

Employee Benefits: More Bang for Your Compensation Bucks

An employee benefits plan makes sense when you want to protect your employees, but it also makes financial sense – for your business and for them! When you account for taxes and deductions, health coverage does much more for you and your employees.

Compensation that's NOT TAXING

Employer-paid employee benefit premiums are a deductible expense for your business.

Exempt from Employee Taxable Benefits:

- Health
- Dental
- Travel Health
- EAP
- ASO Health and Dental
- Cost Plus
- HSA

Cost Effective for Employers

	RAISE	VS	BENEFITS
Budget Increase	\$2,000		\$2,000
Sales Tax 8%	N/A		\$160
CPP 5.1%	\$102		N/A
EI 2.268%	\$45		N/A
WSIB 3%	\$60		N/A
Vacation 4%	\$80		N/A
TOTAL COST	\$2,287		\$2,160

Better Than a Raise for Employees!

	RAISE	VS	BENEFITS
Cash Value per year	\$2,000		\$2,000
CPP 5.1%	(\$102)		\$0
EI 1.62%	(\$32)		\$0
Income Tax* 29.65%	(\$593)		\$0*
Employee's Net Benefit	\$1,273*		\$5,461¹

See Estimate Average Employee Out-of-pocket Expenditures below.

80%

of Canadian employees say they consider a small and mid-size employer's health benefits before accepting a new role.¹

72%

of plan members agreed they appreciate their health benefits plan more today than before the pandemic.¹

Estimated Average Employee Out-of-Pocket Expenditures in the Past Year¹

(Plan members aged 18-34)

- Mental Health Therapy \$2,035
- Dental Services \$1,798
- Prescription Drugs \$1,628

TOTAL \$5,461

*NOTE: The above tax information and amounts are based on Ontario taxation for person earning \$50,000 annually. They are provided for demonstration purposes only and should not be considered tax advice. Rules and amounts vary by province. Check with your local advisor for specific information.

¹Benefits Canada Healthcare Survey 2023

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