

The 2011 EI Hiring Credit has been extended for 2012.

2011 Hiring Credit for Small Business from the Federal Government

Get up to a \$1,000 credit on your Employer EI Premiums when you file you 2011 T4s, if you meet the eligibility.

1. What is the Hiring Credit for Small Business (HCSB)?

The HCSB is a one-time credit of up to \$1,000 based on the increase in an employer's employment insurance (EI) premiums paid for 2011 over those paid for 2010.

2. Who is eligible for the HCSB and how will it be calculated?

A small business whose total employer's EI premiums paid for 2010 was \$10,000 or less and whose total premiums increased in 2011 is eligible for a credit.

The credit is calculated as the difference between these two amounts up to a maximum of \$1,000. The CRA will automatically calculate the credit when an eligible employer's 2011 T4 information return is filed.

3. Is there a time limit for obtaining this credit?

Yes, employers must file their 2011 T4 information return(s) before January 1, 2015. No HCSB will be allowed based on an information return filed after this date.

4. If an employer meets all of the above listed eligibility criteria but has an outstanding debt with the CRA, will the CRA still calculate the credit?

Yes, the CRA will calculate the HCSB and will apply the amount of the credit towards any outstanding debt owed by the employer.

5. Can employers reduce their 2011 payroll deduction remittances by the HCSB they anticipate they will receive rather than waiting until the credit is calculated?

No. Employers are not permitted to short remit their 2011 payroll remittances by the amount of the HCSB they think they will receive. The credit will only be calculated once the 2011 T4 information return is filed.