



Ontario

Ministry of Finance  
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January 10, 2005

Mr. Terry Mundell  
President & CEO  
Ontario Restaurant Hotel & Motel Association  
Suite 8 - 201  
2600 Skymark Avenue  
Mississauga ON L4W 5B2

Dear Mr. Mundell:

Thank you very much for your letter of November 8, 2004, regarding the Ontario Health Premium (OHP) and recent arbitration decisions. I appreciate that you have taken the time to write and share your members' concerns.

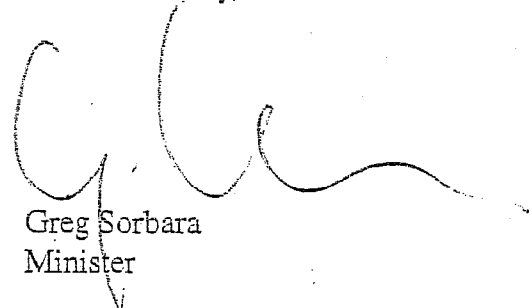
Currently, we are aware of five arbitrators' decisions concerning the OHP. Four have been decided in favour of the employer and one found that the language in a collective agreement requiring the employer to pay former Ontario Health Insurance Plan premiums (OHIP) on behalf of employees was broad enough to include the new OHP. In this particular case, the employer has requested a judicial review of the arbitrator's decision. We expect further arbitrators' rulings on this matter.

The Ministry of Finance has always taken the view that the OHP is a tax on individual incomes and is not the same as the previous OHIP premiums.

Unless employers have bargained to pay employees' taxes, we would not expect that the OHP legislation has been anticipated in collective agreements. Whether the OHP would be covered by those agreements would depend on the interpretation of the agreements by those who are party to them. As Minister of Finance, it would be inappropriate for me to comment on a specific provision contained in agreements between employers and bargaining units.

Thank you again for writing.

Yours sincerely,



Greg Sorbara  
Minister

c. The Honourable Dalton McGuinty  
Premier

The Honourable Jim Bradley  
Minister of Tourism and Recreation

The Honourable Jim Watson  
Minister of Consumer and Business Services

The Honourable Joseph Cordiano