108 HR Policy 108 - Flexible Spending Credits Professional & Managerial Staff

Revised: 2018

Effective January 1, 2018, the University will provide Flexible Spending Credits (Flex Credits) to all active eligible regular full-time (RFT) and temporary full-time (TFT) hired for greater than twelve (12) months (TFT) professional and managerial (P&M) employees. Each eligible employee will be provided with Flex Credits in the amount of one thousand five hundred dollars ($1,500). Eligible employees elect to allocate their Flex Credits into one (1) or more of the following three (3) accounts:

Professional Development Reimbursement (PDR)

Professional Development Reimbursement (PDR) can be used by employees for professional expenses including: conference registration fees and travel costs; tuition or fees for professional training or development courses; professional membership fees, journal or periodical subscriptions; books; equipment; or software that can be directly attributed to and/or assist in an employee's professional development in their capacity as a University of Guelph employee.

Health Care Spending Account (HCSA)

The Health Care Spending Account (HCSA) can be used to pay for employee and/or eligible spouse's/dependents' qualifying medical and dental expenses under the Income Tax Act (Canada), incurred after the deposit date, that are not covered or are only partially covered by the University's group benefits plan.

Taxable Wellness Spending Account (TWSA)

Supports health and wellness for employees only (i.e. spouses/dependents are not eligible). This account can be used to pay for items including, but not limited to: fitness club membership fees, fitness or sporting equipment, personal training sessions, nutritional counselling, weight loss programs, smoking cessation programs, legal and/or financial advice. Wellness spending account reimbursements are taxable benefits and will be reported on annual T4 statements of the employee.

Operation

1. Allocation of Flex Credits

- All allocations of Flex Credits must be made in fifty dollar ($50) increments.
- This election must be made by November 30th of the year prior to the calendar year in which the credits will be allocated to the various accounts. Only one election may be made in any year.
- The election as to the allocation of Flex Credits rests exclusively with the employee and once made is irrevocable.
- Where an employee fails to make an election for the Flex Credits, as a default, fifty per cent (50%) of the employee's Flex Credits will automatically be credited to the PDR account, and fifty per cent (50%) will be automatically credited to the employee's HCSA with no allocation to the Taxable Wellness Account.

2. Eligibility

Participation in the Flex Credit arrangement is restricted to active RFT and active and eligible TFT P&M employees employed as at January 1st meeting the criteria as set out below:

- In order to be eligible to participate, a TFT employee must be employed on a contract greater than twelve (12) months or have been continuously employed full-time with the University for twelve (12) months or more as at January 1st.
- For the purpose of this agreement, active RFT and TFT employees shall include those employees on any statutory protected leave (i.e. maternity or parental leave, family medical leave, etc.), short term disability, long term disability, drawing WSIB benefits, on vacation, or an otherwise approved paid leave of absence.
- An active employee does not include an RFT or TFT employee on a leave of absence without pay for a period of thirty (30) calendar days or more, or an individual on a salary continuance arrangement as at the January 1st date.
- Retirees are not eligible to participate in this Flex Credit arrangement.
- Newly hired RFT and TFT employees shall have access to one hundred per cent (100%) of Flex Credits for the calendar year, provided their employment commences on or before July 1st of the same calendar year.
- All RFT and TFT employees whose employment commences after July 1st, with the exception of those hired after November 30th, as detailed below, will see their Flex Credits prorated by fifty per cent (50%) for the balance of that calendar year.
- Those employees hired after November 30th will not be eligible to participate in the Flex Spending Program until the following calendar year.
- All employees hired during a calendar year and who are eligible to receive Flex Credits will be required to direct the allocation of their Flex Credits to HCSA, PDR or TWSA within thirty (30) days of the commencement of their employment, failing which the default allocation shall apply.

3. Account Balance Carry Forward Provisions

- The same carry forward provisions will apply to all three (3) accounts.
- Unused account balances can be carried forward and combined with new Flex Credit allocations for the following calendar year.
- At the end of the second calendar year, any balances remaining from the previous year will be forfeited. (i.e. spending in any one (1) year must exceed funds carry forward from the year immediately preceding).
- Carry forward balances must remain in the original accounts (i.e. no inter account transfers are permitted once the allocation election has been made).

4. Payment of Claims

- The claim year is January 1st to December 31st.
- HCSA and TWSA: Employees can submit claims at any time throughout the year, however, all claims must be received by the carrier no later than March 31st the following the year in which the expenses have been incurred. Employees retiring or terminating must have all claims incurred prior to their termination or retirement date submitted within thirty (30) calendar days of their last day of employment.
- PDR: Annual PDR expenses claimed must be incurred and paid by the employee by December 31st of each calendar year. Employees can submit authorized claims, in accordance with University policies, at any time during the calendar year. The University’s Financial Services (Payment Services) will issue instructions regarding claim submission deadlines for each calendar year. Employees retiring or resigning must have all PDR claims submitted prior to their last day of employment.

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