BBD BENEFITS BY DESIGN

Spending accounts

ADVISOR GUIDE

An easy-to-use solution that lets employers choose the coverage that works for their organization.

For advisor use only

Allow us to introduce ourselves

BENEFITS *BY* DESIGN

As a third-party administrator (TPA), Benefits by Design (BBD) manages the administration of plan member benefit plans for companies across Canada. We work with insurers and other service providers that outsource administrative services to us to improve efficiency and quality of service.

Some of those administrative services include tracking plan member eligibility, maintaining plan member data, consolidated billing, reporting, and handling plan member inquiries.

We support the independent group-focused advisor

BBD works with independent advisors who specialize in group benefits. Our goal is to help build your business and equip you with the skills and knowledge you need to be successful.

We're a benefits expert – and it's a complicated subject

Each Advisor is assigned a BBD team that works tirelessly to support you and your clients' needs. You'll gain a:

Director, Partner Solutions TPA+
Your Director supports you in conversations with clients, onboarding new groups, and answering questions regarding quotes, generating new business, and more!

Client Manager
Your Client Manager monitors your in-force clients' performance. Through regular check-ins, your Client Manager ensures the smooth operation of your clients' plan member benefits plans.

Client Specialist
Your Client Specialist handles the day-to-day administration of your clients' plans. They are the direct contact for your Plan Administrators and employees.

All Directors, Partner Solutions TPA+ and Client Managers complete a Group Benefits Associate (GBA) designation to become specialists in group benefits.

We partner with best-in-class suppliers and make benefits administration easy

We choose supplier partners that share our philosophy around creating sustainable plan member benefits plans designed to protect Canadian employers and their plan members' health, wealth, and happiness. We own and support our technology platform, which gives us the flexibility to integrate with many different supplier partners.

Spending accounts
At-a-glance

Spending accounts are ideal for clients looking for an alternative or a top-up to a traditional benefits plan, and for employees who want flexibility and choice in how to spend their benefit dollars. There are two fundamental spending account options, a health care spending account (HCSA) and a wellness spending account (WSA) or personal spending account.

Health care spending account

A health care spending account (HCSA) provides a non-taxable alternative or supplement to a traditional benefits plan. Your clients select a dollar amount for their employees to spend on eligible expenses and the employee decides how to spend the money. HCSAs are regulated by the Canada Revenue Agency (CRA), and only expenses listed as eligible by the CRA can be covered by an HCSA.

Here are a few examples of items covered from the CRA website:

- Ambulance services
- Specific cancer treatments
- Crutches
- Dental services
- Hearing aids
- Insulin or substitutes
- Pacemakers
- Vision care
- Registered massage therapy (RMT)

Those interested in a complete list of eligible expenses are encouraged to visit the CRA website.

Wellness spending account

A Wellness Spending Account (WSA), sometimes known as a Personal Spending Account (PSA), is a taxable benefit that provides additional health and wellbeing options beyond what is covered under a traditional benefits plan. Your clients are the ones who decide what will and will not be covered under a WSA. As a result, the options for coverage are almost limitless! Employee benefit plans can be built to include either an HCSA or a WSA, or a combination of both.

Here are a few common examples:

- Personal training and consultation
- Gym or fitness centre memberships
- Childcare and eldercare
- Hobby and general interest classes
- Education fees, tuition, and books
- Smoking Cessation Programs
- Safety equipment
- Legal Services

BBD is proud to be able to offer spending accounts through two providers: GreenShield and Standalone®.

GreenShield health care spending account

For a client to be eligible for a GreenSheild HCSA, they must have at least $100 of insured premium with BBD. They must have at least 3 employees and $100 of insured premium with BBD.

A three-month minimum security deposit, plus applicable administration fees and taxes, is required. The deposit can be reduced to two-months security deposit for clients who have set up a pre-authorized payment plan. Eligible employees are required to work a minimum of 20+ hours per week.

Standalone® health care spending account and wellness spending account

Standalone® spending accounts are open to any incorporated company with no restriction on the number of employees, hours worked, or a minimum premium requirement. A security deposit is not required.

Standalone® spending accounts can be combined with other BBD benefits to create a comprehensive benefits plan. In these cases, BBD will waive the $100.00 minimum monthly premium requirement that is normally required for these other benefits.

Standalone®: enhanced service through partnerships

myHSA is a technology company with a focus on niche benefits solutions, making them natural partners for our fully digital spending Standalone® accounts product. myHSA's technology powers our Standalone® spending accounts product through the myHSA platform and app, and are your clients' go-to contact for technical issues or questions.

Standalone®: specialty spending account

Standalone® spending accounts allow your clients to craft a specialized plan that works for them and their employees.

Combination spending account

Combination spending account brings together the coverage of an HCSA and a WSA. Your clients can determine the allocation for each of the spending accounts, or allow employees to decide how to allocate their funds to best suit their needs.

Build your own account

These accounts provide the ultimate level of flexibility and choice for your clients, allowing the plan to precisely accommodate specific needs. Your clients will be able to define almost every aspect of their plan.

AwayCare is a premier travel insurance managing general agent (MGA) specializing in out-of-country and out-of-province medical coverage for Canadians. Their focus on premier travel insurance makes them an expert when it comes to group travel insurance and an excellent partner for a stand-alone group travel solution.

Add group travel insurance to any plan

AwayCare provides a group travel option with no minimum number of lives, making this a travel solution for groups of any size or level of coverage.

Through AwayCare, eligible plan members* can access:

- 15-day individual or family coverage
- 30-day individual or family coverage

**Eligible plan members are those under 70 years of age.*

The highlights:

- Maximum benefit amount**: $5,000,000 worldwide, per policy period
- 30-days' stability (not applicable for in-country travel)
- No deductible
- Can be paired with any benefit
- Groups are billed directly through Benefits by Design (BBD) in monthly invoices and require a separate login to the Standalone® platform.

***Benefit is only payable when pre-approved and arranged by Claims Assistance, "LS".*

For more information regarding Awaycare, speak with your Director of Partner Solutions, TPA+.

AwayCare rates

15-day coverage:

Single — $4.61 / month

Family — $11.56 / month

30-day coverage:

Single — $6.41 / month

Family — $16.04 / month

2025-12-19

Spending accounts
Benefits to your client

Spending accounts provide customizable benefits coverage to working Canadians across the country. Whether paired with traditional coverage or used as an alternative entirely, spending accounts are a viable solution for almost any incorporated business.

Selection

Your clients can choose nearly every aspect of their plan, including categories and subcategories, minimums, maximums, allocations, and even co-pays.

Peace of mind

Your clients and their employees will enjoy the comfort of knowing that they have the coverage they need, and the flexibility to spend the dollars on what they want.

Fully digital platform

GreenShield and Standalone® offer online platforms for claims submissions, electronic payment, reporting, and administration.

Exceptional client service

Your clients are given dedicated points of contact at BBD to help them navigate their benefits plan. Your BBD Client Manager and a Client Specialist is with them (and you) every step of the way.

Spending accounts
Sales support

A true back office

Whether you require assistance understanding products, quoting a group, handling a claims issue, or getting up to speed on a renewal, your BBD team is here to help.

Nomad

Our secure Nomad advisor portal provides a dashboard of your active business with BBD. Nomad is easy to use and includes resources that support your client conversations.

Marketing materials:

Our marketing materials are available electronically through Nomad.

Nomad advisor portal

GreenShield spending account
Request to quote

Advisors can request a fully-insured quote to include a GreenShield health care spending account (HCSA) and/or personal spending account (PSA), as long as their quote includes at least 3 employees and $100 in insured monthly premium.

Advisors can request a quote from our quoting department at quotes@bbd.ca

Our proposals include a breakdown of the costs incurred by the organization and each individual employee.

To ensure a timely turnaround, BBD requires the following information:

- Name of client/employer
- Province the business is located in
- Nature of the business
- Requested plan design
- Employee census data
- Length of time in business

Are they presently insured? If yes, please provide the following:

- Current plan design
- Current and/or renewal rates
- Claims experience

Please also specify the following information:

- Are there eligible employees not participating?
- Do all employees work at least 20 hours/week?
- Are the employees covered by the Worker's Compensation Board (WCB)?
- What is the percentage of family content?
- Do they have any full time contract employees? If yes, what coverage is required?
- Do they have any seasonal employees?
- Are any eligible employees currently absent from work? If yes, please provide the details.
- Are any eligible employees currently disabled? If so, please provide the following:
    - Date of disability
    - Nature of disability
    - Prognosis
    - If the life waiver was approved

GreenShield spending account
Sales process

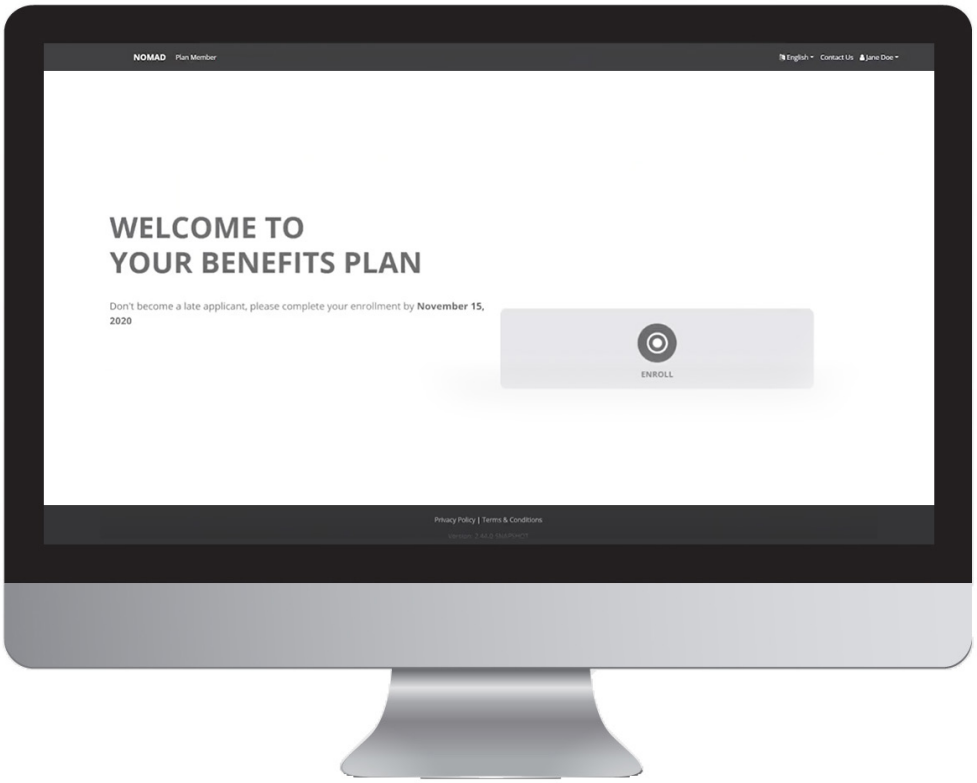
To enroll in a fully-insured benefits plan, clients complete the Master Application, and the GreenShield Addendum (if applicable) before forwarding them to sales@bbd.ca to set up the plan. With BBD benefit plans, clients have two options for enrollment:

Online enrollment

Clients can streamline the benefits enrollment process (and save a few trees) by using BBD's online enrollment tool. The online enrollment tool allows plan members to easily enroll themselves in their new group benefits plan, and plan administrators can monitor their progress. This reduces the administrative burden on your clients and the amount of physical paperwork required.

Paper enrollment

If your clients prefer, they can complete their benefits plan enrollment using BBD's paper forms. Once all of the forms are collected, our implementation team sends the information to our carriers. Upon successful receipt and implementation of the plan, our implementation team transfers the sale over to our client services team who will reach out to the plan administrator to introduce themselves, and get them started with their benefits plan.



Standalone® spending accounts
Quoting and sales process

Requesting a quote

Advisors interested in a Standalone® health care spending account (HCSA) and/or wellness spending account (WSA) for their clients can request a customized proposal. This proposal can include an estimated cost to the business based on group allocation and census.

To request a Standalone® proposal, please email quotes@bbd.ca or utilize our easy-to-use Standalone® quoting tool to create an accurate quote, including applicable taxes, administration fees, and commissions, within minutes.

Download the Standalone® Quoting Tool

Sales process

Materials required to successfully process a Standalone® sale and implement the plan include*:

- Employee enrollment form
- Standalone® addendum
- Group insurance terms and conditions
- Company banking information

This information is sent to our sales implementation team who, once all required information is received, typically have a turnaround time of 24-48 hours. If a spending account is being combined with other coverage such as insured benefits, our standard turnaround time of 3-5 business days may apply.

**This list may not be complete, and BBD reserves the right to make additional requirements above and beyond what is listed here at their own discretion.*

For allocations over $15,000 per employee, BBD requires the completion of an excess letter and approval from the company's tax authority.

Onboarding a Standalone® plan

Employees will receive an email from myHSA with their login and password in order to access their online platform. Once logged in, they will be prompted to upload their banking information.

Spending accounts
After the sale

Things you need to know

- Once your client's group has been set up, your BBD client manager will reach out to your client by email with a welcome kit that includes the following information:
    - Plan summary, including plan effective date, contributions and rolling type
    - Policy ID numbers and invoicing details, if fully-insured benefits are included
    - Nomad information
- Your BBD client manager will also loop you in on the welcome email to the plan administrator once their plan is effective.
- BBD will help you navigate your client's benefits plan with our Focus 3/6/9 program.
    - At three months after your client's plan starts with us, you'll receive a personalized check-in from your BBD client services team. We make sure every question is answered.
    - At six months, we review the claims experience of the group and bring any high claiming patterns to your attention. We ensure the plan design is still a good fit for the group and offer suggestions if plan changes are recommended.
    - At nine months, we'll follow up and check in on the plan to confirm that no further adjustments are necessary and that the group is performing well.
- Nomad, BBD's online benefits administration tool, contains all of the information relevant to your clients' group benefits plans. View their plan summary, employee details, invoices and a variety of other reports from your desktop, tablet, or phone.

Things your client needs to know

- In addition to the welcome email, your clients will be provided with login credentials for their Nomad plan administrator portal access. Should they require assistance, our client services team is happy to provide a walk through of Nomad.
- To ensure the best possible onboarding experience for your clients, your client services Team:
    - Reaches out within one week to check in on the plan administrator, set up Nomad training and answer any questions.
    - Provides Nomad training within two weeks if requested.
    - Reaches out within three weeks to see if the group has any questions about their digital employee packages.
    - Reaches out at three months, as a general touch base on their plan.

Things your client needs to know if they have a Standalone® spending account:

Your clients will receive a welcome email which includes:

- A guide to setting up their spending accounts account through myHSA.
- A list of eligible expenses under the plan.
- Onboarding kits for plan administrator and plan member.
- Client manager's contact information

Standalone®: prices and commissions

Advisors can select their own compensation percentage (typically around 4%), which will be charged in addition to BBD's base administration fee (5.5%), plus applicable taxes. This base administration fee, in combination with the advisor's commission, is the **only fee charged.**

There are no:

- Fees for adding or terminating an employee
- Fees for changing plan design at year end
- Monthly fees
- Usage fee requirements
- Annual fees
- Set up fee

Commission payments are automatically deposited into your account on the seventh business day of every month, one month in arrears. For example, any commissions for the month of January would be paid on February 7th.

Yearly allocation process

There is no formal renewal process with spending accounts. The account(s) will reset each year based on the benefit year of the group. During this time, plan administrators may make changes to their spending accounts plan, including allocations and plan design. Any changes made to either their allocation and/or their plan design will be completed prior to the resetting of the new benefit year and become effective for the new year.

Employees with a combination spending account will be required to reallocate their funds annually within 30 days of the new benefit year. Employees and plan administrators will receive notifications reminding them of this requirement and the deadlines associated with their reallocations.

Spending accounts
Common FAQ's

Q. Who is myHSA?

A. myHSA is a partner of Benefits by Design (BBD) who provides the technology that powers our Standalone® product. Online chat is available to plan administrators and employees experiencing any technical issues with the platform.

Q. What are the requirements for spending accounts?

A. For GreenShield health care spending accounts, we require the group to have at least 3 employees and $100 in insured monthly premiums. To be eligible for a GreenShield HCSA, employees must work a minimum of 20 hours per week.

For Standalone® spending accounts, the employer must be an incorporated company. This means Standalone® Spending Accounts are a viable option for full-time and part-time workers, or even seasonal employees. To be eligible for Standalone®, an employee must be actively at work and earning T4 income.

Q. Is there a minimum or maximum number of employees required?

A. No, there is no employee minimum, making spending accounts a viable option for groups as small as one and as large as 100, or more.

Q. Is there a minimum number of hours an employee is required to work?

A. For GreenShield HCSA, an employee must be working a minimum of 20 hours per week. For Standalone® Spending Accounts, there is no minimum hour requirement. Employees must be actively at work and earning T4 income.

Q. Are original receipts required to process a claim?

A. All receipts can be submitted electronically either through GreenShield+ online and via the mobile app, or the Standalone® platform. We do recommend employees retain their original receipts in case of an audit.

Q. What reporting is available through the Standalone® platform?

A. Plan administrators have access to a full reporting menu for any product under their Standalone account. These are customizable reports and can be run at anytime for a specified period.

Important note:

The Canada Revenue Agency (CRA) has indicated a spending account set up only for owners (and dependents) may not qualify as a Private Health Services Plan. Any contribution or premium and administration charges paid to BBD to reimburse eligible medical and/or dental claims may be denied as an eligible tax deduction. To avoid this problem, the plan should not exclude non-shareholder/arm's length employees. If you have questions regarding the implications of an owner-only plan, please contact your accountant or a tax expert.

Q. What is a benefit year for Standalone® spending accounts

A. By default, the benefit year is January 1st - December 31st, but your clients may also choose to begin their Benefit Year on their fiscal year. At the end of the benefit year, plan administrators may make any necessary changes to the plan. Employers utilizing a Combination Specialty Plan will need to reset their allocations and employees will have 30 days to reallocate their dollars.

Q. Can contributions carry over to the following year?

A. Contributions can be carried over for a period of one year.

Q. Can claims carry over to the following year?

A. No, spending accounts does not allow the carrying over of claims.

Health Care Spending Account (HCSA)
Plan Requirements & Limitations

Health Care Spending Accounts (HCSA)s are regulated by the Canada Revenue Agency (CRA) and have specific plan limitations that Advisors and their clients should be aware of. **Likewise, our Standalone® HCSA has plan requirements in addition to those provided by the CRA.**

Canada Revenue Agency (CRA) Requirements & Limitations

Allocation Limitations

Although the CRA does not provide a guideline for plan limitations when determining class allotments, the plan limitations must be considered reasonable relative to the employee's income and with respect to their position at the company.

Industry standards have determined that an allotment of 10-15% of the employee's income is considered reasonable. Please note that this does not necessarily include all T4 take-home income, such as dividend income. These guidelines are based on 10-15% of a reasonable income an employee would be compensated to operate in their specific duty.

We recommend that all employers refer to their tax authority prior to setting up an HCSA.

Shareholder Limitations

A Private Health Services Plan (PHSP), such as an HCSA, is meant to be an employee benefit rather than one exclusively for shareholders or owners. Prior to plan set up, the following condition(s) should be met:

1. Must be an active business. Cannot be generating passive income.
2. The benefit is available to all employees, including those who are neither a shareholder nor related to a shareholder (regardless of whether they have chosen to participate in the plan); or
3. If the benefit is not available to all employees, but there is a logical reason to exclude some employees; or
4. If the benefit is comparable to that offered to non-shareholder employees of businesses of a similar size who perform similar responsibilities.
5. Employees who are also shareholders must be collecting T4 income.

HCSAs should not exclude non-shareholders or arms length employees unless meeting the outline above. To avoid any issues, it is recommended that employers refer to their tax authority for all plan designs and limitations prior to setup.

2019 Update: Tax Schemes

The CRA is more closely reviewing PHSPs and tax schemes in response to recent increases in improper claiming deductions related to HCSAs.

You can learn more about this initiative here.

Standalone® Plan Requirements and Limitations

Eligibility Limitations

Standalone HCSAs are available to incorporated businesses only, including shareholder employees and all other corporate employees eligible to participate. Corporations with as few as one employee are eligible for Standalone. "Employee" is defined as an individual earning T4 income and remitting all applicable payroll taxes to the CRA.

Allocation Limitations

In addition to the allocation limitation guidelines from the CRA, Standalone plan limits for classes outside of these guidelines, or those exceeding $15,000 in allotment, require authorization from a tax authority in order to proceed.

FOR ADVISOR USE ONLY – This document reflects the most current information and is up-to-date at time of print.

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