

## 2005 TREASURER'S INFORMATION BOOKLET

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Update No.: 1

Date: December 8, 2004

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Re: Employment Insurance Premium Rates Reduced for 2005

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### 8C.4 EI Insurable Earnings (Box 24 on the T4 Slip)

EI insurable earnings are earned income on which EI premiums must be paid. This includes base salary, housing allowance, housing equity allowance, utilities allowance, book allowance, and auto allowance if taxable. The exclusion from EI insurable earnings is the life insurance premiums paid by the employer.

There is no age limit for withholding EI premiums.

<u>The Employee Cost of EI:</u>	<u>2004</u>	<u>2005</u>
Employee premium rate	1.98%	1.95%
Maximum insurable earnings for EI	\$39,000	\$39,000
Maximum employee annual contribution	\$772.20	\$760.50
Maximum employer contribution	\$1,081.08	\$1,064.70

As an employer, your EI premium is 1.4 times the EI premium deducted for each employee. You stop deducting EI premiums when you reach the yearly maximum employee contribution.