

Health Care Spending Account (HCSA) Applicable to Retired Fire Fighters Post 65

Terms of the HCSA

Canada Customs & Revenue Agency rules – for the HCSA to be a non-taxable benefit its definition of eligible expenses must fall within the guidelines of the Canadian Income Tax Act - Section 118.2(2) and Regulation 5700.

HCSA commences on the first of the month after a retired Fire fighter reaches age 65. Coverage in the year of entry into the plan will be prorated.

HCSA applies to the retired Fire fighter and the Fire fighter's spouse only (and unmarried dependent child up to age 21). There is no coverage for invalid dependent children.

HCSA provides reimbursement for ten (10) years until the retired Fire fighter reaches age 75. Coverage in the year of termination of plan will be prorated.

HCSA will run on a calendar year basis from January 1 to December 31. You have ninety (90) days after December 31 to submit expenses you incurred during the year using any remaining deposits from the year. Claims submitted after the deadline (March 31) will not be honoured. Pharmacists and dentists cannot submit claims electronically. No Drug Card.

If the member dies, the member's surviving spouse will be able to access the health care spending account until the earlier of the date upon which the retired Fire fighter would have reached age 75 or the surviving spouse remarries.

Retirees are entitled to \$3,000 per year during the ten (10) year coverage period regardless of family status.

Retirees must be resident of Canada and provincial plan coverage must still be valid.

Questions & Answers

What is a Health Care Spending Account (HCSA)?

A HCSA is an account from which eligible retired Fire Fighters can obtain reimbursement for eligible medical/dental expense through the City of Toronto's benefits carrier, Manulife Financial. It is considered a non-taxable benefit under the Income Tax Act. The HCSA coverage is \$3,000 per family per benefit year for 10 years from age 65 (up to age 75).

What are some examples of covered items that I could submit under the HCSA?

- Any eligible drug cost (i.e., amount over and above the provincial Ontario Drug Benefit Plan)
- Medical expenses not traditionally paid under health and dental plans which must be listed in Section 118.2 of the Income Tax Act. The list of expenses which are eligible/not eligible for consideration under Health Care Spending Accounts according

to the Income Tax Act can be found in the Canada Customs and Revenue Agency website:

- <http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/Ins300-350/330/llwxpns-eng.html#acoustic>
- Examples of eligible expenses are premiums for Insurance benefits (covered for individual or group health, dental, individual travel), Out of Canada expenses, paramedical practitioner expenses for licensed/registered practitioners etc.

****When in doubt regarding what is eligible for payment through your HCSA, please contact Manulife Financial at 1-800-815-8333.***

How does my HCSA work?

1. The HCSA would begin on the first of the month after the retiree reaches age 65. Coverage in the year of entry into the plan will be prorated. Coverage in the year of termination of plan will be prorated, as well.
2. For 2013, \$1,500 (i.e. prorated amount of \$3,000) will be placed into each eligible post 65 retiree's HCSA **effective July 19, 2013**. In January 2014 and each subsequent year, the applicable amount will be placed into the HCSA on January 1st.
3. When submitting an Extended Health Care or Dental claim to Manulife Financial, you will use the revised Health claim form.
 - Always include the contract number 85944 (i.e. this is also the current contract number)
 - If you have coverage under a second health or dental plan (i.e., through coordination of benefits), you should submit the claim there after using your HCSA.
 - Along with your payment from Manulife Financial, Manulife will send you an Explanation of Benefit (EOB) statement that shows how much money you have left in your HCSA.
4. Pharmacists and dentists cannot submit claims electronically.

What happens if I don't use all my HCSA money in the year?

If you don't use all your HCSA in the year, this money will be forfeited. Under the HCSA, you will have 90 days after December 31 to submit expenses incurred during the year using any remaining deposits from the year. Claims submitted after the deadline of March 31st will be automatically declined.

Will my surviving spouse continue to have HCSA?

In the event of the retiree's death, the HCSA will continue for the surviving spouse/eligible dependent child up to age 21, until the earlier of when the retiree would have reached the age of 75 or the surviving spouse remarries.