

News Bulletin

A look at ... 2012 Government Benefits



Mosey & Mosey

Canada Pension Plan (CPP) Contribution Rates, Maximums and Exemptions

Year	Max. Annual Pensionable Earnings	Basic Exemption	Maximum Contributory Earnings	Employee Contribution Rate (%)	Max. Annual Employee Contribution
2012	\$50,100	\$3,500	\$46,600	4.95	\$2,306.70
2011	\$48,300	\$3,500	\$44,800	4.95	\$2,217.60
2010	\$47,200	\$3,500	\$43,700	4.95	\$2,163.15
2009	\$46,300	\$3,500	\$42,800	4.95	\$2,118.60
2008	\$44,900	\$3,500	\$41,400	4.95	\$2,049.30
2007	\$43,700	\$3,500	\$40,200	4.95	\$1,989.90
2006	\$42,100	\$3,500	\$38,600	4.95	\$1,910.70

New contribution levels have been announced by the Canada Revenue Agency for the Canada Pension Plan (CPP). The year's maximum pensionable earnings, on which CPP contributions are based, has been increased from \$48,300 in 2011 to \$50,100 in 2012. The maximum CPP contribution is \$2,306.70 in 2012 compared to \$2,217.60 in 2011.

The CPP rate remains unchanged at 4.95% of pensionable earnings. This means that CPP contributions will be deducted at a rate of 4.95% up to a maximum contribution level of \$2,306.70.

The basic exemption amount for 2011 remains at \$3,500. Individuals who earn less than that amount do not need to contribute to the CPP.

Canada Pension Plan Payment Rates

Type of benefit	Maximum monthly benefit (2012)
Disability benefit	\$1,185.50
Retirement pension (at age 65)	\$986.67
Survivors benefit (under age 65)	\$543.82
Survivors benefit (age 65 and over)	\$592.00
Children of disabled contributors benefit	\$224.62
Children of deceased contributors benefit	\$224.62
Combined survivors & retirement benefit (pension at age 65)	\$986.67
Combined survivors & disability benefit	\$1,185.50
Death benefit (maximum one-time payment)	\$2,500.00





Employment Insurance (EI) Premium Rates

The federal government has announced it will increase the annual maximum insurable earnings from \$44,200 to \$45,900 effective January 1, 2012.

This will result in an increase of \$17 per week to the Employment Insurance (EI) weekly maximum benefit. Beginning January 1, 2012, the EI weekly maximum benefit will increase to \$485 per week (\$45,900 at 55% over 52 weeks).

Claimants who are currently receiving WI benefits will not be affected; their weekly benefit will remain at \$468 as this was the maximum benefit at their time of claim. Weekly indemnity plans that have a maximum set at the EI maximum, rather than at a specific amount, will automatically increase effective January 1, 2012.

If your plan has a specific dollar maximum that is less than the EI weekly maximum of \$485 per week, and you participate in the EI premium reduction program, you will need to amend your plan to at least \$485 per week in order to remain eligible for the program. You also may wish to consider amending your plan to a maximum that is automatically adjusted to the EI maximum; this will avoid the need for future amendments whenever the EI maximum changes.

For more information please contact your Mosey & Mosey representative if you have questions about this change or its impact on your benefit plan.

Employment Insurance (EI) Premium Rates

Employment Insurance (<i>all provinces except Quebec</i>)	2011	New rates for 2012
Maximum insurable earnings	\$44,200.00	\$45,900.00
Maximum weekly benefit	\$468.00	\$485.00
Employee premium rate (per \$100 of insurable earnings)	1.78%	1.83%
Employer premium rate (per \$100 of insurable earnings)	2.49%	2.56%
Maximum annual employee premium	\$786.78	\$839.97
Maximum annual employer premium	\$1,101.46	\$1,175.96

Employment Insurance (<i>Quebec</i>)	2011	New rates for 2012
Maximum insurable earnings	\$44,200.00	\$45,900.00
Maximum weekly benefit	\$468.00	\$485.00
Employee premium rate (per \$100 of insurable earnings)	1.41%	1.47%
Employer premium rate (per \$100 of insurable earnings)	1.97%	2.06%
Maximum annual employee premium	\$623.22	\$674.73
Maximum annual employer premium	\$872.51	\$944.62

Sources:

Canada Revenue Agency www.cra.gc.ca

Service Canada <http://www.servicecanada.gc.ca>

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100 Milverton Drive, Suite 604, Mississauga ON L5R 4H1
Toll Free: 1-800-268-8383, Phone: 905-361-2014, Fax: 905-361-2015
Email: dwalker@mosey.on.ca, www.moseyandmosey.com

