Things to know

- Canada has a universal health care system funded through general tax revenues. All Canadians are covered and receive medically necessary hospital and doctors’ services without direct charges at the point of service.
- Some services are not covered under the public health care plan, including prescription drugs outside hospitals, dental care, vision care, medical equipment and appliances, and the services of other health professionals such as physiotherapists.
- While there is no legislative requirement to do so, many employers offer supplemental private health insurance to their employees to help cover some of the expenses that are not covered under the public health care plan.
- Other welfare benefits offered by employers often include life insurance, accidental death and dismemberment insurance, long-term disability and short-term disability insurance. They may also include out-of-country medical coverage, employee assistance programs and other wellness programs.
- The types and level of coverage provided under these various health and welfare plans varies widely among employers.
- Employers often require employees to pay a portion of the cost of these plans, although the tax treatment of certain benefits received by an employee may be impacted by whether or not the benefit is paid for by the employer and/or by the employee.
- Benefits may be provided on a fully insured basis (i.e., through an insurance provider, where premiums are paid to the insurer and the insurer is responsible for the provision of benefits) or on a self-insured basis (i.e., where the company operates the plan). In certain cases, legislation may require that certain benefits be provided on a fully insured basis.

USEFUL RESOURCES

Government of Canada
- Canada’s Health Care System
- osler.com
- The Employee Benefits Landscape
• In certain instances, employers may provide post-retirement health or life insurance benefits to certain or all of its employees. The cost of such benefits has risen sharply over the years and many employers have now taken steps to manage these post-retirement liabilities.

• There are few legislative requirements that regulate the provision of benefits under these group benefit plans. However, both employment standards legislation (which requires the continuation of benefits during certain types of leaves) and human rights legislation (which forbids discrimination based on prohibited grounds) do apply.

Things to do

• Regularly review your health and welfare benefit plans to ensure that the coverage made available is aligned with business objectives.

• Consider whether appropriate cost containment measures are in place (e.g., for self-insured plans this could include obtaining stop-loss insurance; for fully-insured plans this could include modifications to coverage levels, deductibles etc.).

• Implement procedures to ensure that any health and welfare benefit plans in place for employees comply with relevant legislation including employment standards legislation and human rights legislation.