



Reuter Insight

November 2012

Accidental Death and Dismemberment and Critical Illness Become Taxable Benefits

Effective January 1, 2013, employer-paid premiums for Accidental Death and Dismemberment (AD&D) and for Critical Illness (CI) insurance will become a federal taxable benefit to employees across Canada and must be reported on the employee's T4 slip.

These employer-paid premiums, including any applicable sales tax, must be included in an employee's income for the year in which the contributions are made.

Employer-paid premiums for private health services plans and short-term disability (STD) and long-term disability (LTD) wage loss replacement plans are not impacted by this legislation change.