be subject to carry-forward and forfeiture rules.

IN THE EVENT OF YOUR DEATH

Your HSA/WSA terminate on the date of your death. No further credits will be allocated after that date.

Your dependants or beneficiaries will have a run-off period of 60 days to submit expenses incurred up to the date of death. After that time, any unused credits will be forfeited. Special handling is required in this circumstance, please contact an ASEBP Benefit Specialist for more information.



submitting expenses

Eligible Expenses

For expenses to be eligible, they must meet appropriate guidelines (HSA expenses must meet CRA interpretation of eligible medical tax credits and WSA expenses must fit specified categories), and they must be incurred during the plan year. More information about eligible expenses can be found on pages eight to 11.

Service Date

An expense is considered to be incurred on the date the service or supply was provided.

If submitting an expense for a service (e.g. acupuncture), the service date refers to the date that the service was provided and the receipt should reflect this date.

If submitting an expense for an item (e.g. eyeglasses), the service date refers to the date you are first in possession of the item and the receipt should reflect this date.

Expenses submitted are only eligible if the service date falls within the start and end dates of the plan year.

Expense Submission

Expenses are submitted online via your My ASEBP account, www.asebp.ab.ca/myasebp. You can also submit your receipts online, if required. ASEBP will accept photos or scans of receipts for submitted HSA/WSA expenses as long as the date of purchase,

details of the item purchased, amount paid and details about who sold the item are visible.

Expenses can be submitted any time during the plan year but must be submitted by the end of the run-off period.

Once the run-off period has expired, expense submissions for that plan year will no longer be accepted.

Getting Paid

Package 1

- Eligible expenses will be processed for payment every two business days. Under normal circumstances, you can expect payment within a week of expense submission.
- A number of factors contribute to the length of time between submission and payment of expenses, including: expense verification, receipts (when requested), availability of credits, timing of roll-over of credits, accuracy of banking information and the electronic fund transfer policies of your bank or credit union.

Package 2

- Eligible expenses will be reimbursed to the maximum of your available credits within 30 days of the semi-annual deadline (February 28/29 and October 30).

At the end of the plan year, you will be reimbursed for all eligible expenses submitted up to the balance of remaining credits in your account.

Expenses submitted during the 60-day run-off period following the end of the plan year will be reimbursed to a maximum of your remaining credits, provided the expenses were incurred during the plan year.

If you submit eligible expenses that exceed the total amount of credits available in your HSA or WSA, ASEBP will issue a partial payment up to the amount of credits available. Any unpaid portion of the expense will carry forward to the next payment cycle.

a note about retaining receipts

ASEBP may randomly review expense submissions, both before and after payment has been made. By agreeing to the declarations when submitting expenses online, you agree to provide ASEBP, upon request, the receipts and/or Explanation of Benefits statements which support your expenses. It is recommended that all receipts and Explanation of Benefits statements be retained for at least seven years.

If the expense amount exceeds the amount of credits remaining at the end of the plan year, the remaining expense amount will not be paid. **Unpaid expenses do not carry forward to subsequent plan years.**

Expense reimbursements are deposited directly into your bank account. Cheques are not issued. To ensure we have your current banking information, log in to your My ASEBP account and visit the Manage Banking Details page in the Profile section.

Maximizing Your HSA Reimbursement

You can maximize your reimbursement of health-related expenses by taking full advantage of your benefit plan and HSA with these steps:

1. CHECK YOUR BENEFIT PLAN

The CRA requires that you exhaust benefit coverage first. If you have an expense that is covered as part of your Extended Health Care, Dental or Vision Care benefits, submit the expense to your benefits first.

If the expense is incurred by a dependant that has their own coverage (e.g. spouse), then that dependant must submit to his or her employer's plan before submitting any remaining expense to ASEBP.

2. CHECK YOUR OTHER COVERAGE

If you are covered as a dependant or spouse with another benefits plan, you may qualify to submit your expense as a claim under that plan as well. Doing this is referred to as coordination of benefits. You can read more about this on our website at https://www.asebp.ca/member_resources/cob_overview.html.

3. SUBMIT THE EXPENSE TO YOUR HSA

For health-related expenses, once you have coordinated all of your benefit options to pay your expense and have verified that you have a valid HSA expense, submit any outstanding balance to your HSA via your My ASEBP account.

The easiest method to submit expenses to your HSA/WSA is through your Claims History on My ASEBP. If you have out-of-pocket costs for services covered by your Extended Health Care, Dental or Vision benefits,

the Claims History page will allow you to transfer the unpaid amount to your HSA. If needed, you can edit the amount claimed to your HSA if the claim was partially paid by another plan.

It is your responsibility to submit only expenses that are eligible and for the amount your coverage, or your dependants' coverage, did not cover.

EXAMPLE OF HOW TO MAXIMIZE YOUR HSA REIMBURSEMENT

Your daughter requires orthodontic services which will cost \$4,000. You have Dental Plan 3 with ASEBP, an HSA with a balance of \$800 and are also covered by your spouse's dental coverage. Here's how you can maximize your reimbursement amount.

	Plan	Submitted	Paid	Remaining
Step 1	Your ASEBP coverage	\$4,000	\$2,400	\$1,600
Step 2	Spouse's coverage	\$1,600	\$1,000	\$600
Step 3	Your HSA	\$600	\$600	\$0

Your HSA will have \$200 in remaining credits.

Monitoring Your Balances

You can track the current balance and activity (i.e. employer credits, expenses and payments) of your HSA/WSAs by accessing your My ASEBP account, www.asebp.ab.ca/myasebp.

Up-to-date activity is available online to view/print at any time via the HSA and WSA tabs. Approximately 90 days after the end of the plan year, an annual statement will be available online, summarizing activity for the entire plan year, including any applicable credit forfeitures or credit carry forward information.

If you need assistance with understanding the number of credits that are in your HSA/WSAs, or if you feel that some credits are missing, please contact your employer.

Contact an ASEBP Benefit Specialist with questions about payments or submitting expenses.

claiming summary

	GENERAL HEALTH BENEFITS (Extended Health Care (EHC), Dental Care and Vision Care)	HEALTH SPENDING ACCOUNT	WELLNESS SPENDING ACCOUNT
DEPENDANT DEFINITION	Spouse: married or in an Alberta Interdependent Partnership Child: under the age of 21 Student: age 21 to 25, and registered in full-time studies See the online <i>General Plan Provisions</i> guide for the exact definition.	Follows the CRA definition (for example, includes dependant parents if claimed on your taxes)	Follows the CRA definition (for example, includes dependant parents if claimed on your taxes)
BENEFIT YEAR	Maximums follow either calendar year (Jan. to Dec.) or rolling number of months from date of purchase or service	September 1 to August 31	September 1 to August 31
CLAIMING ORDER	If eligible, claim to the general health benefits first	If eligible, claim to the HSA plan(s) after all general health benefits	Claim directly for fitness and sports activity and equipment, transportation and professional development expenses
DEADLINES TO SUBMIT CLAIM OR EXPENSE TO ASEBP	18 months from date of purchase or service	Expenses incurred during the plan year must be received by ASEBP by the 60 th day after the plan year ends (October 30) or termination	Expenses incurred during plan year must be received by ASEBP by the 60 th day after the plan year ends (October 30) or termination
REIMBURSEMENT TIMELINE	five to seven days after claim is received	Package 1 , eligible expenses will be processed for payment every two business days. Under normal circumstances, you can expect payment within a week of expense submission Package 2 , please refer to My ASEBP for payment schedules and deadlines	Package 1 , eligible expenses will be processed for payment every two business days. Under normal circumstances, you can expect payment within a week of expense submission Package 2 , please refer to My ASEBP for payment schedules and deadlines
HOW TO CLAIM	EHC and Vision Care claims online via My ASEBP. EHC, Dental and Vision by original paper claim form and original receipt mailed	Online via My ASEBP Keep copies of receipts in case ASEBP or the CRA request them.	Online via My ASEBP Keep copies of receipts in case ASEBP or the CRA request them.
TAXATION	Non-taxable	Non-taxable	Taxable; T4A will be provided by February 28 every year

eligible expenses

Health Spending Account

Expenses may qualify for the HSA if they are considered eligible as an individual medical expense tax credit under the *Income Tax Act (Canada)* 118.2(1). ASEBP is not in a position to confirm what expenses are allowable under the Act; however, the Canada Revenue Agency provides a list of eligible medical expenses based on their interpretation of the Act on their website, <http://www.cra-arc.gc.ca/medical/>.

If a medical expense qualifies as an eligible claim through your ASEBP group health, dental or vision care plan, then it is eligible under your HSA. The majority of medical expenses that qualify for an HSA fall under this category.

ASEBP may request additional information for submitted expenses and will reject claims for expenses that are non-health related. If your claim is unique in nature and you are unsure whether it is eligible, we advise you to contact a tax advisor.

Wellness Spending Account

The WSA provides further coverage and reimburses you for wellness-related expenses that are not covered under your general health benefits or your HSA. It is an innovative means to support aspects of your well-being and provides a broad range of opportunities to maintain and enhance your and your family's wellness. Since reimbursed expenses are taxable, a T4A will be sent to you by February 28 for use with your personal tax filing.

WSA EXPENSE CATEGORIES

Health Support, Fitness and Sports Activities and Equipment

This category is intended to cover expenses that support the overall well-being and physical health of you and your family. Types of covered expenses include:

- Monthly or annual fitness centre fees, sports league/facility fees (such as the YMCA, Spa Lady, etc.)
- Instructed classes at a fitness facility (such as aerobics classes, yoga, Tai Chi, etc.), drop-in fees or passes
- Certified instruction for a physical activity in excess of facility fees (such as personal trainer, Canskate Program for Adults, etc.)
- Home exercise fitness equipment (such as treadmills, stationary bikes, weights, etc.)
- Wellness-related programs such as weight and nutrition counselling programs (such as plan purchase, membership fees, etc.), and smoking cessation programs (such as fees for seminars, support programs, etc.)
- Alternative healing therapies not covered by your HSA (such as stress management programs, hydrotherapy, etc.)
- Sports equipment that is required for a physical activity (skis, helmets, hockey equipment, etc.)

Exclusions: clothing, strictly recreational activities (such as bridge or poker clubs/leagues), food, weight loss or meal replacement supplements, and products or services deemed non-taxable by the CRA. Contact the CRA for more information on taxable expenses.

Family Care

This category is intended to assist you with additional obligations regarding expenses for your dependants. Types of covered expenses include:

Child care fees for services provided by someone other than a direct family member, such as:

- Day/home care
- Nannies
- After-school care programs, excluding additional costs related to activities such as sport clubs, field trips, etc.

Home and eldercare medical and/or non-medical expenses related to the care of a dependant child, spouse or parent. Expenses include:

- Medical products/supplies: drugs/supplements, walkers, medical beds, etc.
- Non-medical products: lifts, home installed supportive aids, air filtration products, guide dogs, care giver guides, etc.
- Eldercare counselling
- Homecare assistance
- Transportation
- Caregiver support programs
- Respite/holiday and/or weekend care
- Retirement/nursing homes
- Day programs
- Long-term care facilities
- Rehabilitation centre
- Nursing care
- Emergency care

Exclusions: lessons or activities not related to childcare (e.g., piano lessons) and products or services deemed non-taxable by the CRA. Contact the CRA for more information on taxable expenses.

Transportation

This category is intended to cover expenses associated with commuting to work.

Types of covered expenses include:

- Transit passes
- Monthly parking fees

Professional Development, Professional Development Travel and Computer Products

This category is intended to financially assist you pursuing professional development through continuing education. This category can also be used to reimburse you for your eligible dependant's expenses. Types of expenses covered include:

- Courses, seminars, conferences or classes provided by an accredited educational institution and related to professional development
- Books or texts required for a course, seminar, conference or class
- Professional journals and subscriptions directly related to the enhancement of skills, job competencies, etc.
- Professional fees or registrations and/or voluntary association fees related to the member's discipline
- Course travel
- Computers, hardware, repairs, maintenance and upgrades
- Business-related software, internet services, etc.

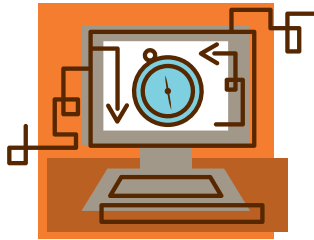
Exclusions: any classroom or correspondence course provided by a non-accredited institution, supplies (paper, toner/cartridge, etc.) and recreational/non-work items (camera, computer games, etc.)

HEALTH SPENDING ACCOUNT (NON-TAXABLE BENEFIT)	WELLNESS SPENDING ACCOUNT (TAXABLE BENEFIT)	
	HEALTH SUPPORT	FITNESS AND SPORTS ACTIVITY
<p>Medical expenses covered by the EHC, Dental and Vision Care Plans (must be an eligible medical tax credit)</p> <p>Example:</p> <ul style="list-style-type: none"> • Employee paid EHC, Dental and Vision Care premiums • Air conditioner (with prescription) • Bathroom aids (with prescription) • Cochlear implants • Elevators or lifts (prescription required) • Heart monitor (prescription required) 	<p>Products and services that improve health and well-being</p> <p>Example:</p> <ul style="list-style-type: none"> • Smoking cessation programs and products • Stress management programs • Weight management program fees • Nutritional counselling • Alternative health treatments/therapists • Natural health products 	<p>Participation in physical activity that promotes good health</p> <p>Example:</p> <ul style="list-style-type: none"> • Fitness club memberships • Physical activity fees (e.g. gym drop-in fees, lift tickets) • Sports league/team memberships • Community league memberships • Instruction for physical activities/lessons (e.g. personal trainer, yoga classes) • Dance classes (e.g. salsa, ballroom) • Race fees (e.g. marathon)
<p>The above is just a small sample of eligible services. Visit the CRA's website for a complete listing of eligible expenses: http://www.cra-arc.gc.ca/medical/.</p>	<p>Excludes food, weight-loss or meal-replacement supplements and products or services deemed non-taxable by the CRA. Contact the CRA for more information on taxable expenses.</p>	

WELLNESS SPENDING ACCOUNT

(TAXABLE BENEFIT)

FITNESS/SPORTS EQUIPMENT	FAMILY CARE	TRANSPORTATION	PROFESSIONAL DEVELOPMENT AND RELATED TRAVEL & COMPUTER PRODUCTS
<p>Purchase of fitness and sports equipment that promotes good health</p> <p>Example:</p> <ul style="list-style-type: none"> • Fitness equipment (e.g. treadmill, elliptical, weights) • Athletic footwear • Sports equipment (e.g. hockey sticks, skates and pads, bicycle helmet) 	<p>Attendant care and facility costs</p> <p>Example:</p> <ul style="list-style-type: none"> • Child care • Home care • Elder care assistance 	<p>Costs associated with commuting to work</p> <p>Example:</p> <ul style="list-style-type: none"> • Transit passes • Monthly parking fees 	<p>Costs associated with career development</p> <p>Example:</p> <ul style="list-style-type: none"> • Tuition, books, study manuals, leaders in care • Course, seminars, conferences, classes • Professional and voluntary association and licensing fees • Course travel costs • Computers, hardware, repairs, maintenance and upgrades • Business-related software, internet services, etc.
Excludes clothing	Excludes products or services deemed non-taxable by the CRA. Contact the CRA for more information on taxable expenses.		Excludes classroom, online or correspondence courses provided by a non-accredited institution, supplies (paper, toner/cartridge, etc.) and recreational/non-work items (camera, computer games, etc.).



online HSA/WSA services

Log in to your My ASEBP account or download the ASEBP Mobile app to access account features such as:

- Expense submission
- Expense eligibility and payment information
- Credit deposit and balance monitoring
- Annual statements
- View/print activity
- Confirm/update banking information

Haven't Registered Yet?

Simply visit www.asebp.ab.ca/myasebp and:

1. Click **Register** on the right side of the screen.
2. Enter your **ASEBP ID number, date of birth and section code**. Your ASEBP ID and section code can be found on your ASEBP benefits card.
3. Read the Terms and Conditions of Registration and click **I Understand**.
4. Enter your personal email address, create a password and select security questions. Then click **Create Profile**.
5. You will receive a confirmation email asking you to confirm your registration. Click on the link in this email to complete your registration.

Contact ASEBP

Website: www.asebp.ca

Email: benefits@asebp.ca

Phone: 780-438-4545

Toll free: 1-877-431-4786

October 2016

