Workmen's Compensation

Legislation in force in all provinces provides compensation for personal injury suffered by workmen as a result of industrial accidents. In general, these provincial statutes established an accident fund administered by a board to which employers are required to contribute at a rate proportional with the hazards of the industry.

Hospital Insurance

A government-subsidized hospital insurance plan is in operation in each of the ten provinces. In all provinces but Quebec, the programme is a joint federal-provincial undertaking where approximately half the cost of hospitalization for patients who are participants under the plan is met by the Federal Government and the other half by the province. In Quebec, the programme is entirely a provincial undertaking where the share of cost normally carried by the Federal Government in the other provinces has been assumed by the province in exchange for fiscal compensation by way of a larger occupation of the field of personal income tax by that province. (See Introduction.) The provincial share of the cost of the programme is financed by various means. Quebec has increased its personal and corporation income tax (i.e. quite apart from its greater occupation of the field of personal income tax in return for assuming the federal share of the cost of the programme). Certain provinces require the deduction of a monthly premium from the wages of their residents as a contribution or premium for the plan. In such provinces, self-employed people must also pay the premium directly if they wish to be covered by the plan. In some other provinces, the proceeds of a retail sales tax are earmarked in whole or in part for the support of the hospital plan.

(This explanatory paper is not an official interpretation of any of the taxing statutes. The administration of federal taxing statutes is the responsibility of the Minister of National Revenue. The provincial and municipal taxes are administered by provincial and municipal government departments.)

RP/A