



# **Federal Dental Plan Information for Plan Sponsors/Employers**



## About Us

Benefits Alliance is Canada's leading organization of independent benefits advisory firms. As an industry-leading association, Benefits Alliance focuses on education, collaboration and advocacy by providing our members with tools, resources, and unique proprietary products and services that meet and exceed client expectations. Our members, who are employee benefit and retirement plan specialists work with more than 10,000 employer plan sponsors who collectively have over a million Canadians enrolled in their plans. Our members are collectively responsible for more than \$1.4 billion in annual benefit plan premiums and over \$3.5 billion in retirement plan assets.

We are highly selective in who qualifies to join Benefits Alliance, and prospective firms are peer nominated. Given the important role that Group Advisors play in the lives of all Canadians from coast-to-coast, to coast, only the best Group Advisors who are committed to the highest level of professionalism are invited into our membership.

Benefits Alliance is an industry advocate promoting professionalism and excellence in client service, and from a policy perspective, we want to ensure that all Canadians receive the best advice available.

Our mission is to represent the best interests of our clients and their employees. We are committed to continuing education and professional development to ensure our members provide the highest standards of service and excellence.



## There are two new federally funded dental programs:

- 1. The interim Canada Dental Benefit (CDB)** is for children < 12 years (born on or after July 2, 2011).
- 2. The Canadian Dental Care Plan (CDCP)** is for all other Canadians.

These programs were developed to subsidize dental costs for uninsured Canadian residents with an annual family income of less than \$90,000 per year who do not have access to a private dental insurance plan.

*Canadians with private dental coverage are not eligible for The Canadian Dental Care Plan*

## Canadians with private dental coverage are not eligible for The Canadian Dental Care Plan

Even if Canadians qualify for coverage based on age and have adjusted family net income of less than \$90,000, those who have existing dental coverage are not eligible for coverage.<sup>1</sup>

Canadians who are eligible for dental coverage through employment benefits, professional, student organization or pension benefits or a family member's benefits are not eligible for The Canadian Dental Care Plan (CDCP).

This is true even if they:

- Decide not to take coverage available to them
- Have to pay a premium for it
- Don't use it

The programs are being rolled out in a phased approach:

| Who Is Eligible   | Applications Open | Details   |
|---|-------------------|---|
| Children less than 12 years old<br><i>born on or after July 2, 2011</i> | December 1, 2022  | <p>Dental care received during the following benefit periods.<br/>Applications can be made for a maximum of 2 payments per child.</p> <p><b>First benefit period:</b> October 1, 2022 to June 30, 2023<br/><b>Second benefit period:</b> July 1, 2023 to June 30, 2024</p> <p>The Canada Revenue Agency determines the child benefit amount based on adjusted family net income.</p> <p>Depending on the adjusted family net income, a tax-free payment is available to cover dental expenses for each eligible child.</p> <p>Dental receipts do not need to be submitted but should be retained for 6 years in case the CRA needs to validate eligibility.</p> |



| Who Is Eligible                                       | Applications Open | Details   |
|---|-------------------|---|
| Ages 87 and above                                     | December 2023     | <p>The start date to access oral health care will vary based on when each group can apply, when the application is received and when enrolment is completed.</p> <p>The expectation is oral health providers will directly bill to the federal plan being operated by Sun Life, rather than make patients first pay out-of-pocket and seek reimbursement.</p> |
| Ages 77 to 86   | January 2024      |   |
| Ages 72 to 76   | February 2024     |   |
| Ages 70 to 71   | March 2024        |   |
| Ages 65 and older                                     | May 2024          |   |
| Children less than 18 years old                       | June 2024         |   |
| Adults with a valid Disability Tax Credit certificate | June 2024         |   |
| All remaining eligible Canadian residents             | 2025              |   |

Beginning December 2023 eligible individuals will receive letters inviting them to apply, with instructions on how to validate their eligibility and apply.

### *How much is covered:*

| Interim Canada Dental Benefit - Benefit Amounts Per Eligible Child |                     |                       |
|--|---------------------|-----------------------|
| Adjusted Family Net Income   | Full Custody Amount | Shared Custody Amount |
| Less than \$70,000   | \$650               | \$325                 |
| \$70,000 to \$79,999   | \$390               | \$195                 |
| \$80,000 to \$89,999   | \$260               | \$130                 |
| \$90,000 or more   | Not eligible        | Not eligible          |



| Canadian Dental Care Plan  |  |
|----------------------------|--|
| Adjusted family net income | How much will be covered for eligible oral health care service costs at established fees |
| Less than \$70,000         | 100%   |
| \$70,000 to \$79,999       | 60%  |
| \$80,000 to \$89,999       | 40%  |
| \$90,000 or more           | Not eligible   |

*What services are covered*

- The Canadian Dental Care Plan will only pay for oral health care services covered within the plan at the established Canadian Dental Care Plan fees.<sup>2</sup>
- The services covered may be different than those covered by private plans
- The fees are not the same as the provincial and territorial oral health associations suggested fee guides that providers often use to charge for oral health services.
- People covered by the Canadian Dental Care Plan may have to pay any additional charges directly to the oral health provider.
- A person cannot have both a private dental plan and Canadian Dental Care Plan.
- Private drug plan coverage cannot supplement Canadian Dental Care Plan.

- *The services and costs covered by the Canadian Dental Care Plan may be different than those covered by private plans.*
- *A person cannot have both a private dental plan and the Canadian Dental Care Plan.*
- *Private drug plan coverage cannot supplement the Canadian Dental Care Plan*

**Plan Sponsor T4/T4A Reporting Obligations**

Plan members/employees or dependents who have group benefit dental coverage are **not eligible** for the Canada Dental Benefit or The Canadian Dental Care Plan, however plan sponsors/employers are required to report via T4 and T4A slips whether they offer dental insurance or a health care spending account to their employees. This additional reporting is mandatory for 2023 and subsequent taxation years. Box 45, Employer-offered Dental Benefits, was added to the T4 form and Box 015, Payer-offered



*Plan sponsors/employers are required to report via T4 and T4A slips whether they offer dental coverage or a health care spending account to their employees.*

Dental Benefits, was added to the T4A form. Employers should complete the appropriate code based on the following options. These codes should not reflect whether the plan member/employee has waived or opted out of coverage, rather the code should reflect the coverage **available** to the plan member/employee based on group plan eligibility.

| Code | Description  |
|------|--|
| 1    | No access to any dental care insurance, or coverage of dental services of any kind   |
| 2    | Access to any dental care insurance, or coverage of dental services of any kind for only the payee ( <i>employee</i> )                   |
| 3    | Access to any dental care insurance, or coverage of dental services of any kind for payee ( <i>employee</i> ) spouse, and dependents.    |
| 4    | Access to any dental care insurance, or coverage of dental services of any kind for only the payee ( <i>employee</i> ) and their spouse. |
| 5    | Access to any dental care insurance, or coverage of dental services of any kind for only the payee ( <i>employee</i> ) and dependents.   |

For more information please don't hesitate to reach out to us.

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1 - <https://www.canada.ca/en/services/benefits/dental/dental-care-plan/qualify.html>  
 2 - <https://www.canada.ca/en/services/benefits/dental/dental-care-plan/coverage.html>