

Taxes

Group Benefits Taxation

Each benefit, depending on what the employer provides, plus the percentage an employee pays versus the percentage the employer pays — makes it a taxable or non-taxable benefit.

| Benefit | Is the Premium Taxable to Employees? | Are Benefit Payments Taxable to Employees? |
|--|--------------------------------------|--|
| Life Insurance | Yes | No |
| Dependent Life Insurance | Yes | No |
| Accidental Death & Dismemberment (AD&D) | Yes | No |
| Critical Illness Insurance (CI) | Yes | No |
| Short & Long Term Disability Insurance (STD/LTD) | No/Yes* | No/Yes* |
| Extended Health Care (EHC) | No; Yes in Quebec | No |
| Dental Insurance | No; Yes in Quebec | No |
| Employee Assistance Program (EAP) | No | No |
| Health Care Spending Account (HCSA) | No; Yes in Quebec | No |
| Diagnostic Specialist Access Insurance (DSAI) | No | No |

**Disability payments are taxable to the employee if the employer pays a portion of the premium for short term and/or long term disability. Consider adding the portion of these premiums paid by the employer as a taxable benefit to the employee to avoid taxation of disability payments.*

