

SUBJECT: FEDERAL GOVERNMENT CONSIDERING TAX STATUS OF EMPLOYER CONTRIBUTIONS TO HEALTH PLANS

We've received a few enquiries at Provincial Office with regard to reports that the federal government was considering the tax status of employer contributions to an employee's health and dental insurance. The following is for your information to reassure members, should you receive a similar enquiry.

1. Prime Minister Trudeau announced in the House of Commons on February 1, 2017, that the government **would not** consider such a tax.
2. Even if the federal government considered such a change, RTO/ERO's Group Insurance Plans **would be unaffected** as our premiums are 100% paid by our members – there is no employer contribution whatsoever.
3. Premiums that our members pay toward our Group Insurance Plans are eligible toward Canada Revenue Agency's medical expense tax credit.