

TAX TREATMENT – BLUE FLEX®

FLEX PLAN | SME PLAN | ASSOCIATION PROGRAM

	PREMIUMS				INSURANCE BENEFITS	
	POLICYHOLDER	PAYOR	DEDUCTIBLE	NOTES	BENEFICIARY	TAX STATUS
DISABILITY	Insured	Insured	No		Insured	Non-taxable
	Insured	Employer	Yes	Taxable benefit for the employee	Insured	Non-taxable*
	Employer	Employer	Yes	Taxable benefit for the employee	Insured	Non-taxable*
	Employer	Employer	Yes	WLRP**	Insured	Taxable
OVERHEAD EXPENSES	Company	Company	Yes		Company	Taxable but offset by deductions against incurred overhead expenses
EXTENDED HEALTH BENEFIT	Insured	Insured	No		Insured	Non-taxable
DENTAL CARE						
TERM LIFE 65	Insured/ Employer	Employer	Yes	Taxable benefit for the employee	Insured	Non-taxable
OTHER BENEFITS						

*For insurance benefits to be non-taxable, employees must pay all premiums. Premiums paid by the employer must be recorded as employee income.

**The employer must have a Wage Loss Replacement Program (WLRP) set up for the employees.

For general information purposes only. Please consult your accountant or tax expert regarding your specific needs.