

# Keeping you informed

## Benefit plan news for People Corporation plan sponsors

### Canadian Dental Care Plan taxation impacts

To support the Canadian Dental Care Plan (CDCP), the Government of Canada has implemented a new tax reporting requirement for employers.



#### Key points

Support through the CDCP is being made available to **help reduce out of pocket costs** for eligible Canadian families that have a combined annual income of less than \$90,000.

Going forward, **employers are required to report access to dental coverage** on T4 and T4A tax slips.

#### CDCP

The CDCP is available to Canadian households whose members don't have access to private coverage and have a combined annual income of less than \$90,000. Co-pays will be waived for eligible households with an annual family income of less than \$70,000.

#### Taxation impacts and reporting

Beginning with the 2023 tax reporting year, the federal government requires employers to report whether dental coverage was available on December 31 of the reporting tax year for:

- Employees
- Former employees
- Employees' dependants
- Spouses of deceased employees

The reporting must reflect whether dental coverage was available to the employee through their group benefits plan, not whether they've chosen to participate or opt out of coverage. This means that regardless as to whether an employee waived coverage, they still have access to coverage and their employer would reflect this access when they report it. Available coverage includes access to a Health Care Spending Account.

The new tax reporting requirement is mandatory for the 2023 tax cycle and

will be required going forward. The new tax slip box requirements are:

- Box 45 (T4): Employer offered dental benefits
- Box 015 (T4A): Payer offered dental benefits. This new box will be mandatory if you report in Box 016, Pension or Superannuation. This box will otherwise be optional

To complete the tax slip, employers will choose from five code options:

Code	Description
1	No access to dental coverage of any kind
2	Only the employee has access to dental coverage of any kind
3	The employee, their spouse, and their dependants have access to dental coverage of any kind
4	Only the employee and their spouse have access to dental coverage of any kind
5	Only the employee and their dependants have access to dental coverage of any kind

#### For more information

We encourage clients to seek guidance from their own tax specialists if they have questions about interpreting the new reporting requirements.

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