



BURLINGTON
CHAMBER OF COMMERCE

January 26, 2017

The Honourable Karina Gould
MP, Burlington
777 Guelph Line
Suite 209
Burlington, ON L7R 3N2

Dear Ms. Gould:

Re: Taxation of Employer Sponsored Health Benefits

I am writing to you in support of maintaining the tax-free status on employer-provided health care benefits, which helps keep Canadians in good physical and mental health.

As reported by *National Post* columnist John Ivison (Link: <http://news.nationalpost.com/news/canada/canadian-politics/federal-liberals-eye-tax-on-private-health-and-dental-plans-to-take-in-about-2-9b>) on December 2nd, 2016, the government has identified health and dental benefit packages as a possible source for additional revenue.

Taxing health care benefits would cost employees hundreds or thousands of dollars each year, and result in fewer employers willing to offer these benefits. This decision would mean many lower income and middle class Canadians not being able to afford access to necessary and preventative care such as vision care, prescription drugs, mental health services, dental care, occupational therapy and musculoskeletal care (physio, chiro, massage therapy).

In exchange for the foregone tax revenue, the tax-free status of these employee health plans increases access to preventative care and helps to save publicly-funded healthcare systems by addressing and preventing health care issues early. Finance Canada estimates that exempting employer-provided health benefits results in \$2.9 B in forgone tax revenue. However, that generates \$32.2 B in additional health care benefits for Canadians.

These are services that keep Canadians and their families healthy and productive.

As you prepare for the 2017 Federal Budget, I ask you not to create a new tax on employee-sponsored health care plans which would put the health care of 24 million Canadians at risk.

Taxing these benefit plans will not simplify the tax code, bring more fairness to Canadians or help grow the middle class. It will download complexity onto Canadian employers and leave many Canadians and their families and dependents without the care they need.

Sincerely,

Keith Hoey
President & CEO

c. The Honourable Bill Morneau, Minister of Finance

