

# Client Advisory

## Highlights of the British Columbia and Alberta 2023 budgets

February 28, 2023

### Summary

Both the British Columbia and Alberta 2023 budgets were tabled in their respective legislatures on February 28, 2023. These budgets contain some initiatives which will be of interest to employers, plan sponsors, and plan administrators with respect to their benefit plans.

### Introduction

On February 28, 2023, British Columbia (BC) and Alberta both presented their 2023 budgets. These budgets each contain initiatives which will be of interest to employers, plan sponsors, and plan administrators with respect to their benefit plans.

These initiatives are summarized below.

### British Columbia measure affecting benefit plans

The Honourable Katrine Conroy, BC's Minister of Finance, presented [BC Budget 2023](#). The Budget contains proposed measures to strengthen public health care and helping people find and stay connected to the care they need, including improving cancer care, expanding mental-health and addictions services and better support for health-care workers and family doctors. It is also proposing prescription contraception free for all residents.

### Free Prescription Contraception

The BC Budget proposes to make prescription contraception free for all BC residents as of April 1, 2023. BC will provide \$119 million over three years in funding for this new program. It will fully cover prescription contraception options, including:

- Most oral hormone pills
- Contraceptive injections
- Copper and hormonal intrauterine devices

- Subdermal implants
- Plan B (also known as the morning-after pill)

BC will be the first Canadian jurisdiction to provide free prescription contraception to all its residents. Furthermore, BC intends to expand the ability of pharmacists to prescribe medications, including contraception, by spring 2023.

Most employers currently cover the cost of prescription contraception in their plans, and although details of this program have not been provided yet, it could help reduce drug costs for plan sponsors and plan members. While contraceptives are relatively affordable, with an average annual cost of \$100 to \$200 per year, they often represent a fairly high volume of claims.

### **Employer Health Tax (EHT)**

BC 2023 Budget does not propose any changes to the BC Employer Health Tax.

### **Alberta measure affecting benefit plans**

The Honourable Travis Toews, Alberta Minister of Finance presented the [Alberta 2023 Budget](#). Budget 2023 aims at strengthening and transforming the health-care system to meet people's needs. It also contains measures supporting adoptions.

#### **Adoption grant and expense tax credit**

Alberta currently offers a non-refundable tax credit equal to 10 per cent of eligible adoption expenses up to an annual maximum. Budget 2023 proposes to increase the maximum allowable expenses for the tax credit from \$14,365 to \$18,210 for 2023, matching the federal expense threshold. After 2023, this amount will be indexed annually at the same rate as the rest of the personal income tax system. Alberta will also increase adoption funding by \$12 million over three years which will include:

- Extending supplementary health benefits to domestically adopted children (from government care or through a licensed adoption agency)
- Providing \$6,000 in grant funding to adoptive parents who earn less than \$180,000 a year

Employers may want to consider these initiatives as part of their strategies related to family forming benefits.

### **For more information**

This Advisory is not intended to constitute or serve as a substitute for legal, accounting, actuarial or other professional advice. For information on how this issue may affect your organization, please contact your WTW consultant, or:

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