

Say No to Taxing Health and Dental Benefits in Canada

Chambers across the country are rallying to oppose this proposal that will hurt Canadian business

The Federal Government is considering placing a tax on the health and dental benefits that employees receive through employer-based plans. Currently health and dental benefits in these plans are exempt from taxation and have provided more affordable benefits, allowing more employers to establish good benefit plans for their employees and their families.

This will result in reduced private investment in health care in Canada.

This change will certainly cause a number of companies, particularly, small companies to abandon their plans or retract them.

It will increase the cost of employee benefit programs, making them less affordable

Removing the existing tax exemption will increase the cost to businesses to provide the same level of benefits.

It will reduce the access and quality of health coverage for Canadian families

Employees receiving these benefits currently will be at risk of losing them or having them reduced

It will be a disincentive for employee wellness programs and less investment in preventative measures including mental wellness

Many of the benefits that will likely be eliminated are those that lead to prevention of serious health issues

It will disadvantage Canadian small businesses

Potentially provides a competitiveness issue for smaller employers that compete against larger employers for talent

It will increase cost to business for EI and CPP contributions

Businesses will have to pay EI and CPP on the taxable benefit for certain employees

The current system is working well for employers and their employees

Great potential for increasing investment in workplace wellness by employers bringing more private money to cover the escalating costs of health care

75% OF CANADIANS AND A TOTAL OF 24 MILLION CANADIANS HAVE ACCESS TO CARE THROUGH THESE BENEFITS

ACCORDING TO A RECENT IPSOS POLL, 70% OF CANADIANS ARE OPPOSED TO THIS PLAN – 48% SAID THEY WOULD PREFER TO TAKE CASH OVER HEALTH BENEFITS IF THEY WERE TAXED AT THE SAME RATE – AND 84% WOULD END UP DELAYING OR FOREGOING TREATMENT OR MEDICATION IF THEY DIDN'T HAVE COVERAGE

THE \$2.9 BILLION THAT THE GOVERNMENT CURRENTLY DOES NOT COLLECT BY NOT TAXING EMPLOYER-BASED HEALTH AND DENTAL PLANS HELPS TO INCENT MORE THAN \$32.2 BILLION IN HEALTH CARE DELIVERED TO CANADIANS.

Let's send a message on Twitter using #donttaxmyhealthbenefits

Please refer to the full report for more details of why this will hurt your members.

We hope that each Chamber across the country will take the time to inform their members and encourage them to make their voice heard.