

Q: What is a Health Spending Account?

A: It is an account where Captains can deposit money for their Crew Members that is a tax deduction to the Captain. When the Crew Member uses those funds for a health care related expense, they receive them tax free.

Q: What are the benefits of a Health Spending Account?

A: Over and above the tax savings that both the Captain and the Crew Members receive, they are very useful for covering the health care needs that any other traditional health benefits plan would cover. Health Spending Accounts just do it with a lot more flexibility.

Q: Why would I consider using a Health Spending Account for myself or my staff?

A: Using a Health Spending Account can be a great way to attract and retain good Crew Members. It is cost effective for the Captain as well. There are no minimums required to set one up either, so you can create a plan that fits the needs of you and your Crew.

Q: Does it cover travel insurance?

A: Yes. Family coverage for \$5 per month or single coverage for \$3 a month. You can choose that when you set up your Health Spending Account.

Q: My Crew Members are seasonal, and I don't want to have to pay for something for them monthly when there is no fishing revenue. How would that work?

A: You can deposit annually, a lump sum for each of your Crew Members and then not worry about it. The money would stay in the account for them to use whenever they require the funds. Then on the anniversary of the plan, you can determine if you want to contribute again and if so, how much.

Q: My Crew doesn't really need or want health care plans, but I do. Can just the Captain be on a plan?

A: Yes. When you set up the plan, you can determine who is on the plan and how much they get. It could be that only the Captain is on the plan, or it could be everyone including the Crew. Your choice.

Q: What about life, critical illness or disability insurance, is that covered on this plan?

A: Yes. You can add life insurance and critical illness insurance to the plan with as little as one person, just the Captain on the plan. If you have yourself and two others, you can add Long Term Disability as well. The life and critical illness have a maximum amount that you can get without any medical evidence. The disability coverage has some medical underwriting involved. Individual quotes can be obtained upon request.

Q: Who enters in the claim information for myself or the Crew Members because I'm not interested in doing more paperwork?

A: There is an online portal that each person enrolled on the Health Spending Account uses to enter their own claims.

Q: What happens if I deposit money into a Crew Members Health Spending Account and then they quit, retire or get terminated?

A: Once the money is in their account, it stays there until they use it. The Captain wouldn't have access to it anymore and the Crew Member would still have their online portal that only they could see. It stays there until depleted entirely.

Q: What does it cost to set this up?

A: There is no cost to set up the account, but there is an administration fee to deposit funds into the Health Spending Account. 8% plus HST is subtracted from each deposit to the Health Spending Account. The normal fee is 10%, but the Coldwater Lobster Association has negotiated a reduced fee for all members. This is a one-time fee charged upon deposit into the account.

Q: Is there a cost to make a claim?

A: Yes, there is a \$3.75 fee per claim. The good news is that you can save up your claims and do many together at once and only pay the \$3.75 once. This is highly recommended to reduce overall costs.