

# Information Update

April 2010

## Advisor Notice

### **Cosmetic procedures: Health Spending Account and Cost Plus Claims**

**Advisors:** The following notice will be sent to clients with Health Spending Accounts or Cost Plus plans.

The March 4, 2010 Federal budget included a proposed change to the definition of the Medical Expense Tax Credit specific to cosmetic procedures. The change was approved on March 22, 2010, removing tax assistance for cosmetic procedures under the Income Tax Act.

#### **The change**

Expenses for cosmetic procedures incurred after March 4, 2010 no longer qualify for the Medical Expense Tax Credit unless they are required for medical or reconstructive purposes. As a result, cosmetic procedures are no longer eligible for coverage under private health services plans such as health spending accounts (HSA) and cost plus plans.

#### **Plan text amendments not required**

The Co-operators defines eligible expenses as those eligible for the Medical Expense Tax Credit. A plan amendment is not required because your HSA or Cost Plus plan text does not specifically list cosmetic procedures.

#### **More information**

If you have questions about this change, please contact your Group Benefits Advisor.