

SATURNA ISLAND FIRE PROTECTION SOCIETY

# HEALTH SPENDING ACCOUNT

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2016 ANNUAL REPORT

P.O. BOX 168  
SATURNA ISLAND, BC

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## INTRODUCTION

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Saturna Island Fire Protection Society (SIFPS) implemented a benefit program, in the form of a health spending account, on January 1, 2015. It is available for all volunteers that meet the eligibility criteria. Each eligible volunteer receives \$900 per year towards medical and dental expenses as approved by the Canada Revenue Agency (CRA). The stipend is paid out twice a year: \$450 on January 1 and \$450 on July 1.

The program is administered by the Re/Frame Group and is entirely an on-line system. To make a claim, the volunteer scans the receipts and emails them to the Re/Frame Group who reviews the eligibility of the claim. If eligible, the Re/Frame Group pays the claim by direct deposit to the volunteer's bank account. They charge an administration fee of 10% of the claim plus GST and it is paid by SIFPS.

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## ELIGIBLE MEMBERS

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To be eligible the volunteer has to meet the performance criteria developed by Saturna Island Volunteer Fire Department (VFD) and Saturna Island Rescue (SIR) respectively and approved by the SIFPS Board.

Eligibility is reviewed quarterly, but members are only added or removed on either January 1 or July 1.

As shown in Table 1, on January 1, 2015 there were 19 members signed up for the program. VFD accounted for roughly 60% of signed up members.

At the end of 2015, four members did not meet the qualification criteria and were removed, but three new members were added for a total of 18 members. In mid-2016, a fourth member was added for a total of 19 members at the end of 2016.

*Table 1 Signed Up Members*

	BEGINNING 2015	BEGINNING 2016	END 2016
VFD	12	11	11
SIR	7	7	8
Total	19	18	19

The number of claims increased in 2016. During the year 51 claims were made, compared to 29 claims in 2015. SIR members accounted for roughly 60% of the number of claims.

Table 2 Number of Claims

	2015	2016
VFD	11	22
SIR	18	29
Total	29	51

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**FINANCIALS**

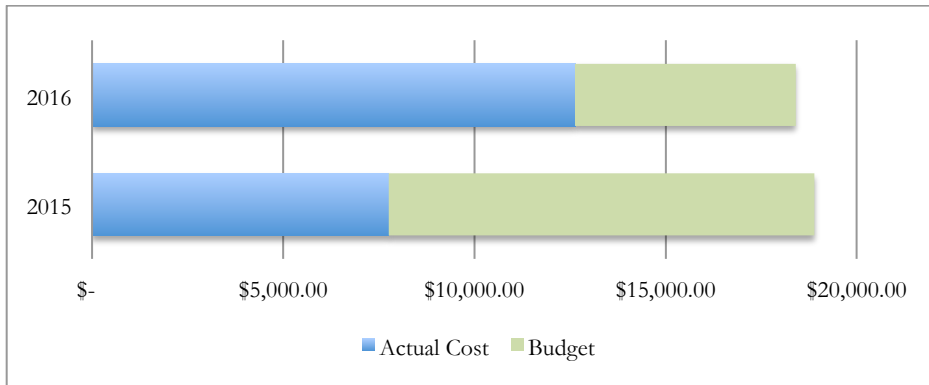
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ANNUAL COST OF THE PROGRAM

In 2015, the Board budgeted \$20,000 towards the health spending account, however, the maximum to be spent ended up being \$18,895 by multiplying the number of signed up members by the cost of \$994.50<sup>1</sup>. As shown in Figure 1, the actual payout in 2015 was \$7,763 resulting in a positive variance of \$11,132.

In 2016, the budget was slightly lower at \$18,399 with an actual payout of \$12,630 resulting in a positive variance of \$5,769.

Figure 1 Actual Cost versus Budget of the Benefits Program




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<sup>1</sup> The total cost includes \$900 in benefits plus 10% administration fee and GST on the fee for a total cost of \$994.50.

Table 3 shows the annual cost broken down by VFD and SIR.

*Table 3 Annual Cost of Benefits Program*

	BUDGET	ACTUAL COST	VARIANCE
2015			
VFD	\$11,934	\$3,094	\$8,840
SIR	6,961	4,669	2,292
Total	18,895	7,763	11,132
2016			
VFD	\$10,939	\$9,054	\$1,885
SIR	7,459.	3,575	3,884
Total	18,399	12,630	5,769

CARRY FORWARD LIABILITIES

Each year, a portion of benefits will be carried forward to the next year as the volunteer has up to two years to use up the benefits allocated to him or her.

As shown in Figure 2, in 2016, the carry over from 2015 totaled \$7,552. Combined with the budget for 2016, the total potential cost in 2016 was \$25,950 of which approximately 50% or \$12,629 was actually spent. The remaining \$13,321 consist of unused benefits that will either be carried forward to next year or expire.

*Figure 2 Actual Cost versus Budget of the Benefits Program*

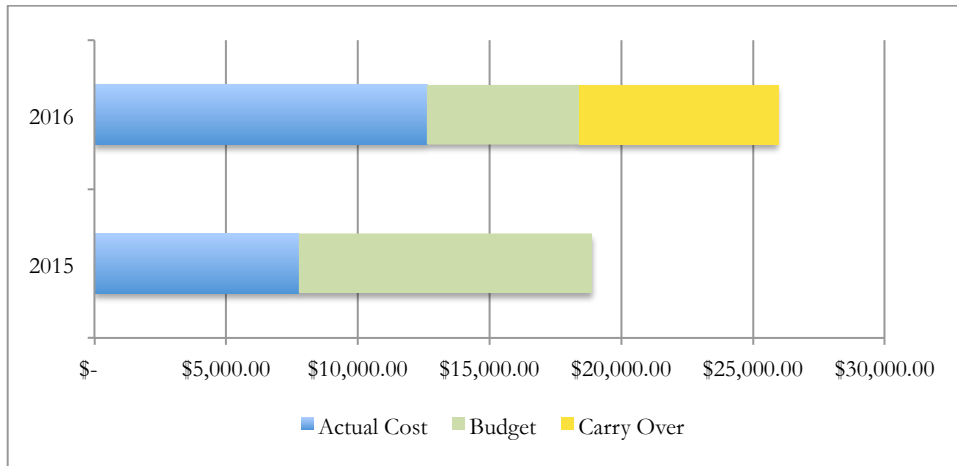


Table 4 shows how the cost breaks down between VFD and SIR.

*Table 4 Cost of Benefits Program in 2016*

	2016 BUDGET	2015 CARRY FORWARD	2016 ACTUAL COST	VARIANCE
VFD	\$10,939	\$5,723	\$9,054	\$7,608
SIR	7,459	1,829	3,575	5,712
Total	18,399	7,552	12,630	13,321

Benefits allocated in 2015 expired on December 31, 2016. These “unclaimed benefits” totaled \$3,324 on December 31. In addition, there is a total of \$9,913 of 2016 benefits that have not yet been claimed and will be carried over to 2017. Both these estimates are preliminary and will likely change as volunteers have until March 31, 2017 to claim expenses incurred during 2016.

*Table 5 Carry Forward and Unclaimed Benefits*

	2016 CARRY FORWARD BENEFITS	2015 UNCLAIMED BENEFITS
VFD	\$5,922	\$1,637
SIR	3,991	1,687
Total	9,913	3,324