

ALBERTA SENIORS' DRUG PLAN – Version 2. Compared to the Current Plan and Ontario

This ideologically motivated plan introduces “Monthly Premiums”. This will further burden middle-income seniors on fixed income who received no benefit from the Alberta 10% flat tax.

Low-income seniors will have free drug coverage. Wonderful, but it should have been done years ago and financed out of general, or oil, revenue. Instead, it is entirely out of the pockets of other seniors!

The plans co-payment rate, “20% of each prescriptions cost up to \$15”, equates to 17% of total yearly prescription costs. (The current “30% up to \$25” equates to 22% of yearly prescription costs).

The problem is the new “Premiums” will negate the 5% yearly co-payment reduction and substantially increase overall costs for middle-income seniors. Monthly premium for singles above \$24,000 income are \$31.75, \$47.62, and \$63.50 depending on income. For couples above \$48,000 income, monthly income based premiums are \$59, 88.50, and \$118 a month.

Alberta should set the standard, but we are far behind Ontario where the cost to seniors, with incomes over \$24,175, is \$100 deductible per year plus up to only \$6.11 per prescription.

The tables below highlight three different “Total Yearly Cost of Prescription Amounts” to provide an example of how the plan will affect you! Based on income, will you have to pay a “Premium”? Will your yearly cost increase? How does your cost compare to Ontario? How much will the Govt. double tax you if you withdraw “fully taxable funds” from your RRSP/RIF for an emergency, a vacation, or to invest in the new Federal TFSA, and this moves you into a higher income range?

SENIOR FAMILY TABLE (Single on reverse) Note: The number of prescriptions in the “Ontario” column is calculated using an estimate of 15 per \$1000 yearly prescription cost.

Family Taxable Income	Total Yearly Cost of Prescriptions	New plan Co-Payment = 17% of total cost	New Plan Yearly Premium (Monthly times 12)	New Plan Total Yearly Cost	Current Plan Cost (Co-Payment = 22% of Total Yearly Cost)	Ontario Plan (\$100 Ded. plus up to \$6.11 per prescription)
\$24,000	\$1,000	\$0	\$0	\$0	\$220	\$0
\$24,001 to \$48,000	\$1,000	\$170	\$0	\$170	\$220	\$192
\$48,001 to \$72,000	\$1,000	\$170	\$708	\$878	\$220	\$192
\$72,001 to \$96,000	\$1,000	\$170	\$1,062	\$1,232	\$220	\$192
\$96,001 and up	\$1,000	\$170	\$1,416	\$1,586	\$220	\$192
\$24,000	\$3,000	\$0	\$0	\$0	\$660	\$0
\$24,001 to \$48,000	\$3,000	\$510	\$0	\$510	\$660	\$375

\$48,001 to \$72,000	\$3,000	\$510	\$708	\$1,218	\$660	\$375
\$72,001 to \$96,000	\$3,000	\$510	\$1,062	\$1,572	\$660	\$375
\$96,001 and up	\$3,000	\$510	\$1,416	\$1,926	\$660	\$375
\$24,000	\$7,000	\$0	\$0	\$0	\$1,540	\$0
\$24,001 to \$48,000	\$7,000	\$1,190	\$0	\$1,190	\$1,540	\$741
\$48,001 to \$72,000	\$7,000	\$1,190	\$708	\$1,898	\$1,540	\$741
\$72,001 to \$96,000	\$7,000	\$1,190	\$1,062	\$2,252	\$1,540	\$741
\$96,001 and up	\$7,000	\$1,190	\$1,416	\$2,606	\$1,540	\$741

SINGLE INCOME TABLE

Single Taxable Income	Total Yearly Cost of Prescriptions	New plan Co-Payment = 17% of total cost	New Plan Yearly Premium (Monthly times 12)	New Plan Total Yearly Cost	Current Plan Cost (Co-Payment = 22% of Total Yearly Cost)	Ontario Plan (\$100 Ded. Plus up to \$6.11 per Prescription)
\$12,000	\$500	\$0	\$0	\$0	\$110	\$0
\$12,001 to \$24,000	\$500	\$85	\$0	\$85	\$110	(Over \$16,018) = \$137
\$24,001 to \$36,000	\$500	\$85	\$381	\$466	\$110	\$137
\$36,001 to \$48,000	\$500	\$85	\$572	\$657	\$110	\$137
\$48,001 and up	\$500	\$85	\$762	\$847	\$110	\$137
\$12,000	\$1,500	\$0	\$0	\$0	\$330	\$0
\$12,001 to \$24,000	\$1,500	\$255	\$0	\$255	\$330	(Over \$16,018) = \$234
\$24,001 to \$36,000	\$1,500	\$255	\$381	\$636	\$330	\$234
\$36,001 to \$48,000	\$1,500	\$255	\$572	\$827	\$330	\$234

\$48,001 and up	\$1,500	\$255	\$762	\$1,017	\$330	\$234
\$12,000	\$3,500	\$0	\$0	\$0	\$770	\$0
\$12,001 to \$24,000	\$3,500	\$595	\$0	\$595	\$770	(Over \$16,018) = \$417
\$24,001 to \$36,000	\$3,500	\$595	\$381	\$976	\$770	\$417
\$36,001 to \$48,000	\$3,500	\$595	\$572	\$1,167	\$777	\$417
\$48,001 and up	\$3,500	\$595	\$762	\$1,357	\$777	\$417

This plan will substantially increase costs for middle-income seniors and is far higher than Ontario!

It is very unfair to those who listened to financial experts, and our governments, and invested all our retirement savings in RRSP's and now have no tax-free monetary assets to draw upon.

We fully expect to pay federal and provincial taxes when we withdraw one-time amounts from our RRSP/RIF for an emergency, a vacation, or to invest in the new Federal Tax Free Savings Account.

What we did not expect was the Alberta Government would devise a senior's drug plan that will double tax us if these one-time withdrawals move us into a higher income range?

PLEASE MAKE YOUR VOICE KNOWN!

Phone Premier Stelmach (780) 427-2251, Health Minister Liepert (780) 427-3665, your MLA and other MLA's. Tell them what you think of the proposed "Seniors' Drug Plan"! Ask them why Alberta seniors are paying far more than Ontario seniors. (MLA e-mails are on the Alberta Govt. web site).

Inform your family, neighbors, and friends. Phone talk shows. Write letters to the Editor.