

Keeping you informed

Benefit plan news for People Corporation plan sponsors

Canada Dental Benefit

The proposed Canada Dental Benefit is the first phase of the government's plan to provide dental coverage to low- and mid-income families.

One third of Canadians don't have dental insurance and, according to a 2018 Statistics Canada report, 39% of Canadians without dental insurance avoided the dentist because of the cost. Even 13.7% of Canadians with dental insurance avoided the dentist due to financial concerns.¹

To address these issues, the Government of Canada is proposing a dental care program for households with incomes under \$90,000 by 2025. The target implementation date of the first phase of the plan is December 1, 2022. The proposed Canada Dental Benefit passed third reading in the House of Commons and is making its way through the Senate and royal assent. The Canada Dental Benefit is part of Bill C-31, *An Act respecting cost of living relief measures related to dental care and rental housing*.

Phase one of the Canada Dental Benefit

Phase one of the Canada Dental Benefit is for children under 12-years-old from families without private dental coverage who have an adjusted annual net household income of less than \$90,000.

For each eligible child, the benefit provides up to \$650 in up-front, tax-free payments for dental expenses. This program won't reduce other federal income-tested benefits, including the Canada Workers Benefit, the Canada Child Benefit or the Goods and Services Tax Credit. Receiving the Canada Child Benefit may be required to access the Canada Dental Benefit. Though the target implementation date is December 1, 2022, the program will cover eligible expenses retroactive to October 1, 2022. The government has not yet released details on what dental treatments are covered under this program.

Family's Adjusted Annual Net Income	Dental Benefit Per Eligible Child
Less than \$70,000	\$650
Between \$70,000 and \$79,999	\$390
Between \$80,000 and \$89,999	\$260

How to access the Canada Dental Benefit

Parents and guardians of eligible children will access the program through the Canada Revenue Agency (CRA). To receive the payment, they must attest that their child doesn't have private dental coverage, that they will use the benefit for this child's dental care expenses and acknowledge that they may be required to provide proof of dental expenses to the CRA. Applications may be available by the program implementation date of December 1, 2022.

What plan sponsors can expect next

As the Canada Dental Benefit shifts into implementation, you can expect analysis and insights about what this program means for you and your plan from the experts at People Corporation. Stay tuned for these insights in the next *Keeping You Informed* newsletter in December.

¹ www150.statcan.gc.ca/n1/pub/82-625-x/2019001/article/00010-eng.htm

The content of this publication is provided to People Corporation plan sponsors for informational purposes only. It is not intended to be legal or tax advice. The content of this publication is based on information available at the time of publication, which is subject to change. Efforts have been made to ensure the accuracy of the information contained in this publication. However, it may contain errors or omissions or become out of date following publication. Consult your advisor or benefits consultant for more information specific to your circumstances.