

Canada Implements New Employer Reporting Requirements In Support Of Canadian Dental Care Plan, Introduces Bill To Create New Leaves And Employment Insurance Benefits



On November 30, 2023, Canada's federal government introduced [Bill C-59, Fall Economic Statement Implementation Act, 2023](#) (Bill C-59), which would implement proposals in the [2023 Fall Economic Statement](#) (Statement). Bill C-59 proposes to amend a number of statutes, including the *Employment Insurance Act* (EIA), the *Canada Labour Code* (CLC) and the *Income Tax Act*.

Canada also separately implemented new reporting requirements in support of its Canadian Dental Care Plan, which is expected to be launched by the end of 2023.

Leaves of Absence and EI Benefits

Set out below are some of the Bill C-59 amendments that would impact employers.

Adoption Leave and EI Benefits

Currently, when an employee adopts a child, they are entitled to EI parental benefits; however, they are not entitled to 15 weeks of Employment Insurance (EI) maternity benefits.

Bill C-59 proposes to amend the *Employment Insurance Act* (EIA) by providing up to 15 weeks of shareable EI adoption benefits to an employee when one (or more) child is placed with them for adoption, or one (or more) newborn child is born via a person who is not, or is not intended to be, a parent to the child and arrives into their care. These benefits would be payable beginning five weeks before the week in which the placement or arrival is expected or the week in which the placement or arrival actually occurs, whichever is earlier. The benefits would end no later than 17 weeks after the week of the actual placement or arrival. Parents will continue to be able to access EI parental benefits following the EI adoption benefit period.

Transition rules would be in place for those already claiming parental benefits when the new EI adoption benefits come into force: EI parental benefits may be interrupted, and EI adoption benefits paid before EI parental benefits are resumed. It would be up to employers that provide top-up benefits while EI maternity or

parental benefits are paid to determine whether they would also apply the top-up to EI adoption benefits.

In addition to amending the EIA, Bill C-59 would amend the CLC to provide a shareable leave of absence of up to 16 weeks to federally regulated employees when a child is placed into their actual care for adoption or where a child born via a person who is not intended to be a parent of the child arrives into their actual care.

This leave would begin no earlier than six weeks before the week of the estimated date of the placement or arrival, or the week of the actual placement or arrival, whichever is earlier. The leave would end no later than 17 weeks after the week of the actual date of that placement or arrival.

Pregnancy Loss Leave

Bill C-59 proposes to amend the CLC to create a new leave for federally regulated employees who experience a pregnancy loss. An employee would be eligible for this leave if:

- their pregnancy does not result in a live birth
- the pregnancy of their spouse or common-law partner does not result in a live birth
- they intended to be the legal parent of the child who would have been born had another person's pregnancy resulted in a live birth

An eligible employee would be entitled to a leave of absence of up to eight weeks if the pregnancy results in a stillbirth (as defined in the CLC), or three days in any other case. The leave could be taken beginning on the day the pregnancy does not result in a live birth and ends 26 weeks after that day. The leave may be taken in one or two periods; employers may require that each period of leave be not less than one day's duration.

If the employee has completed three consecutive months of continuous employment with the employer, they would be entitled to the first three days of leave with pay at their regular rate of wages for their normal hours of work; such must be considered wages.

Bereavement Leave

Bill C-59 proposes amendments to the CLC that would provide an employee an unpaid leave of absence of up to 10 days in the event of the death of a member of their immediate family or a family member in respect of whom the employee is, at the time of the death, on a compassionate care leave or a leave related to critical illness. This leave would begin on the day the death occurs and end six weeks after the latest of the days on which any funeral, burial or memorial service of that deceased person occurs.

Canadian Dental Care Plan

In the Statement, the government notes that it is preparing for the launch of the Canadian Dental Care Plan (Dental Plan), which, by the end of 2023, will provide dental care to up to 9 million uninsured Canadians who have an annual family net income of less than \$90,000, with no co-pays for those with family incomes under \$70,000.

Bill C-59 proposes to implement a technical amendment to the provision of the *Income Tax Act* that authorizes the sharing of taxpayer information for the purposes of the Dental Plan. This amendment would allow the Canada Revenue Agency (CRA) to share

taxpayer information with an official of Public Services and Procurement Canada for the purposes of the administration or enforcement of the Dental Plan.

Furthermore, a government [news release](#) indicates that beginning with the 2023 tax year, employers must report on a T4 slip (Statement of Remuneration Paid) or T4A slip (Statement of Pension, Retirement, Annuity, and Other Income), depending on which applies, whether, on December 31st of the taxation year to which the information return relates, an employee, former employee or any of their family members (*i.e.*, an employee's or former employee's spouse or common law partner and children under 18) were **eligible to access** dental insurance, or dental coverage of any kind, including health spending and wellness accounts, due to their current or former employment. This reporting requirement will continue to be required on an annual basis. Failure to report this information may result in financial penalties.

To support these new reporting requirements, the following changes were made to the T4 and T4A slips:

- Box 45, Employer-offered Dental Benefits, was added to the T4. This new box will be mandatory for all slips.
- Box 015, Payer-offered Dental Benefits, was added to the T4A. This new box will be mandatory if an amount is reported in Box 016, Pension or Superannuation. The box will otherwise be optional.

The Canada Revenue Agency (CRA) may reject any T4 or T4A slip that is filed without this information.

In the news release, the government also issued an administrative policy on this new reporting requirement for the 2023 calendar year only. This policy provides that it is not mandatory to fill out the new box when Code 1 is applicable. Code 1 indicates: Not eligible to access any dental care insurance, or coverage of dental services of any kind. The news release provides further that this administrative policy applies only if all reasonable efforts have been made to comply with the reporting requirements.

We will follow Bill 59 as it moves through the legislative process and provide updates as developments occur.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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