

## CANADIAN HEALTH PLAN INITIATIVES

### Update on the federal government plans for dental and pharmacare

#### Canadian Dental Care Plan (CDCP)

Our January 2023 Johnstone's Journal introduced the initial parts of the permanent Canadian Dental Care Plan (CDCP). To date, only dependent children under the age of 12 in families earning less than \$90,000 may be eligible for coverage as part of the interim Canada Dental Benefit. However, the federal government remains committed to expand eligibility to seniors and others in the coming months. Accordingly, they have moved forward with new legislation that will allow Health Canada and Employment and Social Development Canada to administer the new permanent CDCP, and new income tax rules that will expand the use and disclosure of taxpayer information by the Canada Revenue Agency (CRA) for CDCP purposes.

As the end of the 2023 tax year is approaching, we thought this was a perfect time to give you an update new legislation effective this tax year that will permit the collection of Social Insurance Numbers from applicants and require the reporting of employer-provided dental coverage via T4 and T4A tax slips. These changes, amending the Income Tax Act and the Excise Tax Act(s), will help ensure only eligible persons receive the CDCP benefit.

#### Tax Returns Starting 2023 Reporting Year

Employers will be required to report on a tax slip whether an employee, former employee, or a spouse of a deceased employee was eligible on December 31st of the reporting tax year, to access dental insurance or dental coverage of any kind, due to current or former employment. This includes access to ongoing (not one-time occurrence/exceptional) dentalcare coverage, reimbursement, or insurance as an employee or retiree benefit.

Employees that have a Health Care Spending Account are considered to have access to dentalcare.

Whether or not an individual made use of, or accepted coverage/insurance is not reported. Reporting covers only whether it was available to them. Employers may include Pension Plan Administrators and other organizations that complete T4As and T4s annually.

### THE JOHNSTONE'S ADVANTAGE

Our mission is simple:  
**Treat each client as if they were our only client.**

Our value is clear:  
**We are completely independent.** We work for you and offer total flexibility on insurers and plans.

We offer all your group insurance services including administration, brokerage, consulting, and communications.

We provide dedicated client support, customization and flexibility to meet all of your company's benefits needs. And we make **solid group plans simple.**



This reporting requirement will be mandatory beginning with the 2023 tax year reporting cycle and will continue to be required on an annual basis.

As a result, the following new boxes will be added to the T4 and T4A slips for the 2023 tax year:

- ☛ **T4 Box 45:** Employer-Offered Dental Benefits
- ☛ **T4A Box 015:** Payer-Offered Dental Benefits

Along with specific codes:

- ☛ **Code 1** - No access to any dental care insurance, or coverage of dental services of any kind.
- ☛ **Code 2** - Access to any dental care insurance, or coverage of dental services of any kind for only the *payee*.
- ☛ **Code 3** - Access to any dental care insurance, or coverage of dental services of any kind for *payee, spouse and dependents*.
- ☛ **Code 4** - Access to any dental care insurance, or coverage of dental services of any kind for only the *payee* and their *spouse*.
- ☛ **Code 5** - Access to any dental care insurance, or coverage of dental services of any kind for only the *payee* and *dependents*.

## Canadian Pharmacare Plan

While the national dental program is proceeding, a Canadian pharmacare program seems less likely in the near future.

In 2022, the Federal New Democratic Party (NDP) entered into a “supply and confidence agreement” with the newly elected Liberal Party of Canada (the “Liberals”) government. To maintain this alliance, the Liberals agreed to pass legislation in 2023, making a national pharmacare program the law.

There is essentially no pharmacare in Canada's Medicare system. In fact, Canada is the only country with a universal health insurance systems that excludes coverage of prescription drugs. We have a varied and incomplete patchwork of federal,

provincial and territorial drug plans that function alongside voluntary private insurance for those able to attain and afford it. In this system – or lack thereof – many Canadians bear considerable out-of-pocket costs for the prescriptions they fill, and many are simply unable to afford the medicines they are prescribed.

As of October 2023, the NDP advised the Liberals that the first draft of the national pharmacare legislation was not enough to maintain their support. It's the end of November, and Parliament will recess in mid-December.

Stay tuned ...



**Happy Holidays from all of us at  
Johnstone's Benefits!**

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