

## **Out-of-Scope Employees Flexible Benefit Account Program**

### **Purpose**

To promote the physical fitness of out-of-scope employees of Executive Government by encouraging physical activities that have been shown to improve wellness, contribute to reduced absenteeism and reduce the cost of health benefits.

To encourage long-term financial planning through financial advice and/or enhanced retirement savings.

To enhance youth recruitment and retention, through reduction of student loan costs and encouraging family wellness.

### **Amount of Benefit**

Out-of-scope employees are eligible for a flexible benefit in the following amount per full-time employee per fiscal year:

2008/2009 - \$712

2009/2010 - \$744

This amount will be adjusted annually by the amount of the general wage increase.

### **Eligibility**

Full-time employees (permanent full-time, probationary, employees on variable hours and term)  
Full-time employees will become eligible for the full amount of the flexible benefit in the fiscal year in which they complete six months of service.

#### Less than full-time employees (part-time employees)

Less than full-time employees on staff April 1 and who have completed six months of service will be eligible for a prorated portion of the flexible benefit based on their time worked in the previous fiscal year.

For example, a part-time employee who worked 60% in the previous fiscal year would receive 60% of the benefit.

Less than full-time employees who become eligible after April 1 will receive a prorated portion of the flexible benefit after completion of six months of service, based on the previous six months of service. For example, a part-time employee or employee hired May 1 working 60% would receive 60% of the benefit following completion of the waiting period.

Employees who change employment status from less than full-time to full-time will be eligible for 100% of the flexible benefit (upon becoming eligible).

### Employees who take a Definite Leave of Absence

Employees who take a definite leave of absence of six months or less in the fiscal year will be eligible for the full amount of the flexible benefit in that fiscal year.

Employees who take a definite leave of absence of greater than six months in the fiscal year will be eligible for a prorated portion of the flexible benefit (allocated benefit dollars reduced by  $1/12^{\text{th}}$  for each **full** calendar month not worked) in that fiscal year. For example, an employee who takes a definite leave of absence for eight months starting May 3 and returning January 3 would be eligible for  $5/12^{\text{ths}}$  of the flexible benefit because they would have worked all of April, part of May and January, all of February, and all of March.

### Employees not eligible

If the employee does not complete the six months of service in that fiscal year, no benefit will be provided to the employee for that fiscal year; i.e. employees hired October 1 or later will not be eligible for a benefit in that fiscal year.

In-scope employees and in-scope employees on temporary reclassification or TAHD to an out-of-scope assignment are not eligible.

## **Enrollment**

All employees will be required to complete an enrollment form in order to be eligible for the flexible benefit account. Employees who do not complete an enrollment form will not be eligible to access the flexible benefit account until the form is completed and submitted. If the enrollment form is not completed by February 28 of the fiscal year, the benefit is lost for that fiscal year. (Please note that an enrollment form is only required once, not each year).

## **Application**

The flexible benefit will be administered as a reimbursement (original receipts required) to offset the costs associated with:

- activities that promote physical fitness, strength, mobility and/or balance (fees and/or equipment);
- fitness counselling;
- financial advice;
- payment of student loans.

Guideline: Registration fees for programs contributing to fitness should be for a minimum of six weeks duration).

Employees are eligible to claim reimbursement for fees for themselves or for fees associated with family membership or family registration.

The flexible benefit can also be directed as a contribution at any time in the fiscal year towards:

- PEPP; or
- an RRSP, accompanied by a receipt.

Funds allocated to PEPP will not be matched by the employer.

Employees are responsible to ensure that their personal RRSP contribution and PEPP contributions do not exceed annual maximum allowable deduction amounts in a calendar year.

Unused amounts of the flexible benefit less than \$10 will be forfeited; unused amounts as of February 28 each year are to be authorized by the employee to be directed to PEPP as part of the enrollment process.

As of January 31 of each fiscal year, employees will be advised by their Human Resource Branch, as to the outstanding balance.

Employees who terminate prior to March 31 of a fiscal year will have their allocated benefit dollars reduced by  $1/12^{\text{th}}$  for each full calendar month not worked. For example, if an employee terminates January 14, their allocated benefit dollars would be reduced by  $2/12^{\text{ths}}$  due to the fact they would have two full calendar months not worked in that fiscal year. Any amount owed to the employer will be deducted from their final pay cheque; unused amounts will be paid out.

### **Submission of Claims**

It is intended that claims made under this program be at arms-length from other public servants and/or family members. No claims should be filed seeking reimbursement based on receipts issued by another public servant, his or her immediate family member nor the employee's immediate family member.

Claims must be made on the prescribed form, accompanied by the original itemized receipt, and the receipt must be in the employee's name.

Employees may submit claims dating back to April 1 in the year in which they become eligible, but not prior to their date of employment and not prior to October 1, 2007.

To offset the cost of a student loan or contribution to an RRSP, a receipt showing the payment must be attached to the claim form and specific direction provided as to the amount of money to be reimbursed.

To direct funds to PEPP, a claim form is to be completed and the section specifically identified for the PEPP contribution must be completed.

Employees are encouraged to accumulate and submit claims when the total reaches \$100.00 or more.

A receipt for an item may only be submitted once. For example, if you purchase a \$2000 item, you cannot claim \$712 this year and \$744 next year for the same item.

Claims for reimbursement received between March 1 and March 31 are not eligible for reimbursement in March. A receipt for an item purchased from October 1 to March 31 may be submitted for reimbursement in the next fiscal year. Employees who become eligible for the

flexible benefit in March will have the full amount for which they are eligible in that year directed to PEPP.

### **Tracking of Employee Claims and Eligibility**

Ministries are required to determine employee eligibility, date eligible and amount eligible in each fiscal year, amounts reimbursed and outstanding balance on an ongoing basis.

### **Eligible/Ineligible Equipment and Activities**

Examples of equipment and activities that will and will not be considered for reimbursement are available on the PSC website at [www.psc.gov.sk.ca/flexaccount](http://www.psc.gov.sk.ca/flexaccount). This list will be updated from time to time.

### **Authority**

Public Service Regulation 89.1.

### **Interpretation**

Interpretations of employee eligibility or any application of this program rests with the Compensation Branch, PSC.

An Advisory Committee of Human Resource Branch Directors will assist the Compensation Branch, PSC, in responding to queries regarding eligibility of claims where there is uncertainty.

### **Other**

Note: Claims will be taxable and will be reflected on your T4.

Reimbursement for an RRSP or for financial planning related to retirement, for example, will be taxed at source. However, you will be able to claim this as a deduction on your personal tax return. For payments to PEPP, the flexible benefit payment will be processed at the same time as the voluntary contribution; therefore, there will be no impact on the income tax owing.

This program shall be reviewed at the end of the second year.

**Flexible Benefit Account Program  
Examples of Eligible and Ineligible Items**

<b>Eligible</b>	<b>Not Eligible</b>
<p><b>Financial Related</b></p> <ul style="list-style-type: none"> <li>-PEPP Contribution</li> <li>-RRSP (including spousal)</li> <li>-Professional Financial Advice</li> <li>-Costs incurred to prepare a will</li> <li>-Student Line of Credit</li> <li>-Tax sheltered GIC's</li> </ul>	<p><b>Financial Related</b></p> <ul style="list-style-type: none"> <li>-RESPs</li> <li>-Other Investments</li> </ul>
<p><b>Physical Activities</b></p> <ul style="list-style-type: none"> <li>-League fees for such things as curling, bowling, ball, hockey</li> <li>-Memberships such as gym membership (including family <i>memberships</i> as well as locker fees), golf memberships, yoga</li> <li>-Professional fitness counseling</li> <li>-Athletic programs/lessons running for a minimum duration of 6 weeks</li> <li>-Consultations with a trainer/nutritionist</li> </ul>	<p><b>Physical Activities</b></p> <ul style="list-style-type: none"> <li>-Memberships for individual family members</li> <li>-Food of any kind</li> <li>-Spa treatments</li> <li>-Spectator events</li> <li>-Travel and accommodation</li> <li>-Nutrition supplements such as power bars, energy drinks, vitamins, steroids, nutrition pills</li> <li>-Health care costs of any kind such as such as vaccinations</li> </ul>
<p><b>Equipment</b></p> <ul style="list-style-type: none"> <li>-Athletic footwear such as running shoes, skates, skis</li> <li>-Athletic or fitness equipment such as treadmills, bicycles, tennis racquets</li> <li>-Work out/exercise CDs/DVDs</li> </ul>	<p><b>Equipment</b></p> <ul style="list-style-type: none"> <li>-Clothing other than athletic footwear</li> <li>-Equipment/registration/licensing for hunting such as guns, knives, bow and arrow</li> <li>-Motorized vehicles such as motorbikes, ATVs, watercraft</li> <li>-Camping gear and fees</li> <li>-Fishing fees and equipment</li> <li>-Video games or consoles such as Wii</li> <li>-Work out/exercise books</li> <li>-Accessories that are not a requirement to perform the physical activity (Pedometers, IPODs, MP3 player, etc)</li> </ul>



## Section 1. Personal information - To be completed by employee upon eligibility and returned to your Human Resource/Payroll Branch

Surname		Given Names		Employee Number
Ministry			Branch	
Position Title			Telephone (W)	

I authorize and direct that:

- (a) any portion of the unused balance for which I am eligible under the Flexible Benefit Account Program that I direct to be paid; and
- (b) the amount of the unused balance in excess of \$10 for which I am eligible under the Flexible Benefit Account Program that is outstanding on February 28 in any fiscal year;

shall be paid by my employer to the Public Employees Pension Plan as a voluntary contribution on my behalf.

I understand and acknowledge that:

- (a) this authorization and direction remains in effect as long as I am employed within Executive Government of the Public Service of Saskatchewan; and
- (b) it is my responsibility to ensure that the voluntary contributions do not exceed the maximum contribution limits established by *The Income Tax Act* (Canada).

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

Copy to Employee File

Copy to Employee

Original to payroll

# Flexible Benefit Claim



**Government of  
Saskatchewan**

Instructions: 1. Use this form for reimbursement of funds pursuant to the Flexible Benefit Program. 4. Purpose Code:  
 2. Guidelines are found Section 1201 (20) of the Human Resource Manual. 1 - Fitness 3 - Student Loan  
 3. Receipts must be attached, unless funds are being directed to PEPP. 2 - PEPP/RRSP 4 - Financial Planning

**PLEASE SUBMIT THIS FORM TO YOUR HUMAN RESOURCE/PAYROLL BRANCH**

Surname _____	First Name _____	Employee Number _____
Ministry _____	Branch _____	<b>Eligible Amount This Year</b>

Date of Receipt(s) dd/mth/yy	Purpose Code	Description	Amount Requested	Remaining Balance
<b>Reimbursement Request</b>				

<b>Request to Direct Funds to PEPP</b>				
	<b>2</b>	<p><b>Please direct funds to the Public Employees' Pension Plan (this form replaces the PEPP Voluntary Contribution Form for this purpose)</b>  <b>Note: Unused amounts greater than \$10.00 as of February 28<sup>th</sup> will be directed to PEPP, in March, as a voluntary contribution</b></p>		

**Disbursements as detailed above are duly authorized**

Employee Name (Please Print)	Permanent Head or Designate (Please Print)
Employee Signature	Permanent Head or Designate Signature
Date	Date

Entered onto Payroll System by \_\_\_\_\_ on \_\_\_\_\_