

July 2012, Issue 12

NEW LEGISLATION REGARDING TAXABLE BENEFITS

The 2012 Federal Budget has introduced legislation which will result in a change to the taxable benefits to employees for certain employer-paid premiums under group insurance plans.

Assuming that this budget is passed into law, effective January 1, 2013, employer-paid premiums for Critical Illness and Accidental Death and Dismemberment (AD&D) will be included in the employee's income as a taxable benefit for Federal tax purposes. Currently, premiums paid by an employer for these benefits are generally considered to be tax-free benefits for all provinces except Quebec. This change will treat these benefits on the same basis as employer-paid group life insurance premiums where the premium itself is taxable to the employee and will be on the employee's T-4 as a taxable benefit.

A reminder that when it comes to the short term and long term disability, if the employer pays these premiums and the employee goes on disability, any benefit money received will be taxable to the employee. The difference between the disability and the above mentioned coverage is that it is the benefit itself that is taxable for disability, rather than the premiums.

We're on the Web!

www.canwestgroup.com

For firms that pay 50% of the premium for their employees, the plan administrator cannot take the total premium and split it 50/50 without checking to make sure that the employee is paying the life, AD&D, disability, and critical illness portion of the premium FIRST. Sometimes this will be more than the health and dental portion, for which the employer would then be paying 100%.

Please contact your local Canwest specialist if you have any questions.

OUR TEAM IS GROWING...

As Canwest Group Benefits expands, we are excited to introduce two new members to our administration team! Please welcome:

Kaytee in Grande Prairie & **Courtney** in Fort St. John!

kaytee@canwestgroup.com / courtney@canwestgroup.com

Feel free to contact us...we look forward to helping you have the BEST benefits experience!

...IS YOURS?

Tips for your growing company:

- To save time, have your new employees fill out their application form at time of hire.
- Be sure everyone know about the ONLINE employee sites, giving them access to plan information, forms and claims.

As your business grows and you add more employees to your staff you may qualify for exciting changes to your plan such as:

- Higher NEMs (Non-Evidence Maximums) may be offered on renewal for disability and/or life insurance.
- More coverage options may become available (ie: Orthodontic coverage can be added with more employees, etc)