

DISABILITY INSURANCE PLANS AND AUTOMOBILE BENEFITS:

EMPLOYER PROVIDED DISABILITY INSURANCE PLANS

	Group Plans	Non-Group Plans
Premiums Paid by Employer	Premiums: non-taxable Benefits: taxable	Premiums: taxable Benefits: not taxable
Premiums paid by Employee	Premiums: not-deductible Benefits: not taxable	Premiums: not-deductible Benefits: not taxable
Premiums paid partially by employer and employee	Premiums: not-taxable/deductible Benefits=total benefit-premiums paid by employee	

AUTOMOBILE BENEFITS - EMPLOYER PROVIDED CARS

Both the Standby Charge and the Operating Cost Benefit apply whenever an employer provides the employee with a vehicle.

1. Standby Charge – reduced by payments made by employee to the employer

Employer Owned Car: $SC = \frac{A}{B} * 2\% * (Cost + HST) * \# \text{ months access to car's keys}$

- The cost must be at least equal to the fair market value of the automobile when you acquired it
- The cost also includes future additions added to the car after purchasing it

Employer Leased Car: $SC = \frac{A}{B} * \frac{2}{3} * (\text{total lease PMT for the yr including HST} - \text{insurance})$

$$\frac{A}{B} = \frac{\text{Personal KM}}{1667 * \text{months}} \quad \text{if employee uses } > 50\% \text{ for employment}$$

$$\frac{A}{B} = 1 \quad \text{if employee uses } \leq 50\% \text{ for employment}$$

2. Operating Cost Benefit (OC) - reduced by payments made by employee to the employer

No Standby Charge	SC and >50% employment use	SC and <50% employment use
$OC = total\ expenses \cdot \frac{personalkm}{totalkm}$	Lower of: OC=50%*SC OC=0.27*personal KM Use 0.26 for 2012 tax year	$OC = 0.27 * personal\ KM$ Use 0.26 for 2012 tax year