

Employment Insurance

Repayment of Employment Insurance benefits at income tax time

When do repayments apply?

If you collect, or have collected, Employment Insurance (EI) regular or fishing benefits and your combined annual income from all sources in a tax year exceeds \$48,750, you may be required to repay some or all these benefits. Repayment of EI benefits would be made at income tax time as part of your tax filing.

It is important to remember that repayment of benefits is based on a **taxation year** and EI benefits paid in that taxation year.

There are changes that have been made to the repayment of benefits, these changes are effective as of the 2000 taxation year.

- If you made less than \$48,750 (net income) in the previous taxation year, you will not have to repay EI benefits. If you made more than this amount you will be required to repay 30 per cent of your net income above \$48,750 or 30 per cent of the total regular or fishing benefits paid in the taxation year, whichever is less.

- If you are a first-time claimant, you are exempt from benefit repayment. (A first-time claimant is defined as a person who has received less than a week of regular or fishing benefits in the last ten taxation years).
- If you only received maternity, parental or sickness benefits you will not have to repay those benefits.

How much will you have to pay back?

If you were paid regular or fishing benefits and your net income for the taxable year exceeded \$48,750, you are required to repay 30% of the following **lesser** amount:

- your net income in excess of 48,750;

OR

- the total regular or fishing benefits paid in the taxation year.

For example, suppose your net income in the 2000 tax year is \$57,000 and you received regular benefits in the amount of \$6,422. You would have to repay \$1,926:

Total regular benefits paid	\$ 6,422
Net income for taxation year	\$57,000
Repayment threshold	\$48,750
The Benefit Repayment is 30% of the lesser amount:	
Total regular benefits paid	\$ 6,422
OR	
Net Income	\$57,000
Minus threshold	\$48,750
Income in excess of threshold	\$ 8,250
The Benefit Repayment amount is \$1,926 = (30% X \$6,422).	

For more information

If you need more information, contact or visit your local Service Canada. A list of offices and other information regarding our programs and services can be found at the following Internet address servicecanada.gc.ca