

Legislative change: Employer contributions to group sickness or accident insurance plans and the Federal Budget of March 29th, 2012.

Bill C-45 on the implementation of the provisions of the federal budget proposed on March 29, 2012 was adopted on December 5th.

Effective January 1, 2013, the new provisions amend the income tax as follows: Employer contributions to sickness or accidents benefits will be considered taxable benefits for employees.

Previously, these benefits were non taxable

benefits on the employee's income when the employer paid all or a portion of these benefits of the group insurance.

This amendment applies to employer contributions for Accidental Death and Dismemberment insurance as well as insurance for Critical Illness. Short and long term disability insurance benefits as well as supplemental health and dental care will remain non taxable benefits at the Federal level.

Taxation of employer contributions		
Coverage	Employer's taxable contribution	
	Federal	Provincial
Life Insurance (Insured)	Yes	Yes
Life Insurance (Dependants)	Yes	Yes
Accidental Death and Dismemberment	Yes	Yes
Critical illness insurance	Yes	Yes
Short-term disability	No	No
Long-term disability	No	No
Supplemental Health and Dental care	No	Yes
Employee Assistance program	No	No

Do not hesitate to contact us for any questions relating to this bulletin

