

Health Spending Accounts (HSA)

A **Health Spending Account can be added to any existing group program for designated employees.** The **Health Spending Account™ (HSA)** enables the employer to establish an additional “**health & dental bank account**” for items not covered, or not fully covered, by the traditional group or expatriate benefits plan. For example, if a \$2,000 HSA is established for an individual he/she can spend it on Orthodontia for a child; a Dental implant for himself/herself; or any other eligible medical or dental expense permitted under the Income Tax Act.

If in the first plan year only \$1,500 is spent the remaining \$500 carries forward to the next plan year, and is added to the new employer contributions. If the \$500 is not used during the second year it is forfeited back to the contributing employer in year three. The employee may also enter into a “compensation arrangement” with the employer to have additional pre-tax earnings contributed to the HSA. It has far greater flexibility than the traditional group plan. Best of all the employer costs do not increase if the HSA is used.

Partial List of Eligible Medical & Dental Expenses that may be claimed from the HSA:

Acupuncture	Dental Implants	Naturopathic Products**
Artificial Limbs.	Dental Whitening	Optometrist
Athletic Therapy*	Dentures	Orthopaedic Shoes
Birth Control Pills**	Orthodontics	Oxygen & Equipment
Botox Treatments*	Dermatologist Fees	Optician
Chiropractor	Fertility Treatments	Registered Masseur
Chiroprapist	Hair Replacement	Psychologist
Contact Lenses**	Laser Eye Surgery	Physiotherapist
Contraceptive Devices**	Laser Hair Removal*	Podiatrist
Cosmetic Surgery	Vitamins**	Prescription Drugs
Crowns & Bridgework	Therapy Equipment	Psychotherapy*
X-rays	Wheelchairs	Psychiatrist
Vein Removal	Viagara, Cielias, Levitra	& more per Section 118.2 (2) of Income Tax Act

*Must be performed by a licensed medical practitioner** Must be prescribed by a licensed medical practitioner and dispensed by a licensed pharmacist or licensed medical practitioner as part of their medical services.
E&O Excepted –Maclagan Inc. – November 2007

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