

**Make Out-of-Pocket *Tax* Expense become a
DEDUCTIBLE BUSINESS EXPENSE**

**Example of a \$1,000 Medical Expense for
Employees with \$30,000 to \$60,000 Net Income
Employee must earn \$1,500 to pay \$1,000 Medical Expense**

Business Expense		Income Tax		Medical Expense
Employer pays	➔	\$500 at 33% Marginal Tax	➔	Employee pays
\$1,500 Salary Expense				\$1,000 to Practitioner

**Example of a \$1,000 Medical Expense for
Employees with over \$60,000 Net Income
Employee must earn \$1,667 to pay \$1,000 Medical Expense**

Business Expense		Income Tax		Medical Expense
Employer pays	➔	\$667 at 40% Marginal Tax	➔	Employee pays
\$1,667 Salary Expense				\$1,000 to Practitioner

Example of a  Program

**Example of a \$1,000 Medical Expense for
Employees with a CostPlus Program**

Business Expense		CostPlus Processing		Medical Expense
Employer pays deductible	➔	10% of Claim	➔	CostPlus reimburses
\$1,210 Benefit Expense		Ontario Taxes		\$1,000 (tax free) to
(Claim + Processing + Tax)		2% Premium Tax & 8% PST		Employee or Practitioner



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