

Employment Insurance

Employment Insurance (EI) Benefits for Self-Employed People

About the Program

EI is a national program which provides eligible Canadians with access to four types of special benefits to support workers when they experience an interruption in earnings due to illness, childbirth, parenting, or the provision of care or support to a gravely ill family member.

How It Works

The EI program is currently designed for workers in an employer-employee relationship and funded through employer and employee premiums.

Changes to EI Program for Self-Employed Canadians

On November 3, 2009 the Government of Canada tabled legislation, the Fairness for the Self-Employed Act, to provide EI maternity, parental/adoption, sickness and compassionate care benefits to self-employed Canadians on a voluntary basis. This legislation, which received Royal Assent on December 15, 2009, will allow the self-employed to opt into the EI program in January 2010, while benefits will start being paid in January 2011.

As a result, beginning in January 2011, self-employed Canadians will be able to access EI special benefits. There are four types of EI special benefits:

- maternity benefits;
- parental benefits;
- sickness benefits; and
- compassionate care benefits.

For the purposes of these amendments, a self-employed person also includes an individual who is employed by a corporation in which that person controls more than 40% of the voting shares. Currently, self-employed persons do not have access to any EI benefits under the EI program.

Eligibility information

You may be eligible to access EI special benefits beginning in January 2011 if you:

- are a self-employed person; and
- are a Canadian citizen or a permanent resident of Canada; and
- have entered into an agreement with the Canada EI Commission (the Commission) through Service Canada; and
- earned a minimum of \$6,000 in income from self-employment during the previous calendar year.

Benefits

Self-employed persons will receive benefits at the same rate as employed persons: 55% of their average insured earnings, up to the yearly maximum insurable amount (which is \$43,200 for 2010).

Application Information

As a self-employed person, you have been able to enter into an agreement with the Commission through Service Canada since January 31, 2010.

To enter into an agreement with the Commission, you have to register online using My Service Canada Account.

By entering into this agreement, you will confirm your interest in participating in this measure and in paying EI premiums on your self-employment income.

Please note that if you have previously used My Service Canada Account, you can register using your existing user code and password.

If you have not previously used My Service Canada Account, you can apply at any time for a personal access code on the My Service Canada Account web page.

Dates and Deadlines

If you have entered into an agreement between January 31, 2010 and April 1, 2010, you will be able to make a claim for special benefits as early as January 2011. However, for agreement entered into here with the Canada EI Commission, you will have to wait 12 months before you will be able to make a claim for EI special benefits.

How to Find Out More

For more information on EI special benefits for the self-employed, including information about registration, visit actionplan.gc.ca, call 1 800 O-Canada or visit a local Service Canada Centre.

Please also feel free to contact us for further information about EI special benefits for the self-employed and for assistance in determining your eligibility.

This 'n That at Logan Katz

More New Faces at Logan Katz

Logan Katz is pleased to welcome the newest member of our Financial Reporting Services group, Nicole Brideau. Nicole offers a wealth of experience in the accounting industry which will be of great benefit and value to the clients she will serve.

We also welcome back Martin Rancourt for his second co-op term with our firm and are pleased to have Luke Hudson join us for his first co-op placement. Both Martin and Luke are University of Ottawa students.

Logan Katz LLP is a proud sponsor of:

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*The Ottawa Art Gallery
2 Daly Avenue
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GST/HST Electronic Filing

New electronic filing requirements for GST/HST registrants

On January 4, 2010, the CRA announced proposed changes to electronic filing requirements for most GST/HST registrants beginning July 1, 2010.

Currently, only GST/HST registrants who meet the criteria set by the CRA have the option to use electronic filing. As a result of the proposed changes, restrictions will be removed so that all registrants will be able to file electronically.

Required to file electronically

Under the new proposed measures, for all reporting periods ending on or after July 1, 2010, the following persons will be **required** to file their GST/HST returns electronically:

- GST/HST registrants (except for charities) with greater than \$1.5 million in annual taxable supplies, including the annual taxable supplies of all of their associates;
- GST/HST registrants required to recapture input tax credits for the provincial portion of the HST on certain inputs; and
- home builders affected by the HST transitional housing measures.

Regulations specifying the persons who will be required to file an electronic return are expected to be announced in the near future.

Not required to file electronically

In general, charities and most GST/HST registrants with annual taxable supplies of \$1.5 million or less will not be affected by these changes.

New home builders

New home builders affected by the HST transitional rules for housing will have to file GST/HST return using GST/HST NETFILE if they have any of the following information to report on their return for a particular reporting period:

- the number of grandparented housing units sold during the reporting period where the purchaser was not entitled to claim GST/HST new housing rebate or new residential rental property rebate and the total of the sale prices of those units;
- the number of newly constructed or substantially renovated housing units sold during the reporting period that are subject to the HST where those units were previously purchased by the builder as grandparented housing and the total of the purchase prices of those units;
- the transitional tax adjustment that is required to be included in the builder's net tax calculation in respect of grandparented housing that was less than 90% complete as of July 1, 2010; and
- the amount of all provincial transitional new housing rebates claimed for the reporting period (including those assigned to the builder by purchasers).

Recapture of input tax credits

Also effective July 1, 2010, large businesses and certain financial institutions will be required to use a GST/HST NETFILE return to report the recaptured portion of input tax credits attributable to the provincial component of the HST payable in respect of certain property and services.