



Why you're almost certainly paying into employment insurance for family members who aren't eligible to collect it.

And how to effortlessly recover what you've needlessly paid – even as much as \$50,000 or more.

Today, employment insurance (EI) provides unemployed Canadians with up to 50 weeks of financial aid. Unfortunately, if you own your own business, family members in your employ are most likely *not* eligible to receive EI benefits - even through you are dutifully paying about \$2,000/ person annually for coverage. Here's more about this bureaucratic injustice and how to recover what's yours from the government's \$ billion EI surplus.

Q: Why are family members in my employ likely not eligible for employment insurance benefits?

The Canadian Revenue Agency excludes from EI benefits any family members that are treated differently than "arm's length" employees. For example, if your wife gets Fridays off and other employees don't, she likely won't pass the arm's length test and qualify for EI benefits. Incredibly, the arms length exclusion also applies if *more* is expected of family members – like being required to work overtime during busy periods without extra pay.

Q: If they're not eligible for benefits, why am I required to pay into EI for them?

The government must collect employment insurance to guard against the unlikely prospect that your family member is found to be eligible for benefits.

Q: How can your firm help me eliminate these needless EI contributions?

Employment Insurance Refund Service (EIRS) will contribute our specialized knowledge in helping you take up your case with the government. We are expert in every aspect of the regulations and how best to frame your petition. With our help there's an excellent chance of a ruling that you will no longer be required to contribute the \$2,000 or so you've been paying every year for each family member.

Q: Can we get past year EI contributions back?

If you've been dutifully contributing all along, we've been successful in getting the government to refund EI contributions going back as far as four years. What's more, overpayments from prior years are returned with interest!

Privately-owned businesses we've served:

(From the files of EIRS and our parent company)

- A.W. Graham Lumber LLC
- Aberdeen Flying Service
- Central Feed Company
- Davis Beverage Group
- Dependable Vending, Inc.
- Jowat Corporation
- Kleine Equipment, Inc.
- Klotz Flower Farm
- Limix, Inc.
- Mary's Pizza Shack
- Meadow Lane Pharmacy
- Nonpareil Processing Corp.
- Numaco Packaging Corp.
- Paper Machinery Corp.
- Parallel Products
- Quantum Company
- Ram Industries
- Ridge Vineyards Inc.
- Rountree-Moore Inc.
- Spellman's Marine
- More than 5,000 others

Q: If we petition the government, what sort of payback can we expect?

Some companies have received upwards of \$50K. It's all a matter of how many family members are on your payroll and how long you've been needlessly paying into EI on their behalf.

Q: Will I have to renew my petition every year?

Once we have a ruling on your behalf, you can safely stop contributing for family members, and we'll get the government to document this in writing.

Q: Why should we choose Employment Insurance Refund Service?

A family business just like yours, EIRS is 100% dedicated to helping our clients recover unnecessary EI contributions.

Together with our parent company, Lanark Warner Industries, Inc., the world authority in collecting class action settlements, we've helped more than 5,000 client organizations recover more than \$100 million over the past 15 years. Note the column of prestigious firms Lanark Warner has served over the years.

**EMPLOYMENT
INSURANCE
REFUND
SERVICE**



Insider's Guide
for Canadian Small Business Owners



Q: How is EIRS paid for your services?

We are compensated on a pay-for-performance basis, and require nothing in advance. If we are successful then we ask that you share a percentage of your refund in return for our services. You are welcome to retain 100% of your savings going forward. Our fees are normally 100% tax deductible.

Q: How long before we receive the monies due us?

Within about 6 months or so you should receive your refund – unless we are obliged to undertake an appeal. However, because we are expert in helping you assemble the evidence the government requires in considering your claim, it's rare that an appeal will be necessary.

Q: Can't we do this for ourselves?

You're certainly welcome to try, but dealing with government bureaucracy can prove baffling and time consuming, and EI decisions are never cut and dry. Further, should your petition be denied you may wind up being legally barred from ever taking up the matter again.

Q: Will this be a lot of trouble on our part?

If you engage EIRS, all that will be asked of you is a few discussions and forms to complete, typically requiring less than 90 minutes in all. We'll walk you through the process and minimize the drudgery of presenting your case to the government.

Q: Who is considered a family member? Suppose I employ my sister-in-law?

You may claim anyone who is related to you by blood, marriage (including common-law relationships) and adoption. The more family members you are paying into employment insurance for, the more you stand to recover.

Q: Why hasn't our tax accountant alerted us to this?

Because the law requires you to pay into EI for family members unless you have obtained a ruling specific to your case by the Canadian Revenue Agency. And because many tax accountants lack the specialized expertise required to bring your case forward and wade through the red tape.

Q: Will my family member get back the share they contributed into EI as well?

Absolutely, you will each be refunded what you unnecessarily contributed, dating back as far as four years plus interest.

Q: Suppose our effort to petition the government fails?

In the rare case that the government rules that you must continue to contribute toward EI on behalf of your family members, then, at least you are assured that they will be eligible for benefits. Meanwhile, you are out nothing for making your case.

Q: Why shouldn't family members be automatically eligible for EI benefits just like everybody else?

Sad to say, because the government is concerned about small business owners intentionally hiring family members just so they can lay them off and provide them with public assistance. Because of a few bad apples, the rest of us must wade through a thicket of red tape to achieve just treatment.

Thank-you's from the files of EIRS and our parent company:

"We recovered in excess of \$40,000 in this case, and would not hesitate to use you in the future."

- Preston Triplett
Brookshire Grocery Company

"They did exactly what they proposed to do – they obtained a refund for our company with very little effort from us."

- Scot McAllister
McIlvain International Sales Corporation

"The recovery we received was a wonderful surprise ... Your company was very easy to work with."

- Shigeru Takayama,
Bigi Corporation

"Everyone was friendly and courteous. You did all the work, and I was glad to have you take your fee."

- Barry Schmitter
Ampal, Inc.

Call us toll free at (800) 506-9641 to further discuss your situation.

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