
OUT-OF-SCOPE EMPLOYEE FLEXIBLE BENEFIT ACCOUNT PROGRAM

Flex Account: Frequently Asked Questions

Q: What kinds of fitness activities will this flexible benefit cover?

A: The flexible benefit is to be used to promote fitness, mobility, and/or strength – and so there are a wide range of options for employees to pursue, depending on their individual interests and circumstances. The goal is a healthy lifestyle change, a longer-term commitment to fitness, and so it applies to longer-term items such as gym memberships and the purchase of equipment or supplies that are fitness specific.

Q: Why does the amount left over as of February 28 get directed to PEPP?

A: The Flexible Benefit Account Program is designed to encourage physical fitness and financial planning. For this reason, it precludes receipt of the amount as cash.

In order to ease administrative requirements, the program does not allow for accrual of any portion of the benefit from one year to the next, nor allow for a carryover of an expense from one year to the next. For example, if you buy a treadmill in November for \$2000 and claim for that this fiscal year, you cannot claim another portion of that same item next year. However, you may purchase an item in the last 6 months of the fiscal year and submit it for receipt in the next fiscal year.

We also felt it was inappropriate for employees to lose any significant portion of the benefit. To achieve these principles, funds in excess of \$10.00 remaining February 28 are directed to PEPP as a voluntary contribution in March.

Q: Why do I have to sign an enrollment form that requires me to direct unused funds to PEPP?

A: The employer requires authorization and direction from the employee to direct funds to PEPP and therefore, an enrollment form is required.

Q: Why not direct amounts less than \$10.00 to PEPP as well? If I have \$15.00 left over at year end, does only \$5.00 go to PEPP?

A: We can all appreciate the costs incurred in processing transactions and therefore we have set a \$10.00 minimum threshold for PEBA to have to administer. In the example cited, all \$15.00 would go to PEPP.

Q: Will my benefits deductions change as a result of making a claim?

A: The reimbursements are taxable and subject to CPP and EI deductions, but not to pension and other employee benefit deductions.

Q: Why is there a waiting period?

A: The waiting period is a means of ensuring prudent application of the benefit and similar to the processes in extended health and enhanced dental.

Q: If I buy used goods/equipment will I be reimbursed?

A: Used equipment will be reimbursed as long as there is an original receipt in the employee's name. No claims should be filed seeking reimbursement based on receipts issued by another public servant, his or her immediate family member or the employee's immediate family members.

Q: Do parts/repairs to an existing piece of equipment qualify for reimbursement?

A: Parts/repairs to existing pieces of equipment qualify for reimbursement as long as the existing equipment is eligible under the plan. (ie: treadmills, bicycles, tennis racquets, etc.)

Q: Are golf punch pass vouchers reimbursed?

A: Yes.

Q: I understand that original receipts are required with the claim form but what if I need the original receipt for RRSP tax deduction or warranty purposes?

A: In this case, you must submit the original receipt, with a copy, and have human resources/payroll witness as "original receipt witnessed on x date". After this has been done, you can keep the original receipt.

Q: Will a recognized weight loss program, such as Weight Watchers/Jenny Craig/Herbal Magic be covered?

A: Membership fees to weight loss programs such as Weight Watchers and Jenny Craig will be covered as long as the program is at least six consecutive weeks in duration and food of any kind, including supplements, are not included in the membership fees. As Herbal Magic is largely a nutrition/supplement program it will not be covered.

Q: Are PEPP contributions only allowed to be made at the end of the fiscal year?

A: By using the claim form, contributions to PEPP can be made at any time during the fiscal year.

Q: We have employees on contract where there is an established employee/employer relationship. The contract states employees are eligible for general economic increases applied to out-of-scope employees, and specifically states for each benefit program the employee is entitled. Since the contract makes no reference to the flexible

benefit program, are these employees eligible?

A: Yes, as they are entitled to all other benefits, the intent is to provide new benefits as well. However, these employees should be notified by letter that they are so entitled as you provide them with a copy of the enrollment form. Future contracts should include this provision.

If you have any doubt as to whether a specific contract establishes an employee/employer relationship please submit a copy to the Compensation Branch, PSC.

Q: If two members of an immediate family work for government, can they both claim against one expense? For example, can each person assign their flexible benefit to the same purchase? (ie: the purchase of a treadmill).

A: Yes, up to the value of the purchase.

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