



Health Spending Account – Working for You

A reminder that all claims for 2007 must be sent to Sun Life by March 30, 2008 *

Federal Income Tax Act guidelines state that HSA credits must be used during a specific period of time (benefit year) to pay for health or dental services and supplies. The benefit year for your HSA is January 1st to December 31st.

You have 90 days after the end of a benefit year to submit expenses that were incurred during that benefit year (i.e. claims must be received by March 30th). No further expenses for this benefit year can then be claimed.

If any credits remain in your account at the end of one benefit year, they can be carried forward for use in the next benefit year. At the end of the second benefit year, however, **credits that were carried forward from the previous benefit year are lost.** When available, credits that have been carried forward will always be used to pay claims before new credits are used.

Here is an example of how the balance carry-forward and forfeiture rule works:

Activity	Activity Date	Amount	HSA Balance
Credit Deposit	Jan 1, 2006	\$750	\$750
Claim #1	Feb 1, 2006	\$250	\$500
Claim #2	Nov 1, 2006	\$200	\$300
	Dec 31, 2006		\$300 (unused amount will be carried forward for use in 2007)
Credit Deposit (Year 2)	Jan 1, 2007	\$750	\$1,050 (\$300 from 2006 plus \$750 in new credits)
Claim #1	Oct 1, 2007	\$200	\$850
	Dec 31, 2007	Unused \$100 from 2006 is lost	\$750 will be carried forward to use for 2007
Credit Deposit (Year 3)	Jan 1, 2008	\$750	\$1,500 (\$750 from 2007 plus \$750 in new credits)
	March 31, 2008		All claims for 2007 must be received by Sun Life

*** Please note this information is not applicable to Trades until January 1, 2009.**