

Plan Direct Resources COST PLUS

The Beginner's Guide to Cost-Plus
Accounts for a Business with
Employees.

Provide Improved, Tax Free

Health & Dental Benefits

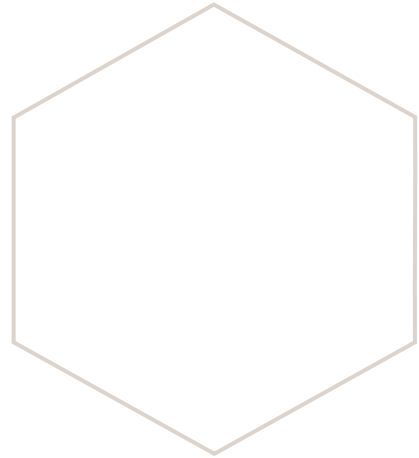
For You as a business owner

Your family

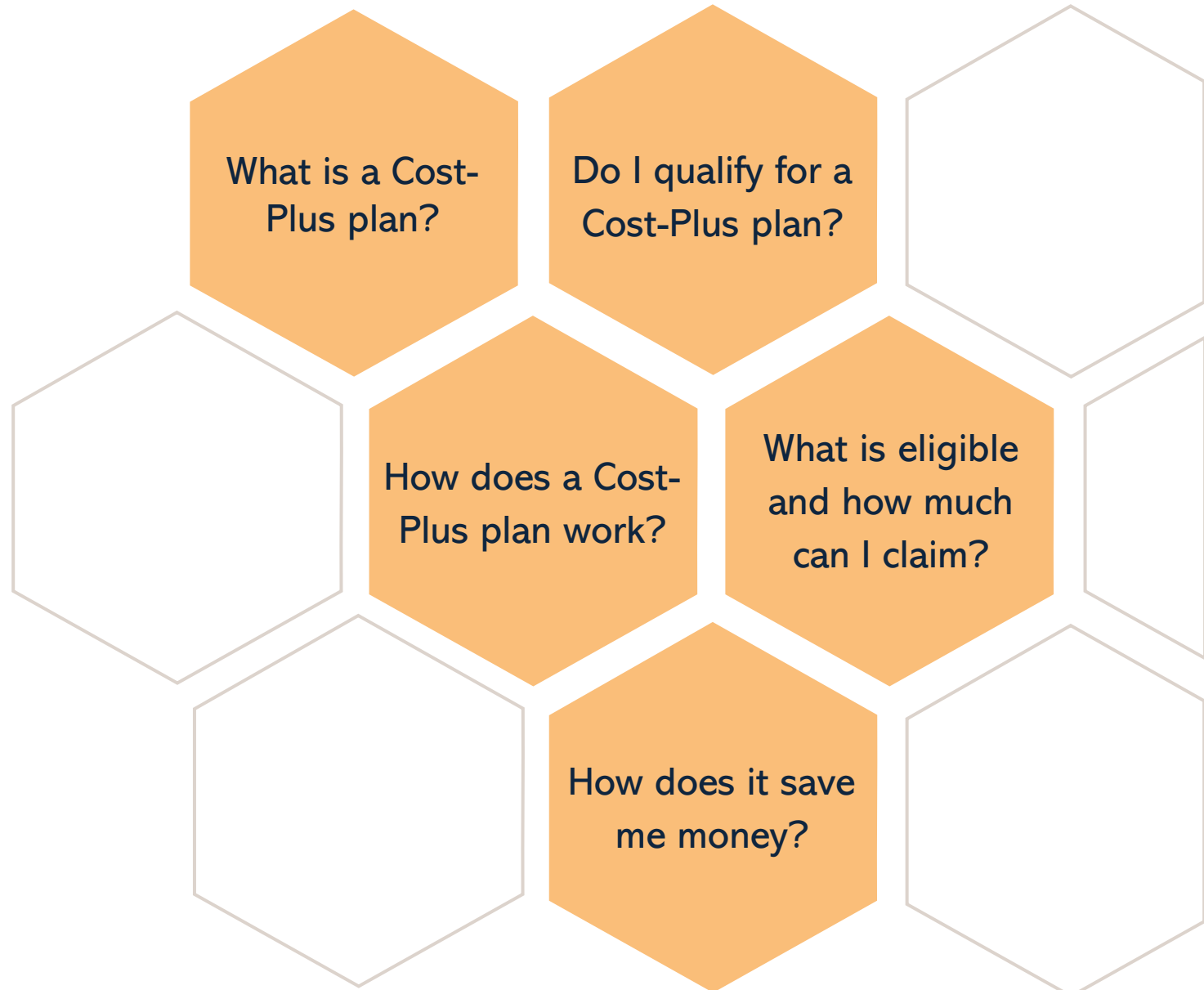
and Key Employees

While having them declared tax deductible to your business





What is a **Cost-Plus** plan?

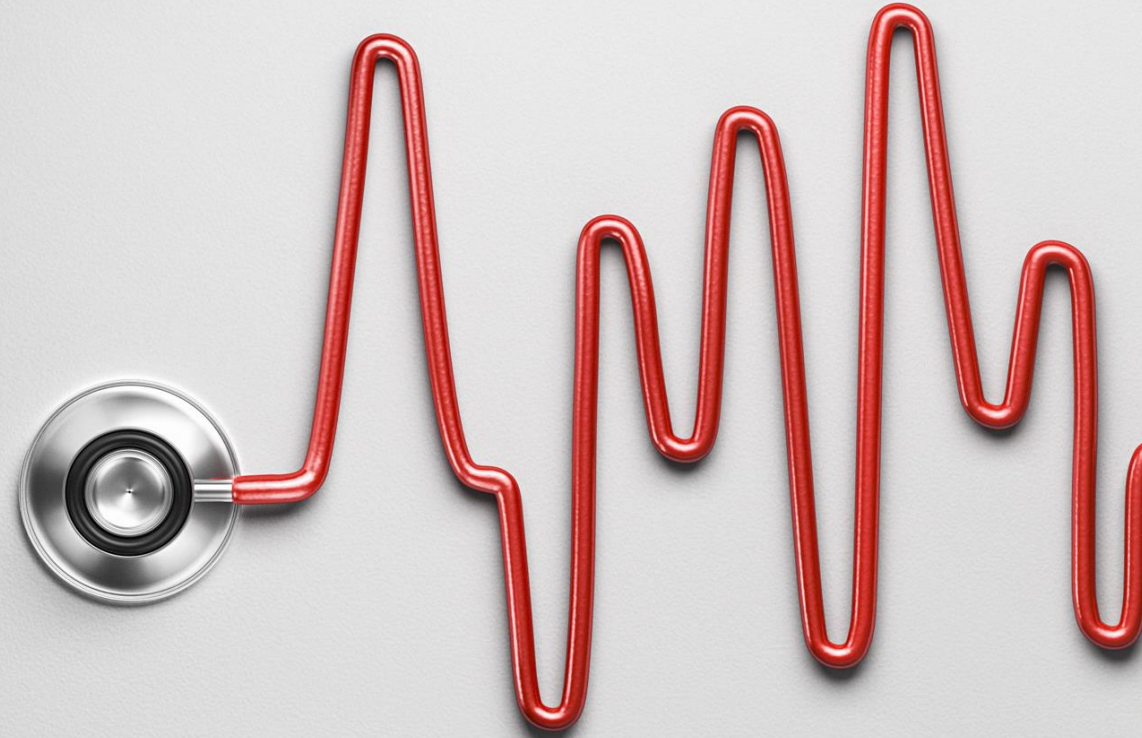




A Cost-Plus plan

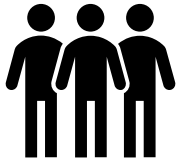
is a special spending account established for your employees.

A Cost-Plus plan is a contract between an employer and an employee. The contract states that the employee medical expenses will be reimbursed by the employer. The reimbursement is tax free to the employee and tax deductible for the employer.



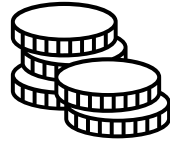
How do I set up an Cost-Plus plan?

You must meet the following criteria to qualify



Establish employee classifications

Identify custom classifications of employees. Each classification will receive a specific dollar amount for their spending account.



Determine your budget

Select how much to offer each custom classification. For example, managers receive \$3,000.00 and fulltime employees \$2,500.00.



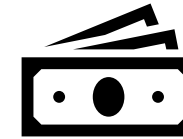
Funds for the account

You submit a cheque with your claim or are invoiced for a submitted claim.

How does an Cost-Plus plan work?

There are **4 steps** to making a claim.

The reimbursement is 100% tax free to the employee. The payment from the corporation is 100% tax deductible



1.
Employee pays medical expenses.



2.
Employee submits claim.



3.
Plan Direct Resources invoices for the claim or a cheque is submitted with the claim from employer's business account.



4.
Plan Direct Resources reimburses employee directly.

What medical expenses are eligible?

Most medical expenses are eligible including dental, vision and paramedical under CRA regulations.

How much does a Cost-Plus plan compare to insurance?

A Cost-Plus plan is a cost-effective alternative to traditional health insurance. A Cost-Plus plan has no premiums and is generally more flexible than insurance.

COST-PLUS

No Premiums

Comprehensive Expense Listing

Easy to Understand and Claim

No Deductibles

Flexible

TRADITIONAL INSURANCE PLAN

Premium Creep

Limited and Restricted Expense Listing

Complex Product

Deductibles

Rigid Structure

A decorative graphic on the left side of the slide consists of several hexagons. A large orange hexagon is the central focus, containing a black icon of a folder with a magnifying glass over it. Above and to the right of this is a smaller blue hexagon containing a black calculator icon. To the left of the large orange hexagon is a white hexagon with a black outline. Below the large orange hexagon is a smaller orange hexagon. The background is white.

What should I say to my accountant?

Its quite common for our clients to speak with their accountant prior to making a decision to open a **Cost-Plus plan**.

How much does a **Cost-Plus plan** cost?

There are no premiums. Your business will be charged a flat administration fee on the value of claims submitted.

Why should I choose Plan Direct Resources?

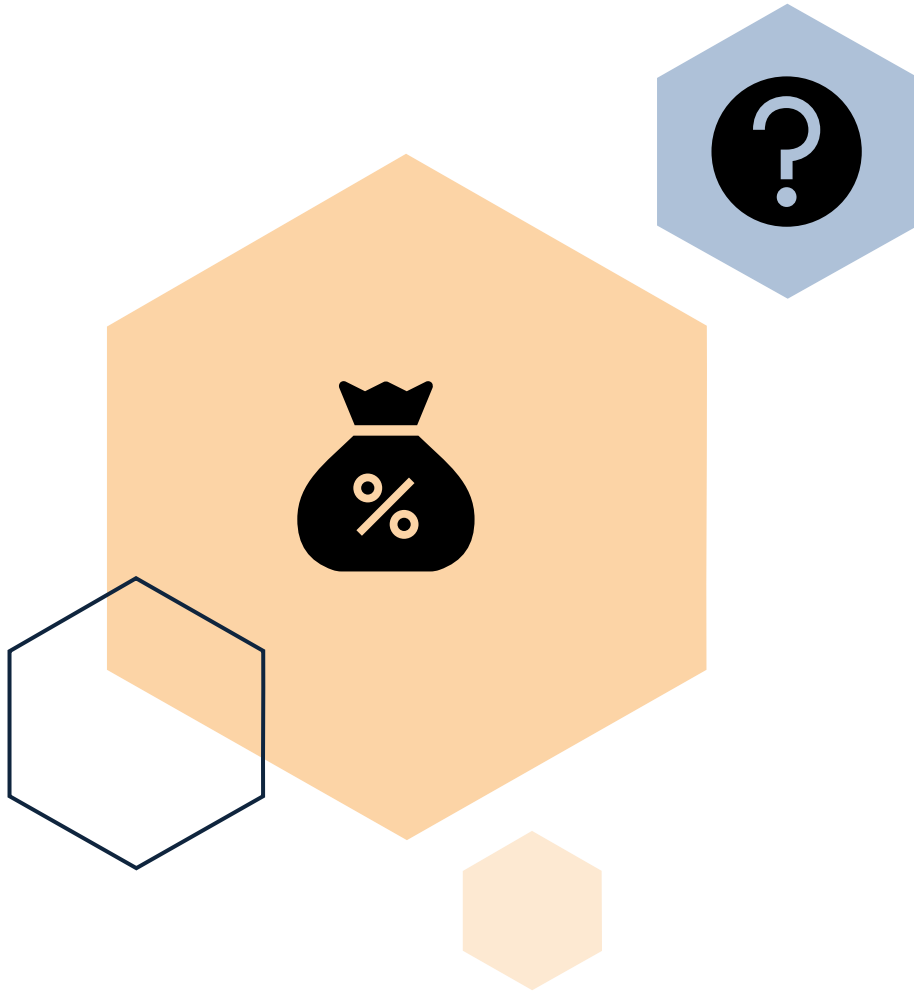


Here is what we offer.

Maintaining your personal family health and welfare can be expensive! The need for braces, prescription drugs and other medical services (dental, chiropractors, glasses, massage therapy, eye exams) can be a costly endeavor.

By establishing a Cost-Plus plan with Plan Direct Resources you can provide **tax-free** health and dental benefits to yourself, your family and/or key employees at the same time making these expenses tax-deductible to your company.

- We process *all* Health and Dental claims, making them *tax-free* to you and *tax deductible* to your company.
- We verify that the claims are eligible under Canada Revenue Agency guidelines. If there is some concern, we contact you first.
- We provide all necessary documents for tax purposes. The entire benefit amount (including the administration fee and GST) is tax deductible as a legitimate business expense.
- Claims are normally processed *within 72 hours*.
- We can reimburse you or your service provider (i.e.: dentist)
- We charge an administration fee *only when you process a claim*.



How?

Eligibility Under Tax Regulations

Under Section 248(1) of the Income Tax Act and Interpretation Bulletin IT-339R2, Private Health Services Plan businesses can use the services of a third-party administrator to "Cost Plus" eligible medical expenses.

TAX ADVANTAGE EXAMPLE

Assume:

- 33% Marginal Tax Rate (Personal)
- Medical or Dental Claim of \$2000.00

Now:

- Income required \$3000.00
- Less 33% tax
- Available to pay claim \$2000.00

Cost Plus:

- Claim \$2000.00
- Administration Fee + \$200.00
- Total cost to your company \$2200.00

SAVINGS ON YOUR \$2000.00 CLAIM:

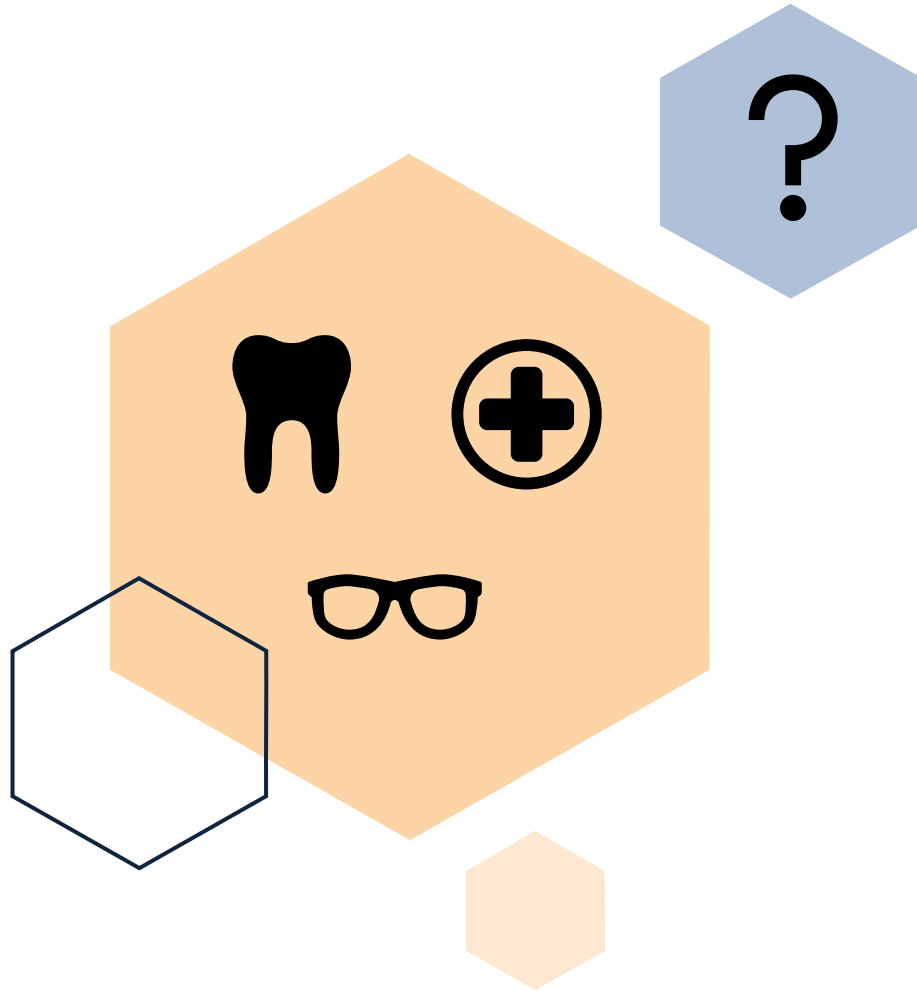
Original cost to the employee: \$3000.00

becomes

Cost to the company \$2200.00

THE SAVINGS: \$800.00

Your company writes off the medical or dental claims PLUS the administration charge AND GST while providing a tax-free benefit to loyal employees!



What are the Eligible Expenses?

Including, but not limited to:

- 100% coverage for all eligible **dental & health** expenses
- Prescription drugs including fertility, anti-obesity, medical diagnosis ED, smoking cessation, etc.
- Paramedical treatments including:
 - Physiotherapy
 - Massage Therapy
 - Psychologist/ Social Worker
 - Naturopath
 - Chiropractor
- Laser eye surgery
- Home and vehicle modifications for medical conditions
- Orthodontics
- Co-insurance and deductibles not covered under a traditional plan

OTHER SERVICES AVAILABLE

Life Insurance

Out-of-Country Insurance

RRSP, RRIF, LIF, RESP, RDSP and TFSA's

Employee Benefit Plan Reviews

Individual Disability

Critical Illness Insurance

Group Health Spending Accounts

Group or individual Pensions

Self Insured Dental & Healthcare plans

Financial Planning

What do I have to do?

To take advantage of a Cost-Plus plan, all you have to do is contact us at the number below. We will provide all the necessary documents and supporting information to get the plan started.

Then, all you have to do is remember to take advantage of the tax savings available through Cost-Plus and our services. It's as easy as that!

Why wait? Call and start saving today!

For a free consultation on a Cost-Plus plan, or to inquire about our other services, please contact us at the phone number or address below.

Phone: 604-882-1132

Toll Free: 1-888-882-1132

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