

# **IBEW Flexible Spending Account (FSA) Benefit Fact Sheet**

- SaskPower will provide eligible IBEW employees with a Flexible Benefit as per Article 45 of the IBEW Collective Bargaining Agreement.
- The member may allocate all or a portion of the funds available to the following Flexible Spending Account Options:
  - Healthcare Spending Account
  - Voluntary Group RRSP
  - Millennium RRSP
  - PEPP Pension Contribution
  - Vacation Purchase
  - Cash
- All options with the exception of the Healthcare Spending Account will be considered for pension purposes. Please see the Benefit Summary for further details.
- Once the allocation form has been completed, the decision is irrevocable for 1 year.
- Employees who terminate their employment prior to December 31 will have their allocated benefit dollars clawed back as cash from their final pay by 1/12 for each calendar month not worked for any option chosen.
- If the benefit allocation form is not received in Compensation & Benefits prior to the default allocation date, the benefit will default to the cash option.
- Employees must not elect an option that would cause them to exceed their personal RRSP contribution limit or exceed the maximum contribution to PEPP of 18% of earned income in a calendar year.
- Funds for each option will be distributed in the first month of the year or when allocated.
- Forms should be sent to Compensation and Benefits, 10W.

For questions, please contact:

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# Overview of Options:

## Healthcare Spending Account

- Members may allocate some or all of the benefit dollars to the Healthcare Spending Account (HSA).
- Minimum Allocation is \$50.00.
- A Healthcare Spending Account is an account, similar to a bank account, of non-taxable benefit dollars from which you can be reimbursed for medical and dental expenses in addition to those reimbursed by medical and dental plans. HSA rules are set out by the Canada Revenue Agency (CRA).
- Covers any medical expense that is eligible under the *Income Tax Act (Canada)*.
- Used as a top-up to the Great-West Life Group Health Care Plan, your Spouse's plan, and any other medical plan for which the employee is a member.
- Claims **must** be submitted through all other plans for which an employee is an eligible member before submitting to the HSA. When submitting your claim you must include copies of any official receipts and original explanation of benefits from each insurance company to which you have submitted a claim.
- Dollars cannot be carried over, however, expenses can be carried over one year if the employee was a member of the HSA in the previous year.
- Covers the member, spouse and dependent children.
- **CRA regulations stipulate that if all of your HSA dollars are not spent by December 31<sup>st</sup> of each year, they revert to the employer, and cannot be cashed out by the Employee – If you don't use it, you lose it.**
- When submitting a claim, complete the "*Great-West Life Healthcare Spending Account Plan*" claim form located on the EIN and attach original explanation of benefits from any insurance provider for which the member is covered.  
**Note:** The Great-West Life Group Health Care Plan is the first payer for employee expenses. Photocopies are only acceptable when there is a coordination of benefits and originals were previously sent to other insurers.
- Submit completed HSA claim forms to Great-West Life for adjudication:  

Great-West Life  
Regina Benefit Payments  
PO Box 4408  
Regina, SK S4P 3W7
- Expenses submitted through your HSA will be paid out in the format currently on file with Great-West Life for your Group Health Care Plan (GHC). E.g. If you are currently receiving your GHC payments by direct deposit to your account, your HSA will also be paid out directly to that account. Please note however that the payments from your regular Group Health Care and HSA will come as separate payments.

## Voluntary Group RRSP

- Members may allocate some or all of the benefit dollars to the Voluntary Group RRSP.
- Voluntary Group RRSP provides an opportunity to build a financially secure retirement through tax assisted retirement savings.
- The onus is on the employee to ensure that contributing to this option would not cause them to exceed their personal RRSP contribution limit or exceed the maximum contribution to PEPP of 18% or earned income in a calendar year.
- Benefit contains a Spousal RRSP option. If you do not already have a Spousal RRSP, please contact the Investment Service Provider listed below.
- Annual allocation will be based on the most current instructions (Eg. Spousal RRSP, Personal RRSP, etc) on file with Mackenzie Financial. It is the employees' responsibility to ensure that their instructions are kept current.
- Group RRSP option is provided through Mackenzie Financial and members can choose from their mutual fund offerings.
- Fund price and performance information can be found at [www.mackenziefinancial.com](http://www.mackenziefinancial.com).
- Individuals contact the Investment Service Provider listed below, directly if they want to make changes to their fund allocations during the year.
- Transfers are allowed from existing RRSP's.
- Fully portable - at any time, a withdrawal may be made as a taxable lump-sum payment or a tax exempt transfer to another registered pension vehicle.
- Additional voluntary lump-sum contributions can be made to your Group RRSP at any time using payroll deductions.
- FSA allocations to the Group RRSP are considered ***pensionable earnings***.
- Taxable benefit to the employee.
- If employee is *not* enrolled in the Voluntary Group RRSP, the employee must complete the initial enrollment kit as provided by the Investment Service Provider.
- The Investment Service Provider for the Voluntary Group RRSP is:

Jerry Eliason  
Independent Financial Services Broker  
PO Box 1187  
1842 Scarth Street  
Regina, SK S4P 2G3

Ph: (306) 525-6317 ext. 7675

1-800-667-3403 ext. 7

Fax: (306) 525-2582

Email: [jeliason@ricefinancial.com](mailto:jeliason@ricefinancial.com)

## Millennium RRSP – Mackenzie Financial Funds

- **If an employee has previously opted out of the Millennium RRSP option, they are unable to choose this option.**
- Members may allocate some or all of the benefit dollars to the Millennium RRSP.
- **Millennium RRSP is made up of pre-selected investment options through Mackenzie Financial.**
- Millennium RRSP provides additional retirement income.
- The onus is on the employee to ensure that allocating to this option would not cause them to exceed their personal RRSP contribution limit or exceed the maximum contribution to PEPP of 18% or earned income in a calendar year.
- There is restricted access to the funds until the employee is no longer employed by SaskPower.
- Annual allocation will be based on the most current instructions on file with Mackenzie Financial.
- Fund price and performance information can be found at [www.mackenziefinancial.com](http://www.mackenziefinancial.com).
- Individuals contact the Investment Service Provider listed below, directly if they want to make changes to their fund allocations during the year.
- Contributions cannot be credited to a spousal RRSP.
- Contributions to the Millennium RRSP are considered *pensionable earnings*.
- Taxable benefit to the employee.
- If the employee is *not* already enrolled in the Millennium RRSP, the employee must complete the initial enrollment kit as provided by the Investment Service Provider.
- The Investment Service Provider for the Millennium RRSP is:

Jerry Eliason  
Independent Financial Services Broker  
PO Box 1187  
1842 Scarth Street  
Regina, SK S4P 2G3

Ph: (306) 525-6317 ext. 7675  
1-800-667-3403 ext. 7  
Fax: (306) 525-2582  
Email: [jeliason@ricefinancial.com](mailto:jeliason@ricefinancial.com)

## Public Employee's Pension Plan (PEPP) Pension Contribution

- **You must be a current member of PEPP to choose this option.**
- Members may allocate some or all of the benefit dollars to the PEPP pension option.
- FSA allocations to PEPP are considered *pensionable earnings*.
- Increasing your PEPP contributions provides additional retirement income.
- Allocation will increase the employer contributions to the PEPP plan.
- Employees must ensure they do not exceed the maximum contribution to PEPP of 18% of earned income in a calendar year or your personal contribution limit.
- Employee's can also make additional voluntary contributions to the PEPP Plan. Please refer to the EIN for forms and the PEPP Talk InfoSheet for further details. Please note that any additional voluntary contributions made by the employee are not matched by the employer.

## Vacation Purchase

- Members may allocate some or all of the benefit dollars to the purchase of additional vacation.
- Vacation hours **must** be used in the year purchased. Unused hours remaining as of December 31<sup>st</sup> will be forfeited.
- When an employee enters vacation on the timesheet, *purchased* vacation hours will be deducted first from the quota before any other vacation entitlement.
- Calculation for hours purchased is based on hourly wage at January 1<sup>st</sup> of plan year and hours of work.
- Purchased vacation absence quota will be adjusted accordingly each January or when allocated.
- Purchased vacation hours are pensionable when **taken**. Taken vacation hours will not increase your year-end regular earnings.

## Cash Option

- Members may allocate some or all of the benefit dollars to the cash option.
- FSA allocations to the Cash option are considered *pensionable earnings*.
- Employees may complete a "Request to Reduce Tax Deductions at Source" T1213 form from Canada Revenue Agency (CRA) provided the employee has available RRSP room. Requests must be made for the year the benefit is received and contributions to an RRSP must be made for the taxation year the monies are received.  
**Note:** You must notify Compensation and Benefits on the FSA form that a waiver is expected. If CRA authorization has not been received in Compensation and Benefits prior to December 31<sup>st</sup>, the waiver cannot be accommodated and the cash payout will be processed with all applicable deductions.
- The cash option is the default option should an employee not make their allocation prior to the year-end allocation deadline.