

Benefits chart

This chart indicates whether the **taxable** allowances and benefits discussed in this guide are subject to Canada Pension Plan (CPP) and employment insurance (EI) withholdings, and shows which codes you should use to report them on the employee's T4 slip. The chart also indicates whether the GST/HST has to be included in the value of the **taxable** benefit for income tax purposes. Cash reimbursements and non-cash benefits are subject to the GST/HST, unless they are for exempt or zero-rated supplies. Cash allowances are not subject to the GST/HST.

Taxable allowance or benefit	Deduct CPP ¹	Deduct EI	Code for T4 slip	Include GST/HST
Automobile and motor vehicle allowances – in cash	yes	yes	40	no
Automobile standby charge and operating expense benefits – non-cash	yes	no	34	yes
Board and lodging, if cash earnings also paid	yes	²	30	³
Cellular phone and Internet services – in cash	yes	yes	40	yes
Cellular phone and Internet services – non-cash	yes	no	40	yes
Child care expenses – in cash	yes	yes	40	⁴
Child care expenses – non-cash	yes	no	40	⁴
Counselling services – in cash	yes	yes	40	⁵
Counselling services – non-cash	yes	no	40	⁵
Disability-related employment benefits – in cash	yes	yes	40	⁶
Disability-related employment benefits – non-cash	yes	no	40	⁶
Discounts on merchandise and commissions on sales – non-cash	yes	no	40	yes
Educational allowances for children – in cash	yes	yes	40	no
Employment insurance premium rebate – in cash	yes	yes	40	no
Gifts and awards – in cash	yes	yes	40	no
Gifts and awards – non-cash and near-cash	yes	no	40	yes
Group term life insurance policies – employer-paid premiums – non-cash	yes	no	40	no
Housing allowance, clergy – in cash	⁷	yes	30	no
Housing allowance – in cash	yes	yes	30	⁸
Housing benefit, clergy, rent-free or low-rent – non cash	⁷	⁹	30	⁸
Housing benefit, rent-free or low-rent – non cash	yes	⁹	30	⁸
Housing loss – in cash	yes	yes	40	no
Interest-free and low-interest loans ¹⁰	yes	no	36	no
Loans – Home purchase	yes	no	36	no
Loans – Home relocation	yes	no	¹⁰	no
Loans – Forgiven – in cash	yes	yes	40	no
Meals – Overtime allowances – in cash	yes	yes	40	no
Meals – Overtime – in cash	yes	yes	40	yes
Meals – Overtime – non-cash	yes	no	40	yes
Meals – subsidized – non-cash	yes	no	40	yes
Medical expenses – in cash	yes	yes	40	¹¹
Medical expenses – non-cash	yes	no	40	¹¹

Continued on next page

¹ Except for security options, if a non-cash taxable benefit is the only form of remuneration you provide to your employee, there is no remuneration from which to withhold deductions. For more information, see "Calculate payroll deductions" on page 6.

² If no cash earnings are paid in a pay period, **do not** deduct EI premiums.

³ Meals and short term accommodations are generally subject to the GST/HST. If taxable, include the GST/HST in the value of the benefit.

⁴ Child care expenses are generally exempt of GST/HST. If taxable, include the GST/HST in the value of the benefit.

⁵ Certain counselling services are subject to the GST/HST. If the services you pay are subject to the GST/HST, include the GST/HST in the value of the benefit.

⁶ Disability-related employment benefits are generally taxable for GST/HST. If taxable, include the GST/HST in the value of the benefit.

⁷ If you reduce the income subject to income tax deductions by the clergy residence deduction (including utilities), you may also reduce the earnings subject to CPP contributions by the same amount.

⁸ Long-term accommodations are generally exempt of GST/HST and utilities are generally subject to the GST/HST. If taxable, include the GST/HST in the value of the benefit.

⁹ If it is a non cash benefit, it is insurable if it is received by the employee in addition to cash earnings in a pay period. If no cash earnings are paid in the pay period, it is not insurable.

¹⁰ Enter the taxable interest benefit under code 36 and enter the home relocation loan deduction under code 37.

¹¹ Some medical expenses are subject to the GST/HST. For more information, see page 25.

Taxable allowance or benefit... continued	Deduct CPP	Deduct EI	Code for T4 slip	Include GST/HST
Moving expenses and relocation benefits – in cash	yes	yes	40	yes
Moving expenses and relocation benefits – non-cash	yes	no	40	yes
Moving expenses – non-accountable allowance over \$650 – in cash	yes	yes	40	no
Municipal officer's expense allowance	yes	no	¹²	no
Parking – in cash	yes	yes	40	yes
Parking – non-cash	yes	no	40	yes
Pooled registered pension plan contributions (paid to a plan not registered with the Minister of National Revenue)	yes	yes	40	no
Power saws and tree trimmers; rental paid by employer for employee-owned tools – in cash	yes	yes	40	yes
Premiums for income maintenance plans and other insurance plans – non cash	yes	no	40	no
Premiums under provincial hospitalization, medical care insurance, and certain federal government plans – in cash	yes	yes	40	no
Premiums under provincial hospitalization, medical care insurance, and certain federal government plans – non-cash	yes	no	40	no
Professional membership dues – in cash	yes	yes	40	¹³
Professional membership dues – non-cash	yes	no	40	¹³
Recreational facilities (in house) – non-cash	yes	no	40	yes
Recreational facilities or club membership dues – in cash	yes	yes	40	yes
Registered retirement savings plan (RRSP) contributions – in cash	yes	¹⁴	40	no
Registered retirement savings plan (RRSP) administration fees – non-cash	yes	no	40	¹³
Scholarships and bursaries – in cash	yes	yes	40	no
Security options (including cash outs)	yes	no	¹⁵	no
Social events – in cash	yes	yes	40	no
Social events – non-cash	yes	no	40	yes
Spouse or common-law partner's travelling expenses – in cash	yes	yes	40	no
Spouse or common-law partner's travelling expenses – non-cash	yes	no	40	yes
Tax-Free Savings Account – contributions – in cash	yes	¹⁴	40	no
Tax-Free Savings Account – administration fees – non-cash	yes	no	40	¹³
Tool allowance – in cash	yes	yes	40	no
Tool reimbursement – in cash	yes	yes	40	yes
Transit passes – in cash	yes	yes	40	yes
Transit passes – non-cash	yes	no	40	yes
Transportation to and from the job – in cash	yes	yes	40	yes
Transportation to and from the job – non-cash	yes	no	40	yes
Travel assistance in a prescribed zone – in-cash	yes	yes	32	yes
Travel assistance in a prescribed zone – non-cash	yes	no	32	yes
Travelling allowances other employees, unreasonable	yes	yes	40	no
Tuition fees – in cash	yes	yes	40	¹³
Tuition fees – non-cash	yes	no	40	¹³
Uniforms and special clothing – in cash	yes	yes	40	yes
Uniforms and special clothing – non-cash	yes	no	40	yes
Utilities allowance, clergy – in cash	⁷	yes	40	no
Utilities allowance – in cash	yes	yes	40	no
Utilities benefit, clergy – non cash	⁷	no	40	⁸
Utilities benefit, rent-free or low-rent – non cash	yes	no	40	⁸

¹² Enter the amount that is more than one third of the officer's salary and allowances under code 40. Enter the exempt amount under code 70.

¹³ Certain fees and certain contributions are subject to the GST/HST. If the fees or the contributions you pay are subject to the GST/HST, include it in the value of the benefit.

¹⁴ Some RRSP and TFSA contributions may not be subject to EI premiums. For more information, see pages 30 and 28.

¹⁵ Enter the taxable security option benefit under code 38. If eligible, enter the amount of the security options deduction under code 86 and either code 39 or 41, as applicable.