

WHAT INCOME DOES THE PLAN COVER?

Life and Disability benefits are based on an employee’s income. To ensure that you are covered at the proper levels and to avoid any delays at claim time, we ask you to follow the guidelines below when you report the salaries for each insured person.

For Employees:

Where an employee receives a T4 – T4A from the company, income for group insurance purposes would be the same as the T4 – T4A income. This amount reflects all amounts paid to the employee including *salary, fees, bonuses and taxable benefits*.

For Owners/Shareholders/Key Employees of Incorporated Firms:

For these individuals, the insurable income would include all T4/T4A as well as T5 amounts:

Annual Salary/Commissions	\$ _____
Management Fees	_____
Bonuses, and	_____
Company Dividends (average over last two years from T5)	_____
Total	\$ _____

For Commissioned Individuals and/or Owners of Unincorporated Proprietorships and Partnerships:

For these individuals, the insurable income would be based on the “Net Income” shown under *Self Employment Income* on the T1 General return as illustrated below. Take the current year’s and the prior year’s amounts, and base the amount of coverage on the **average** of the two.

Self Employment Income:

Business Income	Gross	162	38,000.00	Net	135	28,500.00
Professional Income	Gross	164		Net	137	
Commission Income	Gross	166		Net	139	
Farming Income	Gross	168		Net	141	
File on Form T1500	Gross	170		Net	143	

Net Income (Current Year)	\$ _____
Net Income (Prior Year)	_____
Average Net Income	_____