



Chartered Accountants

We've made Health & Welfare Trusts cookie-cutter simple!

Why are your clients doing this with their healthcare expenses?



Healthcare Costs	\$1600
(3% of net income) Deduct	<u>\$1500</u>
Available for credit	\$100
Tax Credit*	\$25

When they could be doing this!

Healthcare Costs	\$1600
Adjudication & Admin Fee (10%)	<u>\$ 160</u>
Tax-deductible total	\$1760
Tax Deduction	\$1760



EXAMPLE:
Net income of \$50,000 per year with family medical expenses of \$1600
*Based on a combined Federal and Provincial rate of 25%.

Recent Revenue Canada (CRA) Federal legislation now allows business owners to fully tax deduct 100% of their healthcare costs as a business expense using a Health & Welfare Trust.

Who qualifies?

Anyone who owns a business of any size and their shareholders, employees and dependents. No health questions or age limits. This is not insurance.

What's covered?

100% of virtually all dental and medical expenses. (see reverse side for a partial list and visit our website www.trustedadvisor.ca for a complete list)

What's the cost?

There is a one-time set-up fee of \$200 and the additional cost is 10% administration fee plus GST on administration fee only.

Who uses a Health & Welfare Trust?

Business owners who:

- > do not qualify for group insurance or find it too expensive
- > find group insurance coverage too restrictive; i.e.; orthodontics
- > have sick child or spouse
- > want front of line treatment
- > want to write-off child support relating to healthcare expenses
- > large groups who have been struggling with significant cost increases each year.



Be the one to advise your clients...or someone else will.



The Robinson Group Inc.

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www.trustedadvisor.ca



Qualified expenses >>>

Are your clients paying for healthcare expenses with after-tax dollars?

Did you know that claiming these expenses on personal tax returns will only provide a small tax credit?

Did you know your clients can now fully tax-deduct all healthcare expenses?

Frequently Asked Questions about Health & Welfare Trusts

Q: What is a Health & Welfare Trust?

A: A Health & Welfare Trust is a Revenue Canada (CRA) approved plan that allows self-employed individuals and Corporations to tax-deduct their health and dental expenses in a tax-effective and cost-efficient manner.

Q: What is the maximum annual deduction allowed?

A: For corporations, there are no annual limits.

Q: Can a Health & Welfare Trust replace traditional group insurance?

A: Yes, many progressive employers are now substituting dental and extended health benefits with a more cost efficient Health & Welfare Trust.

Q: What happens to the money in the trust?

A: The money contributed goes in a trust account and is withdrawn tax-free by the participant, provided it is used for healthcare expenses.

Q: Why use an administrator/trustee?

A: Revenue Canada (CRA) insists upon a third party trustee and administrator to adjudicate for accuracy and compliance under Section 20.01 (1).

Q: Where can I find more information?

A: See IT339R2, IT85R2 and IT519R2 on our website at www.trustedadvisor.ca

Q: How do my clients go about setting up the trust?

A: Fill out the online application at www.trustedadvisor.ca (Health & Welfare Trust) or call June Borlé at 604.874.4429 Toll Free: 1.888.880.2266

**It's that simple to get started,
encourage your clients to enroll now!**



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- Acupuncture
- Alcoholism treatment
- Ambulance
- Anesthetist
- Artificial limbs
- Attendant Care
- Birth control pills
- Blood tests
- Braces
- Cardiographs
- Cat scan
- Chinese medicine
- Chiropractor
- Contact lenses
- Contraceptive devices
- Crowns
- Crutches
- Dental implants
- Dental treatment
- Dental X-rays
- Dentures
- Dermatologist
- Detoxification Clinic
- Diagnostic fees
- Diapers for incontinence
- Dietician
- Drug addiction therapy
- Drugs (prescription)
- Eyeglasses
- Fees paid to health institute prescribed by a doctor
- Fertility Treatments
- Fluoridation unit
- Guide dog
- Gynecologist
- Hair Transplant
- Hearing aid and batteries
- Hospital bills
- Hydrotherapy
- Incontinence Products
- Insulin treatments
- Lab tests
- Laser eye surgery
- Lodging (away from home for outpatient care)
- Metabolism tests
- MRI
- Naturopath
- Neurologist
- Nursing home (incl. board & meals)
- Obstetrician
- Operating room costs
- Ophthalmologist
- Optician
- Oral surgery
- Organ transplant (including owner's expense)
- Orthodontist
- Orthopedic shoes
- Orthopedist
- Orthotics
- Osteopath
- Out-of-Country Medical Expenses
- Oxygen and oxygen equipment
- Pediatrician
- Physician
- Physiotherapist
- Post-natal treatments
- Pre-natal care
- Prescription medicine
- Psychiatrist
- Psychoanalyst
- Psychologist
- Psychotherapy
- Radium therapy
- Registered massage therapy
- Renovations & Alterations to Dwelling (for severe & prolonged impairments)
- Special school costs for the handicapped
- Spinal fluid test
- Splints
- Sterilization
- Surgeon
- Telephone or TV equipment to assist the hearing impaired
- Therapy equipment
- Transportation expenses (relative to health care)
- Ultraviolet ray treatments
- Vaccines
- Vasectomy
- Viagra
- Vitamins (if prescribed)
- Wheelchair
- X rays

Note: This is a partial list. All allowable expenses must qualify as outlined in the Income Tax Act. Please refer to CRA Interpretation Bulletin IT519R2 for a full list of allowable expenses.