

If You Work for an Employer Who is Related to You



If you work as an employee for an employer who is related to you, you will be eligible to receive Employment Insurance (EI) benefits if:

- your employment is considered insurable; and
- you meet the requirements for receiving benefits.

Are you related to your employer?

There are several ways you can be related to your employer. You can be related by:

- marriage (including a common-law partnership);
- adoption; or
- blood (for example, parents, brothers, sisters, or children).

If your employer is a corporation, you can be related to your employer if you are related to a person or group of persons that controls the corporation.



Is your employment with a related employer considered insurable?

Nothing prevents you from working for a person who is related to you. However, your employment will be insurable only if it is reasonable to conclude that your employer would have hired a non-related person under a similar contract of employment.

All the circumstances of the employment are considered to determine whether a non-related person would be hired under a similar agreement. The circumstances include the following:

- **Remuneration paid:** the amount of earnings or compensation that the employer pays in exchange for the performance of duties, as well as the manner in which it is paid
- **Terms and conditions of employment:** the job requirements, work routine, schedule, benefit plans, etc.
- **Duration:** the frequency and duration of the employment
- **Nature and importance of the work performed:** the necessity of the services performed and their importance to the business operation

Who determines if your employment is insurable?

The Canada Revenue Agency (CRA) is responsible for determining whether or not an employment is insurable.

If you are not sure whether your employment with a related employer is insurable, contact the CRA at **1-800-959-5525** or visit the CRA Web site at www.cra-arc.gc.ca/tx/hm/rms-eng.html.

You do not have to wait until you are unemployed to contact the CRA. Some employment situations are complex, and your benefits could be delayed if you require a ruling on the insurability of your employment. If the CRA determines that your employment is not insurable, you should not pay EI premiums on your earnings from that employment.

Are you eligible to receive EI benefits?

To be eligible for EI benefits, you must meet all the standard conditions, such as having insurable employment, paying EI premiums, and working the required number of hours for your region.

For more information on these requirements, see the Service Canada Web site at www.serviccanada.gc.ca. You can also call our toll-free EI Telephone Information Service at **1-800-206-7218** (TTY: 1-800-529-3742), from 8:30 a.m. to 4:30 p.m. Monday to Friday, and press “0” to speak to a representative. You can also write to us or visit us at a Service Canada Centre. To find the Service Canada Centre nearest you, visit our Web site at www.serviccanada.gc.ca.

Misusing the EI fund

People who knowingly try to obtain more benefits than they are entitled to are taking advantage of the EI system. When we discover misuse of the EI fund, we can impose penalties on any current and future claims for benefits. Legal prosecution can also occur.

Contact us

To find out more about EI benefits:

CLICK serviccanada.gc.ca

CALL **1-800-206-7218**
(TTY: 1-800-529-3742)

VISIT a Service Canada Centre