



## Cost Plus Account: Design Example

The following example merely demonstrates the process of making a claim with a "Cost-Plus" account through Health Risk services Inc. Variances will apply for every account registered and amounts and claim eligibility will vary from one registrant to another. Numbers chosen are made for demonstration purposes only and are simplified to a greater extent than what an actual claim may present.

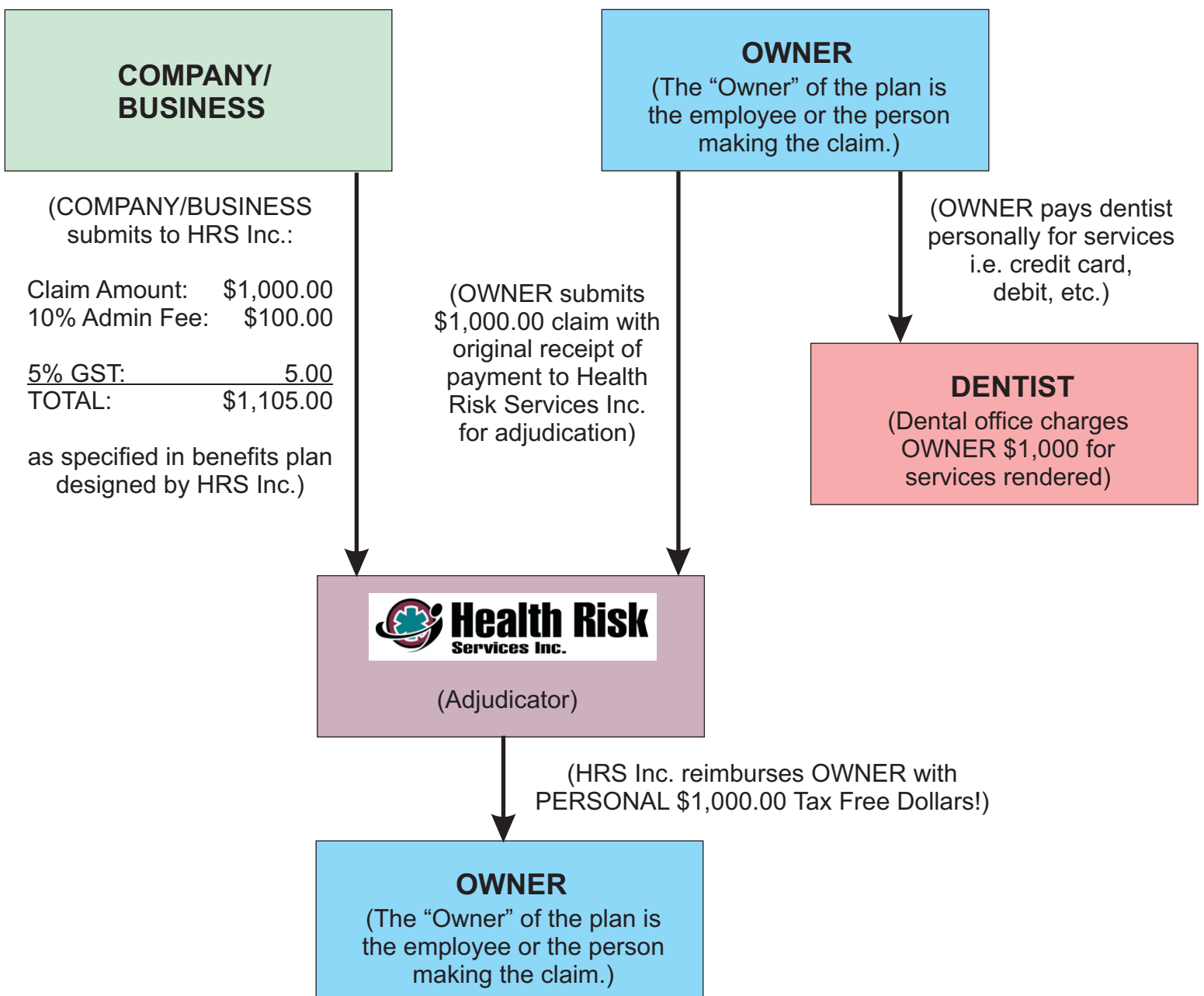
## Payment for a Cost Plus Plan

- **Pay-as-You-Go:** A Remittance Form along with receipts for services and a company cheque equal to the cost of the service plus the administration fee and GST. HRS will send a tax-Free benefit cheque to you.
- **Pre-Funded Account:** Your company funds an account with HRS to cover claims as they are submitted. HRS processes the claims and pays with funds from the account. This method is efficient in terms of avoiding time delays for processing and issuance of company cheques for proper claim amounts.

## “COST PLUS” Benefit Claim Sample

This example shows the instance where the owner of the plan is making a claim for services/products required at a dental appointment. Similar claims may also be made for other/additional health services.

### Claim: \$1,000.00 Dental Bill



## With a Cost Plus Program

- Company is now able to expense the entire cost of \$1,105.00 as a Benefit Expense
- Owner personally receives the Total Claim amount of \$1,000.00 Tax Free from company

## Without a Cost Plus Program

- Owner has incurred 100% of cost with personal taxed dollars (i.e. If owner is in a 37% Tax Bracket, he will have to earn \$1,370.00 to pay for the expense personally)