



Cost Efficient Benefit Plan

(Div. of Paloma Ventures Ltd.)

Mission Statement

We strive to provide our clients and friends with cost efficient and tax-saving methods for today's changing market through the best level of customer service possible.

Cost Plus

What is cost plus and how does it fit into a group benefit plan?

Cost Plus is a means of providing tax-free benefits to an employer or an employee if the situation arises. The company incurs an eligible medical expense under Canada Revenue Agency (CRA) guidelines.

For Example:

A business owner purchases glasses for himself and his family at a cost of \$1,000 out of his own pocket (i.e. with after tax dollars). Depending upon his personal marginal tax rate (ranging from 25 - 40%) he would have to take approximately \$1,400 or more in gross earnings to buy the glasses.

If the business owner pays for the glasses through his company, using Cost Efficient Benefit Plan, the expense becomes an eligible deduction for the company.

This is how it works:

Cost of glasses	1,000.00
Administration fee of 5%	50.00
GST on the administration fee	2.50
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Total paid to Cost Efficient Benefit Plan	\$1,052.50

Cost Efficient Benefit Plan would then issue a personal cheque for \$1,000.00 (the cost of the glasses) to the business owner and a receipt for the \$1,052.50 expense (which is fully deductible) to his company.

The results:

The business owner (and/or employee) has paid his medical expense excluding the high cost of personal income tax. His company has taken advantage of this total amount paid as an eligible business expense deduction.

A win/win situation.

Marketing
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Eligible Expenses Which Qualify for the Cost Plus Plan

In general, any service by a qualified practitioner is an eligible expenditure. To be a qualified medical practitioner, the person must be authorized to practice in accordance with the laws of the province/state in which he/she resides, and certified according to that practitioner's governing body.

PREMIUMS FOR HEALTH CARE PLANS

Premiums Paid to any non-government medical or hospital care plan, e.g. Blue Cross, ManuLife, etc.

IMPORTANT: Provincial Health Care Premiums ARE NOT eligible expenditures

PROFESSIONAL SERVICES

Any medical service performed by a qualified medical practitioner* including, but not limited to the following:

Acupuncturist	Gynecologist	Orthodontist	Practical Nurse (for medical service)
Chiropodist	Massage Therapist	Osteopath	Psychiatrist
Chiropractor	Naturopath	Orthopedist	Psychoanalyst
Dental Hygienist	Neurologist	Pediatrician	Psychologist (if licenced)
Dental Mechanic	Obstetrician	Pharmacist	Registered Nurse
Dentist	Occupational Therapist	Physician	Speech-Language Pathologist or Speech-Language Audiologist (if treatment is for pathological or audiological impediments)
Dermatologist	Oculist	Physiotherapist	
Dietician, Registered (Registered Nutritionist in AB, BC & QC)	Ophthalmologist	Plastic Surgeon	
	Optician	Podiatrist	Surgeon
	Optometrist		Therapist or Therapeutist

*Note: A **qualified medical practitioner** means a person who is authorized to practice in accordance to the laws of the province in which he/she resides, and certified according to that practitioner's governing body.

DENTAL SERVICES

Dental X-rays	Examinations	Gum Treatment
Denture Repairs & Replacement	Extracting Teeth	Oral Surgery (e.g. root canal)
Dental Repairs & Replacements	Filling Teeth	Straightening Teeth (e.g. braces)

LABORATORY EXAMINATION AND TESTS

Blood Tests	Metabolism Tests	Stool Examination	X-Ray Examinations
Cardiographs	Spinal Fluid Tests	Urine Analysis	

HOSPITAL SERVICES

Anesthetist	Oxygen Masks Tent	Vaccines
Hospital Bills	Use of Operating Room	X-Ray Technician

MEDICINES

Any non-prescription medicines (over the counter) prescribed by a qualified medical practitioner and recorded by a licensed pharmacist.	All Prescription Drugs	Tapes or Tablets for sugar content test by diabetics, if prescribed.
	Insulin or Substitutes	
	Liver Extract – injectable for pernicious anemia	Vitamin B12 – for pernicious anemia
		Oxygen

PRESCRIBED MEDICAL TREATMENTS

Blood Transfusion	Healing Services	Psychotherapy	Bone Marrow or Organ Transplants
X-Ray Treatment	Hydrotherapy	Insulin Treatments	
Injection	Radium Therapy	Electric Shock Treatments	Speech Pathology or Audiology
Whirlpool Baths	Diathermy	Pre-Natal, Post Natal Treatments	Nursing (by Registered Nurse)
			Ultraviolet Ray Treatments

MATERIALS AND APPARATUS (including repairs and replacement batteries) WHICH ARE PRESCRIBED BY A RECOGNIZED MEDICAL PRACTITIONER

An external breast prosthesis	Hearing aids
Any device designed to assist in walking where the individual has a mobility impairment	Heart monitors or pace makers
	Hospital beds, is required in home
Contact lenses	Inductive coupling osteogenesis stimulator
Devices designed to assist a person to use bathtubs, showers, or toilets	Infusion pumps for diabetics, including peripherals
	Monitors attached to babies identified as being prone to sudden infant death syndrome
Devices designed to enable individuals with a mobility impairment to operate a vehicle	Optical scanners or similar devices for a blind individual to enable him/her to read print
Devices used by individuals suffering chronic respiratory ailment or a severe chronic immune system disregulation	Orthopedic shoes or boots
	Oxygen tent
Electronic or computerized environmental control systems for individuals with severe or prolonged mobility restrictions	Power operated guided chair installation for stairways
	Power operated guided lifts and transportation equipment designed to allow access to buildings, vehicle or to allow wheelchair access to a vehicle
Electronic speech synthesizers for mute individuals	Synthetic speech systems, braille printers, and large print-on-screen devices that enable blind persons to utilize computers
	Swelling syringes
Extremity pumps or elastic support hose to reduce lymph edema swelling	Television closed captioning decoders
	Wigs, if required as a result of disease, accident, or medical treatment
Eye glasses	
Any medical apparatus or material prescribed by a doctor, dentist, nurse or hospital	

MATERIALS AND APPARATUS, WHICH DO NOT REQUIRE A PRESCRIPTION

Any device to aid in the hearing of a deaf person including bone conduction, telephone receivers, extra loud audible signals and devices to permit volume adjustment of telephone equipment above normal levels	Colostomy pads
	Crutches
	Hernia truss
Artificial eye	Ileostomy pads
Artificial kidney machine, including installation, operating costs	Iron lung
Artificial limb	Laryngeal speaking aid
Blood sugar level measuring devices for diabetics	Spinal brace
Brace for a limb	Wheelchair
Catheters, catheter trays, tubing, diapers, disposable briefs required by incontinent persons	

OTHER ELIGIBLE EXPENDITURES

Ambulance charges	Transportation costs to hospital, clinic, or doctor's office to obtain services not otherwise locally available; distance one way must be at least 40 km (See CRA guide for limitations and details)
Homemaker services and home care for the disabled (attendant must be a non-relative)	
Prescription birth control	
Reasonable expenses relating to renovations to a dwelling for patients with severe and prolonged mobility impairment (e.g. wheelchair ramp, lifts, bath facilities) (see CRA guide for details).	
Rehabilitative therapy, lip reading and sign language training	
Specially trained animals to assist blind, deaf, or severely impaired persons, including the cost of its care and maintenance	Travel, meals, and accommodations costs (for a patient and an accompanying attendant) may be eligible if: 1. Equivalent medical services are not available locally; 2. The route travelled is reasonably direct; 3. Medical treatment is reasonable and distance travelled one way is at least 80 km. (See CRA guide for limitations and details)

THE FOLLOWING EXPENDITURES ARE NOT COVERED UNDER THIS PLAN

Air conditioners*, humidifiers, dehumidifiers, or air cleaners	Hospital parking (unless it can be included in long distance travel)
Antiseptic diaper service	Illegal operations, treatment or drugs
Birth control devices (non prescription)	Maternity clothes
Blood Pressure Monitoring Devices	Medical expenses which are reimbursed or are entitled to be reimbursed from other plans
Cosmetic Procedures Expenses must be for diagnostic, therapeutic or rehabilitative services. Expenses incurred for <u>purely cosmetic procedures</u> are not eligible medical expenses; for example, teeth whitening, liposuction, hair replacement procedures, botulinum toxin (Botox) injections, facelifts, and breast augmentation. Some cosmetic procedure qualify if required for medical or reconstructive purposes and must be so stated in writing by your medical practitioner.	Other-the-counter products (vitamins, supplements, aspirin, bandages etc.)
	Payments to a municipality where the municipality employed a doctor to provide medical services to the residents of the municipality
	Reiki practitioner
	Rolf Therapy (unless paid to a physician)
	Scales for weighing food
Cost of missed appointments	Special foods or beverages are not an eligible expense. However, if said food or beverages are taken to alleviate or treat an illness and not nutritional, they may be allowed. Such claims must be accompanied by a letter from a medical doctor
Gym memberships	Toothpaste, toothbrushes
Health programs offered by resort hotels, health clubs	Umbilical cord blood extraction and storage
Homeopathic medicaments and herbal supplements	

**The first \$1,000 (or 50%, whichever is less) of an air conditioner is eligible if prescribed by a medical practitioner, as being necessary to assist an individual in coping with a severe chronic ailment, disease or disorder.*

