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BACKGROUND

B.C. FAMILIES WILL SEE SAVINGS WITH NEW MSP PREMIUM RATE STRUCTURE

Changes to Medical Services Plan (MSP) premiums and enhancements to premium assistance will improve fairness and help B.C. families with the cost of living. All changes will take effect Jan. 1, 2017.

With these changes, the calculation of MSP premiums will no longer include children. Instead, the monthly rate for each household will be based only on the number of adults. For example, a household with one parent and two children will be charged the single adult rate, rather than the three-person rate they pay today—saving this family \$864 per year. A single adult will pay \$78 per month.

The Province will invest an additional \$70 million annually to enhance premium assistance, helping more lower-income families, seniors and individuals qualify for reduced rates. Families and individuals receiving premium assistance who currently pay partial premiums will see their premiums reduced, and additional households earning above the current premium assistance threshold will qualify for assistance.

For example, a couple with two children earning up to \$51,000 may qualify for assistance, and a single parent with two children earning up to \$48,000 may qualify for assistance.

With these changes, an additional 335,000 people will see their premiums reduced, including 70,000 single parent families. An additional 45,000 people will no longer pay MSP premiums at all. Once the changes have been implemented, nearly two million British Columbians will pay no premiums at all.

A new calculator is now available on the government website to help British Columbians estimate whether they could qualify for premium assistance today, and also when the enhancements take effect in 2017.

MSP premiums fund only a small part of the significant investment government makes in health care services every year. MSP premiums are forecast to raise about \$2.5 billion in 2016-17, and personal income tax is forecast to raise about \$8.2 billion. Total spending on health services in 2016-17 is forecast at \$19.6 billion. Corporate income tax, sales tax, natural resource and other government revenues are all required to help fund the cost of health care.

B.C. families have one of the lowest overall tax burdens in Canada, including health care premiums and payroll taxes, income taxes, consumption taxes and property taxes.

Quick Facts:

By eliminating children from MSP premiums:

- A single parent with one child will save \$58 each month, or \$696 per year.
- A single parent with two or more children will save \$72 each month, or \$864 per year.

As a result of enhancing premium assistance:

- A single adult earning up to \$42,000 may qualify for reduced premiums.
- A single parent with one child earning up to \$45,000 may qualify for reduced premiums.
- A couple earning up to \$45,000 may qualify for reduced premiums.
- A single senior earning up to \$45,000 may qualify for reduced premiums.
- A single parent with two children earning up to \$48,000 may qualify for reduced premiums.
- A couple with two children earning up to \$51,000 may qualify for reduced premiums.
- A senior couple earning up to \$51,000 may qualify for reduced premiums.

As a result of eliminating children from premiums and enhancing premium assistance:

- A single parent with two children can save up to \$1,224 per year.
- A single parent with one child can save up to \$1,056.
- A couple with two children can save up to \$648 per year.
- A senior couple can save \$480 per year.
- A couple can save \$480 per year.
- A single senior can save \$324 per year.
- A single adult can save \$324 per year.

Premium assistance eligibility:

- Premium assistance is based on an individual's net income for the preceding tax year as reported on line 236 of their Notice of Assessment (or for couples, their combined net income) adjusted for age, family size, disability and any reported Universal Child Care Benefit and Registered Disability Savings Plan Income.
- A new calculator is now available on the government website to help British Columbians estimate whether they could qualify for premium assistance today, and also when the enhancements take effect in 2017. Visit <https://extranet.gov.bc.ca/forms/gov/health/msppa.html> for more information.
- Further details on when individuals can apply for the enhanced premium assistance that will be in effect starting Jan. 1, 2017, will be provided in the coming months.

Learn More:

Read about the Regular Premium Assistance program: <http://www2.gov.bc.ca/gov/content/health/health-drug-coverage/msp/bc-residents/premiums/regular-premium-assistance>

Use this online calculator to find out if you could qualify for Regular Premium Assistance: <https://extranet.gov.bc.ca/forms/gov/health/msppa.html>

For questions about MSP and premium assistance, call: 1-800-663-7100

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