



HEALTH SPENDING ACCOUNT (HSA) Management FREQUENTLY Asked QUESTIONS

The following information is intended to answer some common questions you may have about your non-taxable Health Spending Account (HSA).

What is a Health Spending Account (HSA)?

The HSA is an individual employee account which is funded by Mount Royal University. The major attraction of a spending account is that you can direct your allocated dollars, tax free to reimburse for health and dental expenses not covered by any other health care plan(s).

Eligibility

Who is eligible for a HSA?

Management

HSA commenced July 1, 2006

Employees need to be eligible for the Mount Royal University benefit Plan (working 25 hours or more per week), but do not need to be participating in our Extended Health Care or Dental plans.

When am I eligible for the HSA?

New employees will receive \$800 HSA credit dollars at the same time they are eligible for Extended Health and Dental coverage. This amount may be prorated.

Who can I cover through my HSA?

You may cover expenses for yourself, your spouse, your children and any other dependants. Under the HSA plan only, eligible dependents are expanded to include a “dependent” of the individual for a particular taxation year if the following conditions are met:

- a) The person must be the child, grandchild, parent, grandparent, brother, sister, uncle, aunt, niece or nephew of the individual or of the individual’s spouse
- b) The person must be dependent on the individual for support at some time in the year; and,
- c) The person must be a resident of Canada at some time in the year. This residence requirement does not apply if the person is the child or grandchild of the individual or of the individual’s spouse

What happens to my HSA if I terminate my employment or transfer to an employee category within Mount Royal University that does not have HSA as a benefit?

If you terminate your employment or transfer to another employee category within Mount Royal University that does not have HSA, you lose your credits upon termination or transfer.

All claims with a date of service prior to your termination date can be submitted for payment within 90 days of the date of termination of insurance.

How does HSA work?

Our HSA plan year is based on a calendar year. At the beginning of our HSA plan year, January 1st, eligible employees will be allotted \$800 (until further notice) in HSA credit dollars. If starting Benefits after July 1st your HSA dollars will be prorated to \$400. The credit dollars can be used to reimburse employees for the purchase of any eligible health care expenses that may not be covered or are limited under either you or your spouse/partner's employee group benefit plan (core plan).

HSA credit dollars must be used within a 24 month period, starting January 1st and ending December 31st, 24 months later. That is, a maximum amount of \$800 may be carried forward from one January 1st to December 31st period each year, for a total maximum amount of \$1,600 in any 24 month period. Beyond the 24 months, any unspent HSA dollars will be forfeited. Any eligible expenses cannot be carried forward into the new HSA plan year.

There is a 90 day grace period from January 1st – March 28th of each year in which any claims incurred on or prior to December 31st of that plan year can be submitted for reimbursement.

Expenses

What types of medical-related expenses are eligible through my HSA?

Your HSA may be used only for eligible medical and dental expenses incurred during the plan year on your behalf or on behalf of an eligible family member.

Examples of commonly used HSA expenses include:

- Eye exams
- Eye glasses or contacts (prescribed)
- Laser eye surgery (performed by a medical practitioner)
- If you are on MRU's Extended Health and Dental plans you can make a claim for your portion of the premiums that were deducted from your Pay. It is an easy on line claim. Under the Health Spending Account Claim e-claim scroll down to the bottom section and select Health and Dental Premiums. Claim one line for each month (combining Health and Dental Premiums) ie January 15, February 15, etc.
- Amounts in excess of limits under your Extended Health and Dental plans

For a more comprehensive HSA expense list, refer to “[Health Spending Account Eligible Expenses](#)”, under MyMRU website: Employee Resources/Benefits & Deductions/Health and Dental Coverage Plans/Benefits/scroll to your employee category.

This list is an example of medical and dental expenses that would be eligible for deductions under the Income Tax Act as issued by Canada Customs & Revenue Agency.

Are there certain types of expenses that would not be covered under my HSA?

Yes. Any expenses not recognized as eligible as a deduction under the Income Tax Act are not accepted. Some examples are drugs purchased without a prescription from a doctor or dentist, fitness club membership, golf memberships and daycare.

Will I be taxed on my HSA payments?

No. The HSA is not a taxable benefit because the eligible expenses adhere to CRA’s guidelines.

How long do I have to use my credits?

Any credits remaining in your account at the end of the plan year (December 31st) may be carried forward for one more plan year. **Due to income tax rules, any credits remaining in your account after 2 plan years are forfeited.**

Claims

When should I submit HSA claims for reimbursement?

You are required to submit your receipts for any expenses within 90 days of the end of the plan’s year, which means that you must have your eligible claims received at Sun Life by **March 28th each year**. *We strongly recommend sending in receipts immediately after you incur the expense.* It is important to be aware that you can only carry over credits for one year, after that the unused credits are forfeited. Therefore, expenses should be submitted immediately to avoid forfeiture of credits.

Are the claim forms available on-line?

Yes, HSA Extended Health Care and HSA Dental claim forms are available from MyMRU/ Employee Resources/Benefits & Deductions/Health and Dental Plan Coverage Plans/Benefits/scroll to your employee category.

Claim forms are also available at the Department of Human Resources, room D101.

The same claim forms are used when claiming under your core plan and/or claiming under HSA.

How do I claim for my HSA expenses? (If you coordinate benefits with another plan, see the next question).

Before submitting any claims to your HSA, make sure all other plans have paid their share of any eligible expenses. If the Sun Life plan is the only coverage, complete a Sun Life HSA Extended Health or Dental claim form, complete with a check mark in the HSA option box, attach the paid original receipt(s) for the expense(s), mail to Sun Life. On-line claim submission is also available through Sun Life.

How do I claim for my expenses if I have coordination of benefits?

HSA are designed to complement your core benefit plan, and therefore require that you access all other benefit plans before submitting expenses to them for payment. Once your claims have been processed by both plans, you attach your Explanation of Benefits statement from Sun Life or the other insurance company and submit them with a HSA claims form.

If my health or dental claim isn't 100% covered, will you automatically pay the rest from my HSA?

Sun Life can only pay a claim from your HSA if you authorize it by checking the appropriate box and signing the claim form. If you don't check this box, Sun Life can't automatically use your HSA.

Can my pharmacist or dentist submit my HSA claim electronically?

No. Pharmacists and dentists (or any healthcare providers) do not have the authority to access your HSA.

Do I have a claiming deadline?

You have **90 days** from the end of the HSA plan year (**December 31st**) to submit HSA claims for expenses incurred during that plan year (January to December).

You should always submit your claims as soon as possible during the same HSA plan year in which you paid the expense.

I have sent in my original receipts for payment through my standard core benefit plan. Are photocopies of receipts acceptable?

Photocopies of receipts are not acceptable; only original receipts will be considered eligible for reimbursement. If you have coverage through another benefit carrier then the original receipts have likely been sent in and kept by that carrier. Sun Life then requires the Explanation of Benefits Statement that you received from the other carrier and a copy of the receipts.

When I have an expense i.e. vision care, which I know is not covered through my core benefit plan(s), why do I still need to send these expenses to insurance companies for a rejection letter?

Your HSA requires that all other core benefit plans be accessed prior to forwarding them to your HSA. Through this process, an Explanation of Benefits (EOB) statement declining the claim is produced. This ensures that all efforts have been taken to pay the expense through the core plan

What if the receipt does not have my name on it? Will Sun Life accept it as proof of payment?

Cash register receipts without your full name on them are not acceptable. Sun Life is required to verify you are the recipient of the service or product.

How do I know how much money is left in my HSA?

1. When you get your claim cheque and Explanation of Benefits (EOB), the EOB will show the balance in your HSA.
2. You may call Sun Life Customer Service to check the balance of your account at **1.800.361.6212** toll free.
3. You can also check your account through the Sun Life member secure site (if you have registered) at www.mysunlife.ca.

Customer Service

Who do I call if I have questions or inquiries?

Sun Life can answer your HSA questions including ones specifically related to your account such as:

- How many credits do I have in my account?
- Is a certain expense covered?
- Why wasn't an expense I submitted paid?

You can contact Sun Life Customer Service at: **1.800.361.6212** toll free.

You will require Plan #100602 for Extended Health, Dental and HSA, as well as your Member No. (employee ID # available on your CampusCard).

If you require assistance related to your Health or Dental coverage, please contact benefits@mtroyal.ca.