



Ontario Health Premium

The Ontario Health Premium will be payable on annual taxable income in excess of \$20,000. The CRA doubled the 2004 annual values in order to collect the premium over the remaining six months of the year. Effective July 1, 2004, the Ontario Health Premium is calculated as follows:

- Where taxable income is less than or equal to \$20,000, the premium is \$0;
- Where taxable income is greater than \$20,000 and less than or equal to \$36,000, the premium is equal to the lesser of (i) \$300, and (ii) 6% of taxable income greater than \$20,000;
- Where taxable income is greater than \$36,000 and less than or equal to \$48,000, the premium is equal to the lesser of (i) \$450, and (ii) \$300 plus 25% of taxable income greater than \$36,000;
- Where taxable income is greater than \$48,000 and less than or equal to \$72,000, the premium is equal to the lesser of (i) \$600, and (ii) \$450 plus 25% of taxable income greater than \$48,000;
- Where taxable income is greater than \$72,000 and less than or equal to \$200,000, the premium is equal to the lesser of (i) \$750, and (ii) \$600 plus 25% of taxable income greater than \$72,000;
- Where taxable income is greater than \$200,000, the premium is equal to the lesser of (i) \$900, and (ii) \$750 plus 25% of taxable income greater than \$200,000.

The Ontario Health Premium is not reduced by the Ontario tax reduction (factor S).

The Ontario Health Premium is not related to the Employer Health Tax for Ontario.

The Ontario Health Premium is included in the total federal and provincial tax deducted on T4 Slips.