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Education Trust

P/VP
AUGUST 2018

Insights:
Maximizing your HCSA

Learn how to get the most from your healthcare spending account

Your P/VP benefits plan includes a healthcare spending account (HCSA) to give you some extra flexibility in how you manage your healthcare claims and costs.

An HCSA is essentially extra money you can use to supplement your benefits coverage. Each eligible P/VP plan member has a $500 HCSA contribution for the initial benefit year (April 1 to August 31, 2018). You'll receive another $500 HCSA contribution when the new benefit year starts on September 1, 2018. Future HCSA contributions will be assessed and determined on an annual basis, based on the status of the plan at that time.

The HCSA is flexible, tax-effective and covers a wide range of expenses – and there's no cost to you! It's just another advantage of being a P/VP plan member.

How it works

You can use the funds in your HCSA toward any eligible health or dental expense under Canada's *Income Tax Act*. For example, you can get an extra pair of glasses. Or, if you fill your prescription at a pharmacy that charges a higher dispensing fee than the $12 plan limit, you can get the difference reimbursed through your HCSA. As long as it's an eligible expense, how you spend your HCSA money is up to you!

You can make a claim to your HCSA for yourself, your spouse and/or any eligible dependents (as long as they're listed on your income tax return). And the money in your HCSA is pre-tax, so it goes a lot further.

If you don't use your full HCSA balance in a given benefit year, you can carry forward the unused portion to the next benefit year. However, you must use the carry-forward amount by the end of Year 2. Otherwise, according to Canadian tax rules, the carry-forward amount will be forfeited. Any HCSA claims submitted in Year 2 will automatically be applied first to any carry-forward balance from the prior year, and then to the new allocation.

HERE'S AN EXAMPLE....

1. Lilian is a P/VP plan member. On April 1, 2018 (the plan start date), she received a $500 HCSA contribution.
2. Lilian gets a massage, which costs $100. Having already maxed out her coverage for massage therapy under the P/VP plan, she makes the claim to her HCSA instead.
3. Lilian doesn't make any further HCSA claims during this benefit year. As of August 31, 2018, she has a balance of $400 in her HCSA. She can carry forward that $400 into the next benefit year (which runs from September 1, 2018 to August 31, 2019).
4. When the new benefit year starts on September 1, 2018, Lilian gets another $500 contribution to her HCSA. Now, she has a total of $900 in her HCSA account.
5. If Lilian doesn't use the $400 carry-forward amount in the 2018/2019 benefit year (i.e., by August 31, 2019), she will lose that amount.

Lilian

Coordination of benefits

If you are also covered under another plan (e.g., a spouse's plan), your HCSA can help you coordinate benefits and maximize your coverage. If you have an eligible health or dental claim that exceeds the P/VP plan limits, you can:

1. Submit the claim to your plan for reimbursement;
2. Submit the claim to your spouse's plan for reimbursement; and then
3. Submit any remaining amount to your HCSA.

Questions?

To learn more about your HCSA or to make a claim, visit Great-West Life's GroupNet for Plan Members, **https://groupnet.greatwestlife.com**, or call 1-866-800-8086.