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Employment Insurance and Repayment of Benefits at Income Tax Time - Year 2014

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What you should know

Whatever the type of benefits you receive, EI payments are taxable income, meaning federal and provincial or territorial taxes, where applicable, are deducted when you receive them.

At the time you file your income tax return, depending on your net income and if you were paid regular benefits, including regular fishing benefits, you may be required to repay some of the EI benefits you received. If your **2014 net income from all sources exceeds \$60,750 you will be required to repay 30% of the lesser of:**

- your net income in excess of \$60,750; or
- the total regular benefits, including regular fishing benefits, paid in the taxation year.

Exemption :

You do not have to repay your EI benefits if:

- your 2014 net income is less than \$60,750; or
- you received less than 1 week of regular or fishing benefits in the preceding 10 taxation years; or
- you were paid special benefits, i.e. maternity, parental, sickness, compassionate care or parents of critically ill children (PCIC) benefits. However, if you received a combination of regular and special benefits within the same tax year, you may still have to repay a percentage of the regular benefits received. See [example 5 for repayment of benefits](#).

If you received EI regular benefits including regular fishing benefits, that overlap 2 calendar years, you may qualify for the exemption in the 1st taxation year. However, in the following taxation year you would not qualify for the exemption as there would be more than 1 week of regular benefits paid in the preceding 10 years. See [example 2 for repayment of benefits](#).

Examples of repayment of benefits

Example 1

Tax years 2004 to 2013	Tax year 2014
	EI claim 30 weeks regular EI paid

You received EI regular benefits in tax year 2014. No EI regular benefits were paid in the 10 years prior to the tax year 2014. Therefore you are exempt from the benefit repayment.

Example 2

Tax years 2003 to 2012	Tax years 2013 and 2014
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	EI claim
	30 weeks regular EI paid:
	2 weeks paid in 2013
	28 weeks paid in 2014

For tax year 2013, **you would be exempt** from benefit repayment as you did not receive regular benefits in the preceding 10 tax years.

For tax year 2014, **you would not be exempt** from benefit repayment as you received more than 1 week of regular benefits in the 10 year period prior to the tax year under consideration, i.e. 2 weeks in 2013.

Example 3

Tax years 2003 to 2012	Tax years 2013 and 2014
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	EI claim
	30 weeks EI paid:
	2 weeks sickness paid in 2013
	28 weeks regular paid in 2014

You received EI regular benefits in tax year 2014 on a claim that commenced in 2013. There were also 2 weeks sickness benefits paid in tax year 2013. As you received only sickness benefits in the 10 year period prior to the tax year 2014, you are exempt from the benefit repayment provisions for tax year 2014.

Example 4

Tax years 2004 to 2013

Tax year 2014

EI claim
45 weeks of regular benefits paid in 2011

EI claim
20 weeks maternity, parental, sickness, or compassionate care benefits paid

You received EI maternity, parental, sickness, compassionate care or PCIC benefits in tax year 2014. Regular benefits were paid in 2011. Although your net income exceeds \$60,750 in 2014, you are exempt from benefit repayment for tax year 2014 as maternity, parental, compassionate care and PCIC benefits are exempted from the benefit repayment provisions.

Example 5

Tax years 2004 to 2013

Tax year 2014

EI claim
45 weeks of regular benefits paid in 2011

EI claim
22 weeks EI paid:
20 weeks regular
2 weeks sickness

You received EI regular and sickness benefits in tax year 2014. Regular benefits were also paid in the ten year period prior to the tax year 2014. Therefore if your net income exceeds \$60,750, you will have to repay a percentage of the regular benefits received for tax year 2014, but not the sickness benefits.

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