

Changes to British Columbia Provincial Healthcare Premiums

British Columbia has announced that they will discontinue the current premium for provincial healthcare, the Medical Services Plan (MSP), effective January 1, 2020, and they are implementing a payroll tax in its place effective January 1, 2019.

Background

Currently BC funds healthcare through an annual premium of \$450 per adult with an annual adjusted net income over \$42,000. This was reduced effective January 1, 2018, when the premium for children was eliminated and the adult premium was cut in half. Most employers pay this premium on behalf of their employees.

Effective January 1, 2019, employers with BC payrolls over \$1,500,000 will be subject to an employer health tax of 1.95%. Payrolls of \$500,000 to \$1,500,000 will be subject to a graded amount between 0.98% and 1.95%. Employers with BC payrolls under \$500,000 will not be subject to the employer health tax.

The MSP premium continues to apply through 2019 in addition to the employer health tax, but it will be eliminated January 1, 2020.

In Closing

Look for more details about the employer health tax before its January 1, 2019, implementation.



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