



Distributed by email

August 1, 2018

Our Ref: 371606

Robert Norum
School District 5 Southeast Kootenay
940 Industrial Road #1
Cranbrook BC V1C 4C6

Dear Robert Norum:

Thank you for your letter of July 25, 2018 sent to the Honourable Rob Fleming and the Honourable Carole James regarding your concerns on the Employers Health Tax (EHT). As a public sector employer, your email was sent to the Public Sector Employers' Council Secretariat (PSEC Secretariat) for response.

Starting on January 1, 2018, Medical Services Plan (MSP) premiums were cut by 50%. With the launch of Budget 2018, the Minister of Finance announced the full elimination of MSP premiums effective January 1, 2020, and the implementation of the EHT. This change eliminates a regressive tax, saving families up to \$1,800 per year and an overall decrease in government revenues of approximately \$800M.

Government is aware that these initiatives have different implications for different employers. That is why an implementation date was set for next year to allow a smooth transition for all employers.

We recognize that school districts, research universities, post-secondary institutions, health authorities and community social service providers are in the midst of budget consultations. Government is very aware of the need to understand the cost pressures public sector employers are facing so they can plan for the future, and we appreciate your feedback on this matter.

Sincerely,

Christina Zacharuk
President & CEO
Public Sector Employers' Council Secretariat

pc: Honourable Carole James, Minister of Finance and Deputy Premier
Honourable Rob Fleming, Minister of Education
Lynn Hauptman, Superintendent SD5

Ministry of Finance	Public Sector Employers' Council Secretariat	Mailing Address: PO Box 9400 Stn Prov Govt Victoria BC V8W 9V1	Location Address: 210 – 880 Douglas St Victoria BC V8W 2B7 778.698.8549
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