



January 17, 2017

Bev Shipley, M.P.
Dave VanKesteren, M.P.
Chatham-Kent, Ontario

Dear Dave and Bev:

Re: Taxation of Employer Sponsored Health Benefits

I am corresponding 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 recently by *National Post* columnist, John Ivison, the government has identified health and dental benefit packages as a possible source for additional revenue.

<http://news.nationalpost.com/news/canada/canadian-politics/federal-liberals-eye-tax-on-private-health-and-dental-plans-to-take-in-about-2-9b>

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 drug, 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.

Yours in Prosperity,

Gail A.B. Hundt
President and CEO

c.c. Minister of Finance, Bill Morneau