

2024

Group benefits taxation overview



Employer paid premium contributions may be considered a taxable benefit to the employee. Benefit payments may be taxable when received by the employee (or beneficiary).

Benefit	Is the premium taxable to employees?	Are benefit payments taxable to employees?
Life Insurance	Yes	No
Dependent Life	Yes	No
Accidental Death & Dismemberment (AD&D)	Yes	No
Critical Illness	Yes	No
Short & Long-Term Disability	No	No/yes*
Health Care	No; yes in Quebec	No
Dental Care	No; yes in Quebec	No
Employee Assistance Program (EAP)	No	No
Health Care Spending Account (HCSA)	N/A	No; yes in Quebec
Lifestyle/Wellness Spending Account (LSA/WSA)	N/A	Yes
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.*