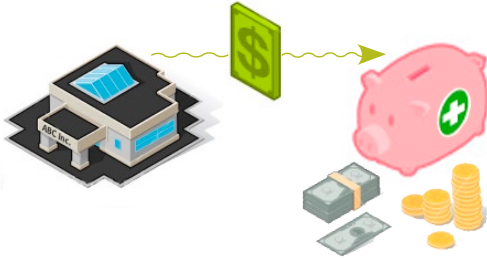


For most people, the enVia Benefits Program represents a new way of covering your Health & Dental Expenses. Please review the following key points to learn how this program is different from a traditional group insurance plan. We're happy to answer any additional questions you may have - please contact us as indicated below if you need more information!

## A How the enVia Health Spending Account (eHSA) works:

1 First, the Employer (or you, if self-employed or owner) determines an annual contribution amount per employee ranging from \$1,000 to \$50,000 or more.

2 Next, monthly employer contributions are deposited to individual employee accounts.



Date	Transaction Description	Amount		eHSA Balance
		Debit	Credit	
Jan 1	Initial Employer Contribution		\$125.00	\$125.00
Jan 6	Prescription Drug Claim	\$75.00		\$50.00
Feb 1	Monthly Employer Contribution		\$125.00	\$175.00
Feb 15	Massage Therapy Claim	\$60.00		\$115.00
Mar 1	Monthly Employer Contribution		\$125.00	\$240.00
Mar 12	Eyeglasses Claim	\$300.00		-\$60.00
Apr 1	Monthly Employer Contribution		\$125.00	\$65.00

3 Employee uses funds in eHSA to pay for health & dental expenses. Current balance can be checked online 24/7.



4 Pay-direct Card used to pay for expenses where possible, otherwise employee submits paper receipt for reimbursement.

5 Reimbursement is 100% with no deductible or co-pay. If current balance is less than submitted claim, reimbursement will be made once monthly contributions allow.

## B What is Catastrophic Insurance & how does it work?

Your eHSA automatically includes \$25,000 per year (\$1 million lifetime) of Catastrophic Insurance to provide an additional "umbrella of protection" in the event of a sudden serious illness or disease.

### When would I use it?

Think of the eHSA as covering your "everyday" or even elective health & dental expenses, and for most people it will be all you ever use. But, if through illness or injury, you suddenly had expenses for expensive prescription drugs or home nursing, for example, then you could use your Catastrophic Insurance to cover the cost.

### What does it cover?

Catastrophic Insurance covers Drug, Hospital or Private Duty Nursing (out-of-Hospital) expenses **only**. It does not cover any dental expenses or elective medical expenses.

### Are there any limitations?

Yes, there are two limitations or conditions you should be aware of:

First, Catastrophic Insurance only "kicks in" once your claims for Drug, Hospital or Private Duty Nursing have exceeded a deductible of \$2,500 per person per policy year.

Secondly, while no health evidence is required, **there is a 24 month waiting period for pre-existing medications or conditions.**

**Note:** these limitations apply **only** to the Catastrophic Insurance. **There is no deductible or waiting period for your eHSA claims.**



## C What happens to unused eHSA contributions at year end?

Unused contributions from the first plan year are not lost – they carry forward to the second plan year, and if not used by the end of that plan year are forfeited back to the employer.

The one exception to this is for Sole Proprietors, who Revenue Canada rules are not eligible to receive the forfeiture of unused eHSA funds at the end of each second plan year. Instead, Sole Proprietors are limited by the Income Tax Act to deduct \$1,500 for themselves, \$1,500 for their spouse and \$750 / child from their business income as qualifying medical insurance premiums.



Accordingly, **Sole Proprietors with high medical or dental expenses should seriously consider the financial advantages of incorporation**, as there is no limit placed on contributions to a private health services plan. Fortunately, the **enVia Benefits Program offers access to discounted Incorporation Services** should you have need.

## D What if I already have benefit coverage through my spouse?

This is quite common, and the eHSA actually works to your advantage when combined with any other group or individual coverage, because **you decide whether you wish claims to be claimed first against your eHSA, or any other insured benefits** that you are also covered by, such as a spouse's program.

This flexibility is very useful, since **you can claim from your eHSA any co-insurance amounts or deductibles** that you must pay out-of-pocket on the spouse's program.

**You should also look closely at enVia's Optional Benefits**, which may offer additional coverage that's not available in your spouse's program.

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