



Bill C-31, An Act respecting benefits in relation to dental care



Context

- Bill C-31 begins to deliver on the Government's Budget 2022 commitment to provide **dental care** for Canadians with a **family income of less than \$90,000**, starting for eligible **children under 12 years olds in 2022**.
- Budget 2022 provided **\$5.3 billion over five years, with \$1.7 billion ongoing**, to implement this program. Implementation of a long-term dental care program is complex and will take time. Bill C-31 will provide the Minister of Health with the authority to define **an interim benefit for eligible children under 12**, including amount, eligibility requirements, and application process, to be delivered while a long-term program is being designed and implemented.
- Bill C-31 establishes ***An Act respecting benefits in relation to dental care*** (the ***Dental Benefit Act***) which will provide the needed authorities to implement and conduct compliance for the benefit, and amends the *Income Tax Act* to clarify that the benefit is not taxable income, as well as the *Excise Tax Act*, and *Excise Act, 2001* to permit confidential information to be provided in order to facilitate the administration of the Benefit.

Cost Barriers to Dental Care



Poor oral health causes productivity losses of over \$1 billion and over 2 million missed school days annually, and can increase public spending in cost-intensive health system areas such as cardiac, cancer, and emergency services.

- Oral health is an important element of overall health.
- Poor oral health can lead to a wide range of diseases, including **cancer, cardiovascular disease, and life-threatening infections**, and can have a significant negative impact on quality of life especially during formative childhood years.
- In 2018, 22% of Canadians (approximately 6.8 million people) avoided visiting a dental professional due to **cost**. It is projected that by 2025, an estimated **9 million (45%)** of the 20 million Canadians earning under \$90,000 annually **will not have dental care coverage**.
- Publicly-funded investments currently represent **only 6%** of total spending on oral health care in Canada.

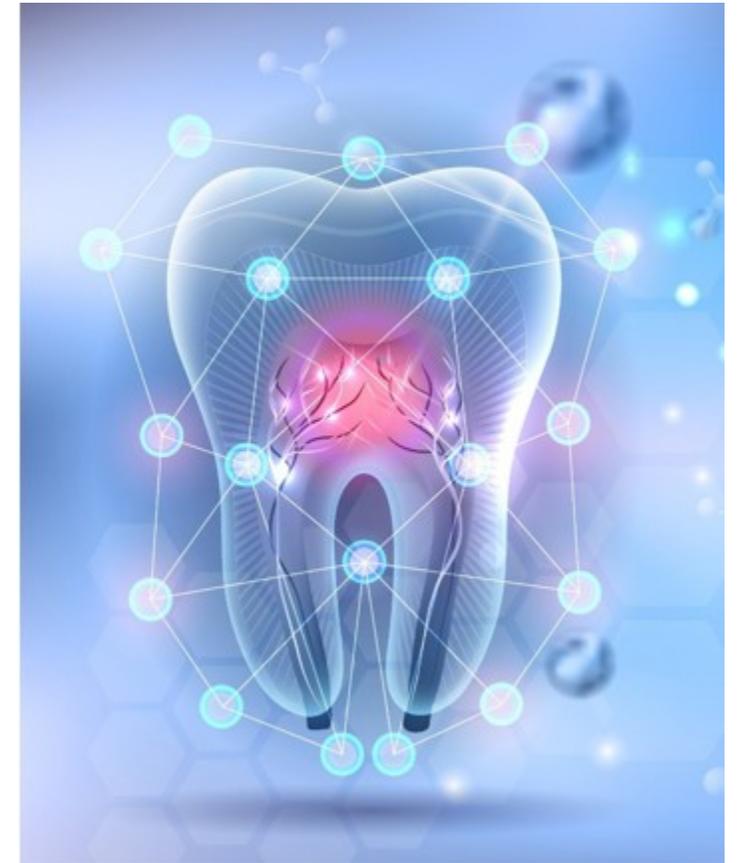
Interim Dental Benefit

An interim solution meets a pressing need:

- To address **pressing needs for Canadian children**, this legislation would grant the Minister of Health, with support from the Minister of National Revenue, the authority to disburse a benefit to eligible recipients as an interim solution.
- An upfront payment recognizes that many eligible recipients do not have the financial flexibility to wait for reimbursement.

Eligibility criteria target those most in need of immediate support:

- Inequities in access to oral health care disproportionately affect children, for whom impacts are more severe in their formative years and because the consequences of poor oral health in childhood can be **lifelong**.



Eligibility



In order to receive the benefit, an applicant must:

- have a child in their care who is **younger than 12**;
- who **does not have access to private dental insurance**;
- have filed the previous year's tax return and be in receipt of the **Canada Child Benefit** for that child;
- have an annual adjusted family net income that is **less than \$90,000**;
- have incurred **dental care expenses** on behalf of their child, or plan to do so within the benefit period; and
- **not have been and will not be fully reimbursed** for those dental expenses by another provincial or federal plan.

Eligible applicants can apply for a benefit for each eligible child in their care and will need to be able to demonstrate their eligibility (e.g., by keeping receipts).

Eligibility

Example: Terry and Breanna

Terry is a single parent whose annual net family income is \$20,000. He does not have access to private dental insurance. He lives in Nova Scotia and receives support from Income Assistance in addition to his job.

His child, Breanna, is eight. She is covered under the Children's Oral Health program, which pays for some of her dental care.

However, in February 2023, Breanna needed some dental work that was **not covered by that program**. Terry is **eligible** to receive the Canada Dental Benefit to defray those costs.

- Although children with access to private insurance are not eligible for the Canada Dental Benefit, eligibility is **not impacted by coverage under provincial, territorial, or other federal programs (such as NIHB)**.
- However, in order to claim the Canada Dental Benefit, applicants covered under provincial, territorial, or other federal programs **must have out of pocket expenses**. If all their expenses are covered by another program, they are **not eligible**.

Application and Benefit Amount

Payment amount:

\$650 for a child whose family income is **less than \$70,000**

\$390 for a child whose family income is **between \$70,000 and \$79,999**

\$260 for a child whose family income is **between \$80,000 and \$89,999**

CRA will verify information in its existing tax and Canada Child Benefit systems (like income, age of children and the applicant's relationship to that child), but when applying an eligible parent will also be asked to provide information on the following to help confirm eligibility:

- contact information for the **dental professional** who did or will provide the dental services, including date of planned visit or recent visit;
- contact information for their **employer**, if they have one, as well as that of their cohabiting spouse or common-law partner for purposes of verifying access to an employer dental care plan; and
- any other information requested to verify their eligibility.

This benefit is not taxable since it is intended as a means to defray specific health-related costs.

Benefit Periods

There are two benefit periods defined in the Act:

- The first benefit period runs between **October 1, 2022 and June 30, 2023**. To be eligible during this period:
 - eligible expenses must be incurred between these dates; and
 - the child must be under 12 years old and the family income must be under the threshold on **December 1, 2022**.
- The second benefit period runs between **July 1, 2023 and June 30, 2024**. To be eligible during this period:
 - eligible expenses must be incurred between those dates; and
 - the child must be under 12 years old and the family income must be under the threshold on **July 1, 2023** or, if the applicant is requesting a benefit for the previous year, on December 1, 2022.

A parent may apply for a benefit for each eligible child in each benefit period.

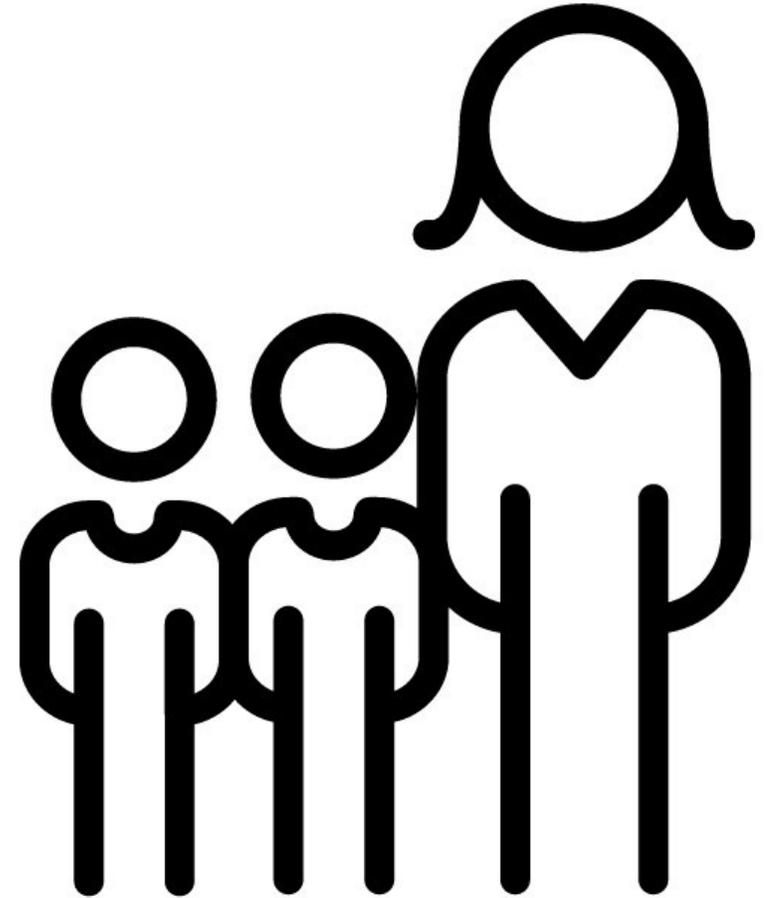
Only the parent in receipt of the Canada Child Benefit for that child may apply.

Benefit Periods

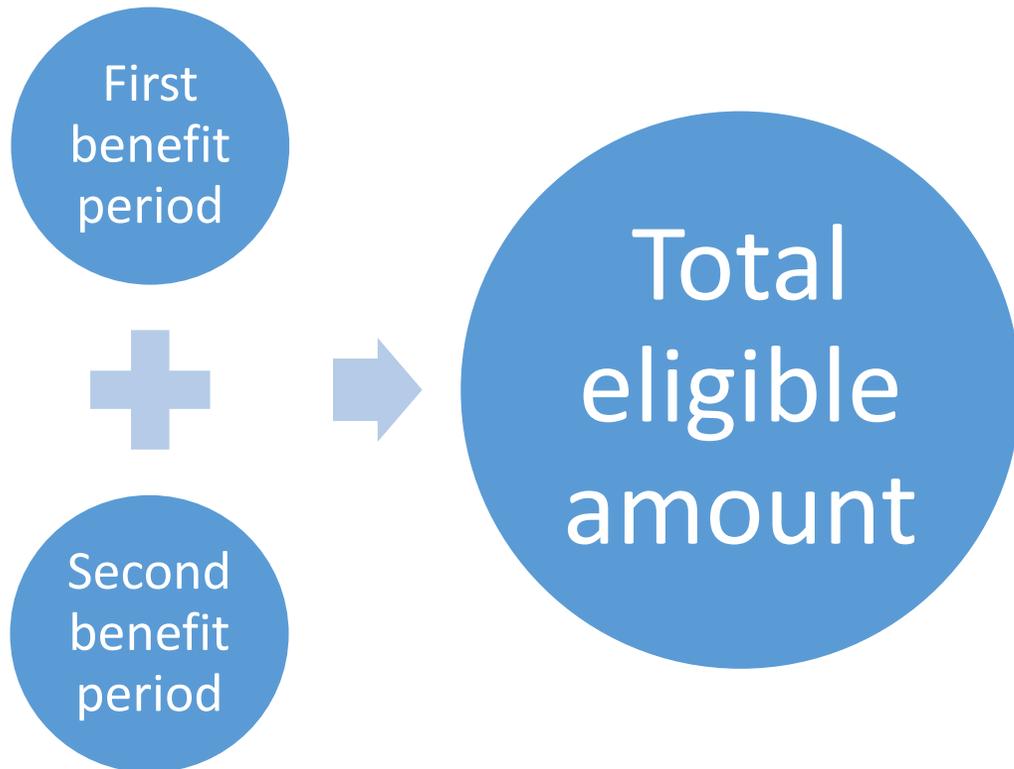
Example: Aisha, Khalid and Omar

Aisha's family income is \$60,000. She has two children, Khalid and Omar, who are eleven and eight years old. She takes both children to the dentist on January 18, 2023, during the **first benefit period**. Before she goes, she applies for the benefit and receives **\$1,300 – \$650** each for Khalid and Omar.

Khalid turns 12 on June 5, 2023. On July 1, 2023, Aisha makes a follow-up dentist appointment for later that month and applies for the benefit for the **second benefit period**. She receives **\$650** for Omar. Because Khalid was 12 years old on July 1, 2023, he is not eligible for a benefit for this period.



Additional Benefit



- If a parent: a) received the benefit during the first benefit period and b) incurs dental expenses during the **first benefit period** that were higher than **\$650**, they can apply for an additional benefit in the **second benefit period**. In doing this, they may not apply for a new benefit for an expense incurred during the second benefit period. This is the case even if they would not otherwise be eligible in the **second benefit period**.
- If a parent would have been eligible but did not receive a benefit in the **first benefit period**, but did incur expenses higher than **\$650** during the **second benefit period**, they can apply for the first benefit they did not receive it in the **second benefit period**.

The total amount received cannot be more than the sum of two benefit payments per child, no matter when the payments are received.

Shared custody



- In cases where parents have a shared custody arrangement on file with CRA, each parent can claim 50% of the amount they would otherwise receive for an eligible child.
- The amount received is based on the income of each parent that applies, and does not impact the amount that may be claimed by the other parent.

Example: Eli, Hugues and Alex

Eli and Hugues are divorced and share custody of Alex. Eli's income is \$45,000 per year. Hugues' income is \$78,000 per year. Neither one's employer offers dental insurance.

Eli is eligible to receive **\$325** (50% of \$650) in each of the benefit periods for Alex's dental care.

Hugues is eligible to receive **\$195** (50% of \$390) in each of the benefit periods for Alex's dental care.

Using the Benefit

- Once received, the Benefit can be used to pay for services from any **licensed member of a regulated oral health profession** in good standing with their regulatory body.
- The Benefit may be used to pay for **any oral health services** provided by an oral health professional. This means that providers have the flexibility to work with families to create a plan that meets their individual needs.
- The Benefit is an up-front payment. This recognizes that families may not have the means to pay out of pocket and wait for reimbursement. Because it may be received before the appointment, there is no administrative burden at the office – the professional will simply bill the applicant, who will pay using the Benefit received.
- As part of the verification process, the CRA may contact the professional's office to verify the appointment, but not the specifics of the care received.