

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

Year	Maximum Annual Pensionable Earnings	Basic Exemption	Maximum Contributory Earnings	Employee Contribution Rate (%)	Maximum Annual Employee Contribution
2018	\$55,900	\$3,500	\$52,400	4.95	\$2,593.80
2017	\$55,300	\$3,500	\$51,800	4.95	\$2,564.10
2016	\$54,900	\$3,500	\$51,400	4.95	\$2,544.30
2015	\$53,600	\$3,500	\$50,100	4.95	\$2,479.95
2014	\$52,500	\$3,500	\$49,000	4.95	\$2,425.50
2013	\$51,100	\$3,500	\$47,600	4.95	\$2,356.20
2012	\$50,100	\$3,500	\$46,600	4.95	\$2,306.70

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 \$55,300 in 2017 to \$55,900 in 2018. The maximum CPP contribution is \$2,593.80 in 2018 compared to \$2,564.10 in 2017.

The CPP rate remains unchanged at 4.95% of pensionable earnings. This means that CPP employee contributions will be deducted at a rate of 4.95% up to a maximum contribution level of \$2,593.80.

The basic exemption amount for 2018 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 (2018)
Disability benefit	\$1,335.83
Retirement pension (at age 65)	\$1,134.17
Survivors pension (under age 65)	\$614.62
Survivors pension (age 65 and over)	\$680.50
Disabled contributors child benefits	\$244.64
Deceased contributors child benefits	\$244.64
Combined survivors & retirement benefit (pension at age 65)	\$1,134.17
Combined survivors & disability benefit	\$1,335.83
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 \$51,300 to \$51,700 effective January 1, 2018.

This will result in an increase of \$4 per week to the Employment Insurance (EI) weekly maximum benefit. Beginning January 1, 2018, the EI weekly maximum benefit will increase to \$547 per week (\$51,700 at 55% over 52 weeks).

Claimants who are currently receiving short term disability benefits, where Weekly Indemnity plan has a maximum equivalent to EI, their weekly benefit will remain at \$543 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 to \$547 effective January 1, 2018.

If your plan has a specific dollar maximum that is less than the EI weekly maximum of \$547 per week, and you participate in the EI premium reduction program, you will need to amend your plan to at least \$547 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 (all provinces except Quebec)	2017	2018
Maximum insurable earnings	\$51,300.00	\$51,700.00
Maximum weekly benefit	\$543.00	\$547.00
Employee premium rate (per \$100 of insurable earnings)	\$1.63	1.66%
Employer premium rate (per \$100 of insurable earnings)	\$2.282	\$2.282
Maximum annual employee premium	\$836.19	\$858.22
Maximum annual employer premium	\$1,170.67	\$1,201.51
Employment Insurance (Quebec)	2017	2018
Maximum insurable earnings	\$51,300.00	\$51,700.00
Maximum weekly benefit	\$543.00	\$547.00
Employee premium rate (per \$100 of insurable earnings)	\$1.27	1.30%
Employer premium rate (per \$100 of insurable earnings)	\$1.778	\$1.778
Maximum annual employee premium	\$651.51	\$672.10
Maximum annual employer premium	\$912.11	\$940.94

Sources: Canada Revenue Agency <http://www.cra.gc.ca>

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

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