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## Nortel disabled benefits to be tax free

By SCOTT TAYLOR, OTTAWA SUN

Last Updated: January 13, 2011 6:51pm

The tax man is giving disabled Nortel employees a break.

Canada Revenue Agency won't be collecting taxes on the payments the workers get from their underfunded health and welfare trust.

On Dec. 31 the roughly 400 disabled employees lost their disability, health, life, dental and pension benefits. They're now left as common creditors, meaning they'll get only an average of about 34% of what they had been living on.

Many are afraid that they won't be able to afford their everyday bills, much less expensive medications. Most are unable to work.

"This is the first really good news we've heard," the workers' court-appointed representative, Sue Kennedy, said Thursday. "Any little help is better than no help at all."

Kennedy also said that she recently met with Government House Leader John Baird, who said the government is looking into ways to further assist the workers, though as yet nothing concrete has been offered.

The employees were thrust into this position because Nortel drastically underfunded its trust fund.

A group of about 30 of them have been fighting to move closer to the head of the line when the company's assets are doled out.

The Ontario Court of Appeal denied a leave to appeal motion brought by a group Jan. 7. They were given 60 days to decide whether to take their case to the Supreme Court of Canada.

Meanwhile, Nortel said it will incur a \$2-billion charge for a new accounting method related to the sale of its operations.

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