

**Tax Tip**  
**Week of November 9, 2009**

**Self-Employed and EI Benefits**

The government recently announced plans to give the self-employed access to certain Employment Insurance benefits. They will qualify for maternity, paternal and compassionate care benefits, but will not be eligible for unemployment benefits if their business proves unsuccessful.

The plan has the following features:

- joining the EI plan is optional
- in 2009, employees pay \$732 and the maximum employer premium is \$1,025. If the self-employed elect to join the plan, they must only pay the employee's shares of \$732
- the benefits will pay a maximum of 15 weeks of maternity benefits, 35 weeks of parental benefits, 15 weeks of sickness benefits and 6 weeks of compassionate care benefits
- individuals are eligible for benefits in 2011
- there is a one year waiting period before being eligible for benefits

Since the plan is optional, individuals can join when it suits their interests. If one is not going to have a child in the future, don't join. If you are not going to have kids for five years, consider joining in four years. When you are finished having your family, consider dropping out of the plan.

The ability to opt in and out of the plan presents a planning opportunity for the self-employed.