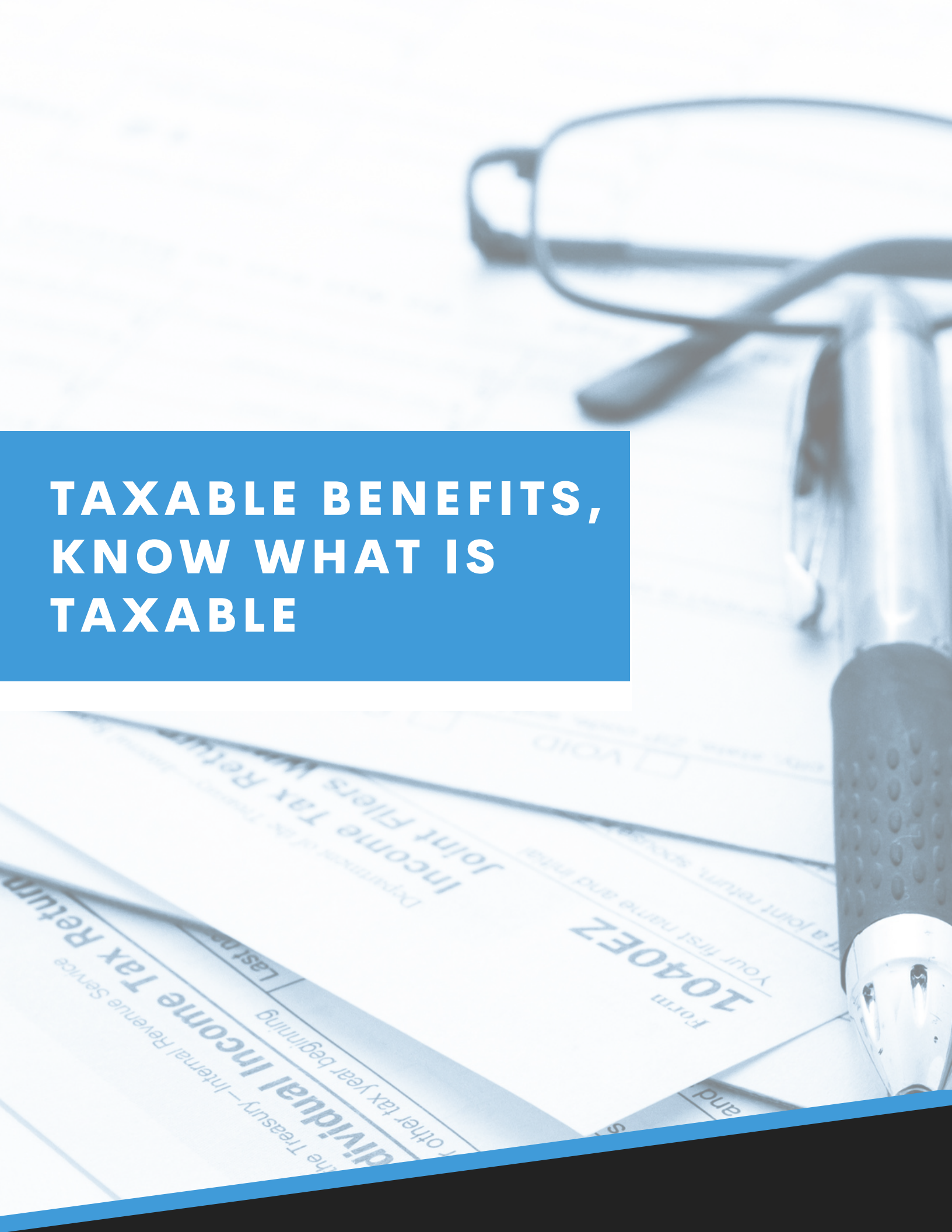


The background of the image is a light blue-tinted photograph. It features a pair of black-rimmed glasses resting on a surface. A silver and black ballpoint pen is positioned vertically on the right side. In the foreground, several tax forms are visible, including one labeled '1040EZ' and another 'Individual Income Tax Return'. The text 'TAXABLE BENEFITS, KNOW WHAT IS TAXABLE' is overlaid in white on a solid blue rectangular area on the left side of the image.

TAXABLE BENEFITS, KNOW WHAT IS TAXABLE



In Canada, taxable benefits refer to non-cash items or services that an employee receives from their employer in addition to their salary or wages. These benefits are considered part of an employee's income and are subject to federal and provincial income tax. Examples of taxable benefits include:

- **Company car:** If an employee is provided with a car for their personal use, the value of the benefit is included in their income and taxed accordingly.
- **Stock options:** If an employee is granted stock options by their employer, the difference between the exercise price and the fair market value of the stock at the time of exercise is considered a taxable benefit.
- **Free or discounted goods or services:** If an employee receives free or discounted goods or services from their employer, the value of the benefit is included in their income and taxed accordingly.
- **Living accommodation:** If an employee is provided with living accommodation by their employer, the value of the benefit is included in their income and taxed accordingly.



It's important to note that there are some exceptions to these rules, and some benefits may be exempt from income tax under certain circumstances.

Employers are required to report taxable benefits on an employee's T4 slip, which is used to calculate the employee's income tax liability.

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