



PRIVATE HEALTH SERVICES PLAN (PHSP)

Information Package for All Businesses



**KEYSTONE
AGRICULTURAL
PRODUCERS**

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A Private Health Services Plan (PHSP) is an allowance under the Income Tax Act, defined in the Income Tax Interpretation Bulletin IT-339R2.

ADVANTAGES OF A PRIVATE HEALTH SERVICES PLAN

The PHSP is not an insurance program; it runs based on CRA's guidelines for eligible medical expenses and allows you to use your business for tax-free reimbursement of personal medical expenses, and then deduct 100% of that reimbursement from your business income when filing your Income Tax Return.

Plan Set-Up:

Corporations:

- For Incorporated operations the PHSP Effective Date can be aligned either with the current calendar year or with your fiscal year.
- All participants need to have an employee connection to the business (recommended to be in the form of T4 income) in order to be eligible for participation, but there is no minimum for the amount of income received.
- The annual reimbursement limits are determined by the employer and do not need to be equal for each employee class that is created.
- Participating employees have the option to carry forward unused credits or expenses at the end of the benefit year (option to be determined at plan set-up).

Self Employed Businesses (Sole Proprietorship or Partnership, With or Without Employees):

To qualify as a Self Employed owner, you must meet one of the following parameters:

1. Your net income from businesses in which you are regularly and actively engaged must represent at least 50% of your net income for the year, or
 2. Your net income from sources other than business does not exceed \$10,000
- If you are considered Self Employed the plan year will be based on the current calendar year (with a January 1st Effective Date).
 - The annual reimbursement limits for owner and employee participants are based on CRA's guidelines of \$1,500 per adult and \$750 per child under each participant.
(Example: A couple with one child would have \$3,750 each year)
 - The option to carry forward unused credits does not apply for Self Employed plans; the benefits are "use it or lose it" however carry forward of expenses is still an option.

NOTE: The total deduction permitted can be utilized by any one member of your family.

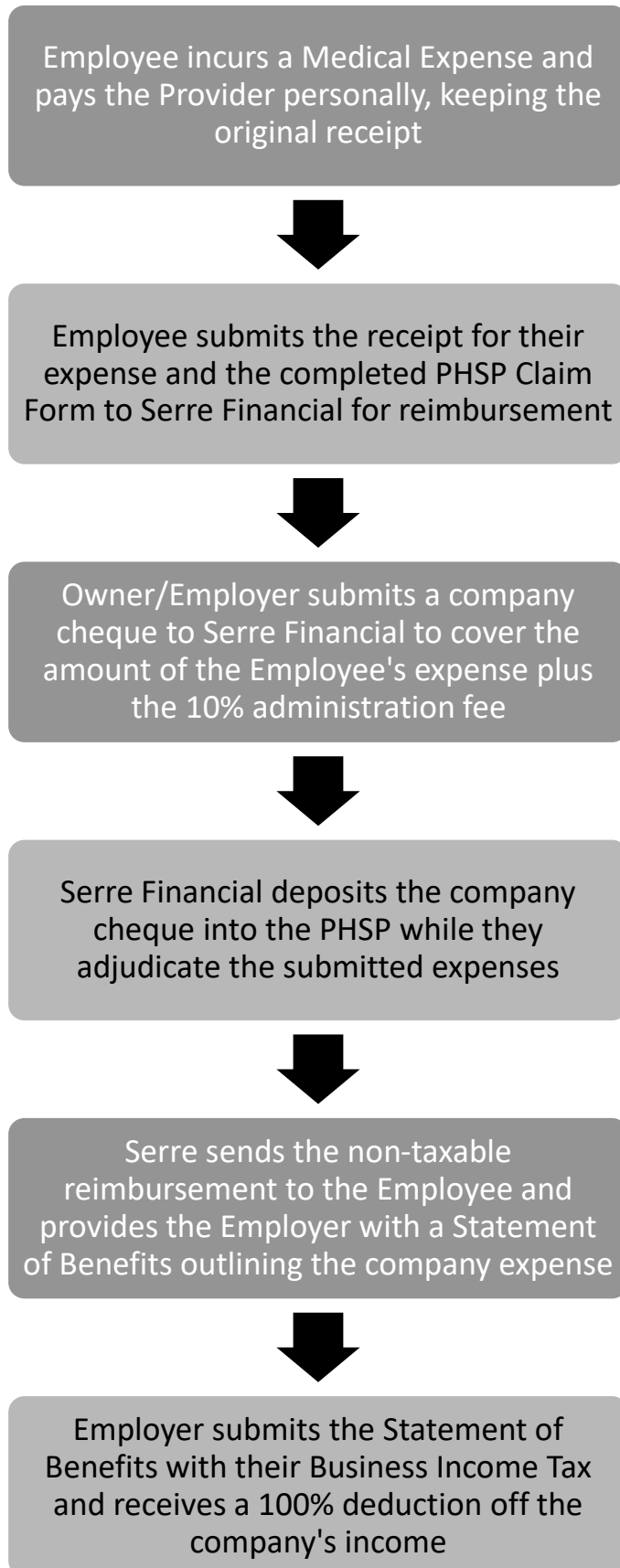
Eligible Expenses:

Eligible expenses for the PHSP reflect those expenses recognized as a deduction under the Income Tax Act. If you have coverage under a traditional insurance plan then the eligible expenses include deductibles, co-payments and expense amounts that exceed your plan maximums, as well as many health costs that are typically excluded in an insurance plan such as:

- All Prescription Drugs (including smoking cessation, fertility, etc.)
- Dental Procedures such as: routine cleanings, major procedures, dental implants, dentures, orthodontics
- Eyeglasses, Contact Lenses, Laser Eye Surgery
- Mileage to medical appointments that are greater than 40KM one-way
- Paramedical Practitioner appointments and treatments (provided they are performed by a licensed practitioner)

Please see a more detailed listing of eligible expenses later in this information package.

Claims Process



List of Eligible Expenses

Premiums for Health Care Plans:

*Travel Health Insurance

*Individual Health & Dental Plans

*Extended Health Care & Dental

*Long Term Care

Professional Services Rendered:

*Acupuncturist

*Chiroprapist

*Chiropractor

*Christian Science Practitioner

*Dental Hygienist

*Dental Mechanic

*Dentist

*Dermatologist

*Dietician

*Gynaecologist

*Jungian Psychoanalyst

*Massage Therapist

*Medical Doctor

*Medical Practitioner

*Naturopath

*Neurologist

*Nurse

*Obstetrician

*Occupational Therapist

*Oculist

*Optician

*Optometrist

*Osteopath

*Paediatrician

*Physiotherapist

*Plastic Surgeon

*Podiatrist

*Practical Nurse

*Professional Tutor (for learning disabilities)

*Psychoanalyst

*Psychologist

*Psychiatrist

*Speech Language Audiologist

*Speech Language Pathologist

*Speech Therapist

*Surgeon

*Mileage for Appointments >40km one way

*Meals for Appointments >80km one way

Note: A qualified medical practitioner is registered or licensed in accordance with the laws of the province and practitioner's governing body

Dental Services

*X-Rays

*Examinations

*Diagnostic

*Emergency Treatments

*Extractions

*Orthodontics

*Denture Repair & Replacement

*Gum Treatment

*Veneers

*Oral Surgery

*Fillings

*Root Canals

*Crowns

Laboratory & Medical Tests

*Blood Tests

*Cardiographs

*Metabolism Tests

*MRI & CT Scans

*X-Rays

*Spinal Fluid Tests

*Stool Examination

*Urine Analysis

Medical Treatments

*Audiology

*Blood Transfusion

*Bone Marrow Transplant

*Diathermy

*Injections

*Electric Shock Treatments

*Healing Services

*Hydrotherapy

*Insulin Treatments

*Nursing

*Organ Transplant

*Pre/Post Natal Treatments

*Radium Therapy

*Speech Pathology

*Ultra-Violet Ray Treatments

*Whirlpool Baths

*X-Ray Treatments

Hospital Services

*Anaesthesiologist

*Oxygen Mask/Tent

*Vaccines

*Operating Room Fees

*X-Ray Technician

*Private/Semi Private Room Fees

Medicines

*Prescription Drugs

*OTC Drugs Prescribed by Licensed Practitioner

*Insulin

*Oxygen

*Diabetic Supplies (with prescription)

*Vitamin B12 (pernicious anaemia)

The above listing is intended to be general rather than exhaustive. When in doubt, contact Serre Financial and a Private Health Services Plan (PHSP) representative will be pleased to provide additional details as to eligibility.