



## “The Voice of Manitoba Farmers”

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## **KAP Expands Medical Tax Savings for All Members through the Olympia Trust PHSP**

**Winnipeg** – Keystone Agricultural Producers (KAP) is pleased to announce the addition of a Private Health Services Plan (PHSP) to its member benefits program, through a partnership with STRATA Benefits Consulting and Olympia Trust. This plan will be available to all members, including sole proprietorships and partnerships.

“The health services program we’ve previously been offering was only for incorporated farms, and we’ve had a number of requests from unincorporated farm members asking for a program designed for them,” says Glenn Young, Chair of KAP’s Member Benefits Committee. “Through this new program, administered by Olympia Trust, KAP members who are not incorporated can now participate as well.”

A PHSP can have a strong tax advantage at both the personal and farm business level. KAP members of all business structures, incorporated and unincorporated, now have access and can save on all their health-related expense as allowed under the Income Tax Act for both their family and employees.

“It allows the corporate farm owner, spouse and dependents to receive their health expenses as a 100% tax-free benefit on a personal level through the farm business’s PHSP, while at the same time the farm business can use these health expenses as a 100% business deduction” said Rick Yates, Regional Manager with Olympia Trust.

“And for the self employed farm owner, it allows a reduction in taxable income based on the owner’s marginal tax rate with no exempt amount, unlike the medical expense tax credit which is based on the lowest marginal rate in the province and has an exempt amount. This provides significant tax advantages to unincorporated farmers who typically just use the Medical Tax Credit option with their income tax filing. The Medical Tax Option only provides minimal tax relief, and only for amounts over their personal deductible as compared to a PHSP.”

KAP members who would like more information, or wish to open an account, can **call the KAP Member Benefits Toll-Free Hotline at 1-866-527-0123, ext 1**. Members who call can also request a limited-time promotional coupon offering \$200 in savings.

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**Attachment:** Backgrounder on PHSP

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