

Your plan could pay for itself

Income tax savings of up to 50 per cent on your Manitoba Blue Cross plan

When you buy a Manitoba Blue Cross Blue Choice plan, you could be eligible for sizable savings at tax season. There are tax breaks for individuals, managers and owners of incorporated businesses and, most substantially, self-employed Manitobans. If you're self-employed, your rates may be tax deductible.

Sample plan cost per year

(estimate based on a family of three)

Blue Choice Plan B	\$ 1,900
Tax savings (at 37 per cent marginal tax rate*)	-\$ 703
Net plan cost (after tax savings)	\$ 1,197

Sample annual health expenses

Dental check-ups and cleanings	\$ 747
Fillings and dental work	\$ 175
Prescription drugs	\$ 125
Eye exams and glasses	\$ 100
Total	\$ 1,147
Net plan cost minus annual expenses	\$ 50

*The above is an example only

The expenses listed above are relatively minor. If there's an unforeseen circumstance, like an ambulance ride, a root canal or an unexpected medical condition, your plan will more than pay for itself – it'll protect you and your family from incurring substantial debt.



Marginal Tax Rate i

The marginal tax rate is the percentage of tax applied to your income for each tax bracket in which you qualify. Your marginal tax rate will go up as your income increases and down as your income decreases.

How you save

Savings for individuals, incorporated businesses and self-employed Manitobans

Incorporated businesses

If you own or manage an incorporated business, you can claim health and dental rates as business expenses. Additionally, your rates would be considered non-taxable benefits for employees.

Self-employed Individuals

If self-employment is your primary source of income, you may be allowed to deduct the Manitoba Blue Cross rate you pay as a business expense and receive a direct reduction in your taxable income.

That means an income tax savings of nearly 50 per cent of the rate you pay.

- If you have no permanent full-time employees (excluding family members), the annual deduction is limited to a maximum of \$1,500 for each covered adult, and \$750 for each child.
- If you have one or more permanent full-time employees (excluding family members), your limit is based on the cost equivalent of coverage made available to the employee with the least amount of coverage.

Individuals

If you are an individual purchasing a Blue Choice plan, rates for health and dental coverage can be added to your other medical expenses when calculating tax credits. Medical expenses may be claimed for any 12-month period ending in the taxation year, against either you or your spouse's income.

Contact Canada Revenue Agency for more details on how Manitoba Blue Cross health and dental plans can save you tax dollars.

