

# Health Spending Accounts



## How a Health Spending Account works for an Employer and an Employee

- The company makes a contribution on behalf of an employee(s) into a Health Spending Account to be used on medical expenses incurred
- It is a non-taxable benefit for the employee and a 100% business deduction for the company
- Contributions are determined at the start of the program for each employee enrolled. The contribution amount, once set at the start, cannot be changed within the first twelve months
- Changes can only be made at the anniversary date or if a life event has occurred (A Life Event is defined as a marriage, birth or death in the family)

### Convert medical costs into tax savings

- ✓ Deduct deposits as a business expense
- ✓ Control the costs of your benefits with defined deposits
- ✓ Pay for healthcare expenditures with pre-tax dollars, allowing for significant savings
- ✓ Greater flexibility in spending from a broader list of eligible medical expenses
- ✓ Dependents not restricted by age

Times have changed –  
so should your  
Health Benefits plan!