



THE CANADIAN DENTAL  
HYGIENISTS ASSOCIATION  
L'ASSOCIATION CANADIENNE  
DES HYGIÉNISTES DENTAIRES



# TAXATION OF HEALTH AND DENTAL BENEFITS

The Government of Canada is committed to ensuring that federal tax expenditures are fair, efficient, and fiscally responsible. The current employer-sponsored health and dental care tax exemption measure achieves this objective, as it encourages employers to offer benefit plans to employees for essential health services that have been excluded from Canada's public health care system. Twenty-four million Canadians have care because of these benefit plans.

As members of the sixth largest regulated health profession in Canada, more than 28,000 dental hygienists provide preventive oral health care to people of all ages across the country. Their efforts help to improve the oral and overall health of the population, allowing Canadians to be more productive and contribute more fully to our economy while living healthier, happier lives.

## TAXATION OF DENTAL BENEFITS WOULD BE COSTLY...

### For Lower and Middle Income Canadians

- If the federal government were to remove the employer-sponsored health care tax exemption, fewer employers would be willing to offer these benefits, as demonstrated in Quebec when the provincial government began taxing health benefits. As a result, many Canadians would no longer be able to afford necessary and preventive oral health care. This added pressure on lower and middle income families would create a truly regressive system.
- Even if an employer opted to continue providing benefits, taxation may prompt employers to scale down existing plans to reduce costs, leading to reduced coverage for preventive oral health services, including dental hygiene care. Preventive oral health care is essential and very effective in reducing dental disease before more costly treatments are required.

### For Governments

- Dental hygiene services that are included in existing benefit plans help to prevent oral diseases before they arise, alleviating pressure on Canada's publicly funded health care system by keeping Canadians healthy.

- Thousands of Canadians without access to oral health care end up in hospital emergency rooms seeking relief from the symptoms associated with untreated oral disease, costing the provincial governments millions of dollars each year. This situation will only worsen if the federal government opts to tax premiums on employer-sponsored dental benefits, because fewer Canadians would have access to oral health care. This added pressure on the acute care system is unsustainable.

### For Canada's Economy

- Oral diseases and conditions are often chronic, painful, and disfiguring, and can disrupt eating, sleep, and growth patterns. In Canada, an estimated 4 million working days and 2 million school days are lost annually due to dental issues.
- Oral diseases are generally preventable, meaning that a decline in workplace productivity and lost school days are largely avoidable.

The current public policy approach is working as intended. Twenty-four million Canadians have care through these benefit plans. Taking care away from millions of Canadians is certainly not the way to promote fairness and equity. Ultimately, this proposed measure does not simplify the current tax code, nor does it bring more fairness to Canadians. It will download complexity onto employers and leave many without the oral care they need.

## INFORMATION

Canadian Dental Hygienists Association (CDHA)  
1122 Wellington St W,  
Ottawa, ON K1Y 2Y7

Phone: 1-800-267-5235 or (613) 224-5515

Fax: (613) 224-7283

E-mail: [advocacy@cdha.ca](mailto:advocacy@cdha.ca)



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[www.cdha.ca](http://www.cdha.ca)