

BLUE FLEX TAX TREATMENT

FLEX PLAN | SME PLAN | ASSOCIATION PROGRAM

	Holder	PREMIUMS			INSURANCE BENEFITS	
		Payor	Deductible	Notes	Beneficiary	Tax Status
Disability	Insured	Insured	No		Insured	Non-taxable*
	Insured	Employer	Yes		Insured	Taxable
	Insured	Employer**	Yes	Employee taxable benefit**	Insured	Non-taxable **
Overhead Expenses	Company	Company	Yes***		Company	Taxable, but offset by deductions against incurred overhead expenses
Extended Health Benefit Dental Care	Insured	Employer	Yes	Employee taxable benefit	Insured	Non-taxable
Term Life 65	Insured	Employer	Yes	Employee taxable benefit	Insured	Non-taxable
Other benefits	Insured	Employer	Yes	Employee taxable benefit	Insured	Non-taxable

* For the benefits to qualify as non-taxable, CRA has ruled that the employees are legally obliged to pay all premiums. The employer remits the premiums on the employees' behalf through mechanisms like payroll deductions.

** To demonstrate the insurance plan is entirely paid for by the employees, premium payment dispositions must clearly require said premiums to be managed by the employer and posted as taxable income when the payment is made.

*** If the policy stipulates the reimbursement may not exceed overhead expenses incurred or paid out while the insured is on disability.