

## MEMORANDUM OF AGREEMENT

BETWEEN:

AIM Roads Inc. (Contract Area 08)

(the "Employer")

AND:

B.C. GOVERNMENT AND SERVICE EMPLOYEES' UNION  
(BCGEU)

(the "Union")

(the "Parties")

### Re: Auxiliary and Age 65 and Over Health Spending Account (HSA) in a 'Flex' Plan.

The Parties agree to establish a "*flex plan*", effective immediately, for the term of the collective agreement. The parties further agree to incorporate this "*flex plan*" into the collective agreement at the next round of bargaining.

The provisions of this Memorandum of Agreement are in conjunction with Appendix 7 (Health and Welfare Benefits – Auxiliary and Post-65 Health Spending Account (HSA)), and Appendix 6 (RRSP/BCGEU Pension Plan).

The Employer will establish a "*flex plan*" that will allow for auxiliary employees and regular employees age 65 and older to deposit "*in-lieu*" dollars into either a retirement savings vehicle of their choosing and/or into their Health Spending Account ("HSA"). The retirement savings vehicle referenced above can be, at the employee's option, an RRSP or the Group RRSP. Employees not eligible for the Group RRSP may enrol for the sole purpose of the "*flex plan*" and thus have their deposits made to the Group RRSP. Employees will be encouraged to use the Group RRSP. The BCGEU Pension Plan will also be available at employees' option should it in the future replace the Group RRSP for any such employee.

The Employer, will provide, by November 15<sup>th</sup> of each year, eligible employees with the option of selecting to deposit their in-lieu amounts for the coming year in either a retirement savings vehicle (pursuant to those mentioned in the above paragraph) or the HSA or combination thereof. Such selection shall be in percentages as chosen from the schedule "A" attached. Employees rehired or hired after November 15<sup>th</sup> will be provided with such options within two weeks of commencing work.

The HSAs will be provided with the following provisions:

1. The intent of this Health Spending Account is to deposit these "*in-lieu*" dollars into a Health Spending Account to allow auxiliary and post 65 employees to claim their eligible healthcare and dental care expenses.
2. A Flex Plan and an HSA are administered in accordance with Canada Revenue Agency ("CRA") guidelines.
3. *Plan Limitations:*

The Employer will deposit the Health and Welfare in-lieu allowance from the previous month, in accordance with the provisions of Clause 30.7 of the collective agreement, into the employee's individual Health Spending Account each pay period (also referred to as HSA credits).

4. The Flex Plan credit earned in the pay period will show on the employee's biweekly pay statement. The Union and Employer recommend that employees agree to email confirmation of cheque stubs to facilitate a timely transfer of information biweekly. Employees will be able to obtain the balance in their HSA account at any time by contacting Benefit West at [www.benefitwest.ca](http://www.benefitwest.ca).
5. HSA credits will be updated with the insurer at the end of each month, and will include all earned credits within the month up to the last completed pay date. Credits will be available to employees for eligible expenses the 15<sup>th</sup> of the following month.
6. All administration costs will be borne by the Employer.
7. Employees must retain receipts for eligible medical and/or dental expenses and submit them for reimbursement to the plan carrier based on their level of HSA credits earned to date.
8. Any expenses not submitted in the calendar year they are incurred, must be submitted within the first 60 days of the following year.
9. Any unused HSA credits at the end of each calendar year will be rolled over into the next calendar year. Unused credits may be rolled over for one year only.
10. Working employees, employees on layoff and terminated employees will be treated equally with reference to Clauses 8 and 9.
11. Auxiliary employees who become regular employees and thus entitled to Article 25 (Benefits), will have their HSA credits remain active for the balance of the calendar year and, for those credits eligible for such, for an additional year.
12. Medical Services Plan premiums are not an eligible expense as per CRA requirements.
13. Eligible expenses are pursuant to CRA guidelines and include the following:
  - (a) Medical expenses eligible to be paid out of the HSA's are expenses which would otherwise qualify as medical expenses within Section 118.2 (2) of the *Income Tax Act*.
  - (b) CRA's approved basic medical expenses are listed below. Please note that a full listing of eligible expenses can be accessed via the CRA website and are updated on a frequent basis.
  - (c) *Prescription Medicines and Drugs:*  
Generally, payment for prescription medicines and drugs qualify as medical expenses if purchased by the employee, their spouse, or their dependant, as prescribed by a medical practitioner and as recorded by a licensed pharmacist.
  - (d) *Vision:*  
Eyeglasses, contact lenses and laser eye surgery if prescribed, are eligible medical expenses.
  - (e) *Dental:*  
An amount paid to a dentist, dental hygienist, dental surgeon or dental mechanic for dental services provided to the patient (to the extent that the fees are for diagnostic, therapeutic or rehabilitative services) are eligible medical expenses.
  - (f) *Professional Services:*  
Generally an amount paid to a licensed medical practitioner is an eligible expense. All medical doctors,



medical practitioners, dentists, pharmacists, nurses or optometrists must be authorized to practise under the laws of the provincial jurisdiction where the service is rendered, in order for the medical expenses to be eligible.

- (g) The following list summarizes publicly available provincial information for British Columbia identifying those health care professionals authorized to practise as medical practitioners. This is not an all-inclusive list of every profession that is authorized by the Province of BC. They can include:

Acupuncturist, Audiologist, Chiropodist, Chiropractor, Dental Hygienist, Dental Technician or Technologist, Dentist, Denturist, Dental Mechanic, Denturologist, Dietician, Emergency Medical Technician, Hearing Aid Practitioner, Licensed or Registered Practical Nurse, Massage Therapist, Midwife, Naturopath, Occupational Therapist, Optician, Optometrist, Pharmacist, Physician, Physiotherapist or Physical Therapist, Podiatrist, Psychological Associate, Psychologist, Registered Nurse, Registered Psychiatric Nurse, Social Worker, Speech Language Pathologist, Surgeon, Traditional Chinese Medicine Practitioner.

Please note that these can be accessed via the CRA website and are updated on a frequent basis.

The exhaustive CRA web site is:

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncmtx/rtrn/cmpltng/ddctns/lns300-350/330/ampp-eng.html>

- (h) *Definitions:*

Dependant means: Your spouse, legal or common-law.

A common-law spouse is as defined by provincial or federal regulations.

Your unmarried children under age 21, or under age 25 if they are full-time students.

Children under age 21 are not covered if they are working more than 30 hours a week, unless they are full-time students.

Children who are incapable of supporting themselves because of physical or mental disorder are covered without age limit if the disorder begins before they turn 21, or while they are students under 25, and the disorder has been continuous since that time.

Flex Plan is a plan that is inclusive of an RRSP or Pension and an HSA and is compliant to CRA regulations.

HSA means Health Spending Account.

CRA means Canada Revenue Agency.

Flex Plan and HSA credits - one Flex Plan or HSA credit equals \$1.

The RRSP Option will be provided with the following provisions:

1. The employee will provide the Employer with the requisite information from their financial institution on the RRSP they want the money deposited into at time of making their selection (prior to November 15<sup>th</sup> of each year for the following year). For employees selecting the Group RRSP and already enrolled in that plan no further information will be required as the Employer has the required information already. The Employer is not responsible for the RRSP or ensuring that the employee has the required room in their RRSP limits for such deposits. If there

are delays in deposits due to the employee failing to provide the required RRSP information, the Employer will assign the credits to the employees HSA component of the Flex Plan.

2. The Employer will make the required deposits (by way of cheque) into the employee's RRSP or Group RRSP pursuant to their selection of such. If the Group RRSP is selected, the deposits will be made monthly at the same time as regular contributions to the Group RRSP are made. If deposits are made to an employee's RRSP, it will occur annually within the first 60 days of the following calendar year such that the employee is eligible to claim the RRSP as a valid deduction in the applicable tax year (typically before the end of February). However, employees who have \$1000 or more accrued for the RRSP deposit by the end of August each year, will have those funds available to be deposited into their RRSP during the month of September. In the future, if it is determined that such deposits can efficiently be made directly from the Employer to the employee's RRSP, then the Employer will make the deposits biweekly in conjunction with the employee's regular paycheck.

3. Where the Group RRSP is referenced in items 1 & 2 above, the BCGEU Pension Plan will apply should it replace the Group RRSP for any employee.

4. Deposits into RRSPs will be made without any income tax deductions, though deposits may be subject to deductions for CPP and EI. Administration costs associated with depositing the money into the RRSPs will be borne by the Employer.

Dated this 27<sup>th</sup> day of January, 2021, in the Province of British Columbia.



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Michelle Pascoe  
For the Employer



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Nathan Sharp/Cathy Seagris  
For the Union