

HSA Inquiries

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Your Health Spending Account

Red Deer Catholic Regional Division No. 39

*Class 102
Part-Time Employees and Bus Drivers
including 106*

Group Plan Policy Number
15090

Effective Date of Health Spending Account
September 1, 2006

Date of Modification of Health Spending Account
November 1, 2006

Your Health Spending Account

Table Of Contents

SUMMARY OF PROGRAM FOR CLASS PART-TIME EMPLOYEES AND BUS DRIVERS102:1
including 106

1. Introduction..... 2

2. Program Provisions 3

 2.1. Program Year And Anniversary Date..... 3

 2.2. Eligibility 3

 2.3. Eligible Expenses..... 3

 2.4. Funding 4

 2.5. Tax Status 5

 2.6. Extension And Termination Of The Program Due To Temporary Or Permanent Termination Of Employment..... 5

 2.7. Termination Of The Program..... 6

3. How To Submit A Claim 7

 3.1. For Yourself..... 7

 3.2. For Your Dependents..... 8

4. Notice..... 10

<i>Summary of the Health Spending Account Program</i>
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Class 102, "Part-Time Employees and Bus Drivers" including 106.

1 - Eligibility

A- On The Effective Date Of The Program — Present Employees

An employee is eligible under the program if he is insured under the Group Plan.

B- After The Effective Date Of The Program — Future Employees

An employee is eligible under the program as of the date he becomes insured under the Group Plan.

2 - Eligible Expenses

Medical and dental expenses.

Premiums paid by the employee or his spouse for a private health services plan are eligible under this program.

3 - Funding

A- Amount Of Credits

\$480.00 per year for medical and dental expenses combined.

B- Allocation Of Credits On The Effective Date Of The Program — Present Employees

On the effective date of the program and during the course of the program year, credits will be allocated monthly.

C- Allocation Of Credits After The Effective Date Of The Program — Future Employees

The first monthly credits will be allocated according to the employee's date of eligibility. If the date of eligibility coincides with or precedes the 15 of the month, credits will be allocated from the month of eligibility. If the date of eligibility is later than the 15 of the month, credits will be allocated from the month following the date of eligibility. Afterwards, credits will be allocated on the first of every month.

D- Grace Period

3 months.

E- Credits Carry-Forward Period

12 months.

Summary of the Health Spending Account Program

4 - Termination Of The Program

The program terminates as of the date that the Health Insurance Benefit under the Group Plan is terminated.

Your Health Spending Account**1. Introduction**

This booklet sets out the provisions of your **Health Spending Account** program sponsored by your employer. The **Health Spending Account** program, hereinafter referred to as the "program", is administered by Standard Life in conjunction with group insurance plan, hereinafter referred to as the "Group Plan", policy number 15090, issued by Standard Life.

The program is funded entirely by your employer, hereinafter referred to as the "Company". It provides a tax-effective way of helping to pay for the medical and dental expenses not covered by your Group Plan, by your spouse's group plan or by the provincial health plan. The program works like a special savings account: the amount available is increased by the credits granted by the Company and decreased by the claims that are paid to you, in accordance with the provisions of the program.

2. Program Provisions

2.1. Program Year And Anniversary Date

The first program year runs from September 1, 2006 to December 31, 2006 for class 102.

The first program year runs from November 1, 2006 to December 31, 2006 for class 106.

Afterwards, the program year will run from January 1st to December 31st, January 1st being the anniversary date.

2.2. Eligibility

2.2.1. Eligibility To The Program

An employee is eligible subject to the conditions specified in the Program Summary.

However, an employee who does not enroll under the Group Plan is eligible under the program as of his eligibility date under the Group Plan. Furthermore, if an employee cancels his coverage under the Group Plan, his participation under the program will be maintained.

2.2.2. Dependents

The employee's spouse or common-law partner, his children or grandchildren (including those of his spouse or common-law partner) who depend on him for support; his parents, grandparents, brothers, sisters, uncles, aunts, nieces or nephews (including those of his spouse or common-law partner) who reside in Canada and who depend on him for support, subject to the changes of the Canadian Income Tax Act.

2.3. Eligible Expenses

The program can be used to claim the expenses outlined in the Program Summary not covered by the employee's Group Plan, his spouse's group plan or the provincial health insurance plan. As such, the program can be used for the reimbursement of the following expenses:

1. Any applicable deductibles under the group plans.
2. The percentage of expenses not covered under the group plans.
3. Amounts exceeding the maximums reimbursed under the group plans.

Your Health Spending Account

Expenses must qualify for the Medical Expense Tax Credit under section 118.2 of the Canadian Income Tax Act. Furthermore, Standard Life will refer to the Canada Customs and Revenue Agency interpretation bulletin IT-519R2 Medical Expense and Disability Tax Credits and Attendant Care, to determine the eligibility of expenses. Standard Life reserves the right to decline any claim that may appear contrary to insurance principles.

2.4. Funding

The Company contributions, indicated in the Program Summary, will be credited to the employees' accounts. Standard Life, administrator of the program, will allocate the credits according to the Program Summary provisions and the following provisions.

During the course of the program year, Standard Life will debit the employee's account by any amount reimbursed to the employee, in accordance with the provisions of the program.

2.4.1. Allocation Of Credits On The Effective Date Of The Program

The credits will be allocated in accordance with the conditions indicated in the Program Summary.

2.4.2. Allocation Of Credits After The Effective Date Of The Program

The credits will be allocated in accordance with the conditions indicated in the Program Summary.

2.4.3. Allocation Of Credits On The Anniversary Date Of The Program

The credits will be allocated in accordance with the conditions indicated in the Program Summary.

2.4.4. Grace Period

Credits in the employee's account that have not been used at the end of the program year may, following the program anniversary date, be used over the course of the grace period indicated in the Program Summary, to pay for expenses incurred during the year preceding the program anniversary date.

Any claim submitted after said period for expenses incurred during the year preceding the program anniversary will be refused.

Claims for expenses incurred during the year preceding the program anniversary date must have been submitted prior to the claims for expenses incurred during the current year.

2.4.5. Credits Carry-Forward

At the end of the program year, any unused credits will be carried forward to the following year for the credits carry-forward period indicated in the Program Summary. Credits carried forward that have not been used by the end of this period will be forfeited from the employee's account.

Your Health Spending Account

Credits carried forward may, following the program anniversary date, be used to pay for expenses incurred during the course of the credits carry-forward period indicated in the Program Summary.

If the expenses incurred during the program year exceed the credits available in the employee's account, the employee will not be able to carry forward to the following program year any expenses that were not claimed during the current year. The credits allocated for the following program year cannot be used for the reimbursement of expenses incurred during the year preceding the program anniversary date.

2.5. Tax Status**2.5.1. *Canada Customs And Revenue Agency (All Employees)***

Expenses reimbursed under the program are considered as non-taxable income. However, the total amount reimbursed during the fiscal year cannot be included in the calculation of medical expense tax credits.

2.5.2. *Ministère du Revenu du Québec (Québec Employees Only)*

Expenses reimbursed under the program are considered as taxable income. The administrative fees, sales taxes and taxes on insurance are also added as taxable income.

However, the taxable income may be included in the calculation of medical expense tax credits. The amount will appear on form RL-1 of the fiscal year during which the expenses were reimbursed.

2.6. Extension And Termination Of The Program Due To Temporary Or Permanent Termination Of Employment**2.6.1. *Termination Of Employment***

Upon termination of employment, only expenses incurred prior to the date of termination of employment may be claimed. All claims must be submitted within 60 days following the termination of employment, after which time any credits remaining in the employee's account will be forfeited.

2.6.2. *Retirement*

Upon retirement, only expenses incurred prior to the date of retirement may be claimed. All claims must be submitted within 60 days following the date of retirement, after which time any credits remaining in the employee's account will be forfeited.

Your Health Spending Account**2.6.3. Death**

Expenses incurred prior to the employee's date of death and expenses incurred by the surviving dependents up to the day preceding that program anniversary date which follows the employee's date of death may be claimed. Afterwards, all claims must be submitted within the 60 following days, after which time any credits remaining in the employee's account will be forfeited. Claims may be submitted by the surviving dependents or the by legal representative.

2.6.4. Maternity, Adoption Or Parental Leave When Coverage Under The Group Plan Is Kept In Force

During the leave, the employee may continue to submit claims for expenses eligible under the program. Furthermore, credits will continue to be allocated during the leave.

2.6.5. Maternity, Adoption Or Parental Leave When Coverage Under The Group Plan Is Not Kept In Force

During the leave, the employee may continue to submit claims for expenses eligible under the program that were incurred prior to or during his leave. However, credits will not be allocated during the leave.

2.7. Termination Of The Program

For an employee actively at work, the program terminates as of the date indicated in the Program Summary.

3. How To Submit A Claim

You may submit claims for expenses incurred by yourself and your eligible dependents. Standard Life will reimburse you for all expenses eligible under the program. The reimbursement shall be limited to the credits remaining in your account the day the claim is received by Standard Life.

For most claims, Standard Life will require a prescription by a physician or an appropriate form completed by a dentist or other medical practitioner. Standard Life reserves the right to decline any claim not supported by original receipts.

When you submit a claim under your Group Plan, the portion of eligible expenses not reimbursed under the Group Plan will be reimbursed from your account at your request.

3.1. For Yourself

3.1.1. If You Are Not Covered Under Your Spouse's Group Plan

Standard Life will reimburse from your account:

1. The part of eligible expenses not reimbursed under your Group Plan, such as the deductible, the excess percentage of reimbursements or amounts exceeding the maximum limit, if any.
2. Expenses not eligible under your Group Plan.

Benefits payable from all sources cannot exceed 100% of expenses incurred.

3.1.2. If You Are Covered Under Your Spouse's Group Plan

Standard Life will reimburse from your account:

1. The part of eligible expenses not reimbursed under your Group Plan or your spouse's group plan, such as the deductible, the excess percentage of reimbursements or amounts exceeding the maximum limit, if any.
2. Expenses not eligible under your Group Plan or your spouse's group plan.

Expenses incurred will be reimbursed after applying the coordination of benefits.

Benefits payable from all sources cannot exceed 100% of expenses incurred.

For expenses not eligible under your spouse's group plan, a claim must be submitted to your spouse's group insurer in order to provide Standard Life with proof that they are not eligible under your spouse's plan.

Your Health Spending Account**3.2. For Your Dependents****3.2.1. *If Your Dependents Are Covered Under Your Group Plan, But Not Under Your Spouse's Group Plan***

Standard Life will reimburse from your account:

1. The part of eligible expenses not reimbursed under your Group Plan, such as the deductible, the excess percentage of reimbursements or amounts exceeding the maximum limit, if any.
2. Expenses not eligible under your Group Plan.

Benefits payable from all sources cannot exceed 100% of expenses incurred.

3.2.2. *If Your Dependents Are Covered Under Your Group Plan And Under Your Spouse's Group Plan*

Standard Life will reimburse from your account:

1. The part of eligible expenses not reimbursed under your Group Plan or your spouse's group plan, such as the deductible, the excess percentage of reimbursements or amounts exceeding the maximum limit, if any.
2. Expenses not eligible under your Group Plan or your spouse's group plan.

Expenses incurred will be reimbursed after applying the coordination of benefits.

Benefits payable from all sources cannot exceed 100% of expenses incurred.

For expenses not eligible under your spouse's group plan, a claim must be submitted to your spouse's group insurer in order to provide Standard Life with proof that they are not eligible under your spouse's plan.

3.2.3. *If Your Dependents Are Not Covered Under Your Group Plan, But Are Covered Under Your Spouse's Group Plan*

Standard Life will reimburse from your account:

1. The part of eligible expenses not reimbursed under your spouse's group plan, such as the deductible, the excess percentage of reimbursements or amounts exceeding the maximum limit, if any.
2. Expenses not eligible under your spouse's group plan.

Benefits payable from all sources cannot exceed 100% of expenses incurred.

For expenses not eligible under your spouse's group plan, a claim must be submitted to your spouse's group insurer in order to provide Standard Life with proof that they are not eligible under your spouse's plan.

Your Health Spending Account

3.2.4. *If Your Dependents Are Not Covered Under Your Group Plan Or Any Other Group Plan*

Standard Life will reimburse from your account the expenses incurred by your dependents.

This article is not applicable to Quebec residents due to the Quebec Drug Insurance Act.

Your Health Spending Account**4. Notice**

At Standard Life, we are committed to maintaining the highest standards of integrity in our business. In the course of our business, it is necessary to collect personal information about you. We will ask for your consent to collect, use and disclose personal information. We will limit collection, use and disclosure of personal information strictly for the purposes of your group coverage.

We will safeguard your personal information. Access to personal information is restricted to Standard Life employees and employees of authorized service providers who need it to determine eligibility, to administer your group coverage, to assess claims and conduct any required investigations. While Standard Life endeavors to protect all your personal information, your medical information will receive the highest level of protection.

You can be assured that not only do we respect applicable laws and regulations, but we also apply generally accepted privacy ethics and standard business practices for the handling of your personal information.

How can you access your personal information and submit a complaint?

You have the right to be informed of the nature and source of personal information that Standard Life has on record concerning you. Personal medical information will be made available only through a physician designated by you.

You also have the right to request the correction of inaccurate, incomplete or obsolete information in your file. If demonstrated to our satisfaction that the information held in our record is inaccurate or incomplete, we will make the necessary changes.

If you are not satisfied as to how we have handled your personal information, you may submit a complaint.

Any request to access or correct information held in our records or to submit a complaint should be made in writing to:

The Manager, Customer Relations and Ombudsman
The Standard Life Assurance Company of Canada
1245 Sherbrooke West
Suite 1000
Montreal, Qc
H3G 1G3

Additional information about Standard Life's privacy protection practices can be obtained on our public Web site and in the VIP Room Web site for Plan Members.

References to "you" and "your" in this Notice include yourself and your dependents.