

2017 2018

TAX TIPS FOR CANADIAN BENEFITS

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This document is up-to-date as of: **March 19, 2018**
Regulations are subject to change.

CANADA PENSION PLAN (CPP)

The CPP provides retirement benefits to people who have worked and contributed to the plan. The CPP supplements your retirement savings plan. Contributions towards CPP are deducted from the individual's pay. This chart specifies annual contribution limits for individuals based on the Canada Revenue Agency (CRA) guidelines.

CONTRIBUTIONS	2017	2018
Annual Maximum Pensionable Earnings	\$55,300	\$55,900
Annual Basic Exemption	\$3,500	\$3,500
Contribution Basis	\$51,800	\$52,400
MAXIMUM ANNUAL CONTRIBUTIONS		
Employee	\$2,564.10 (4.95% of \$51,800)	\$2,593.80 (4.95% of \$52,400)
Employer	\$2,564.10 (4.95% of \$51,800)	\$2,593.80 (4.95% of \$52,400)
Self-employed	\$5,128.20 (9.90% of \$51,800)	\$5,187.60 (9.90% of \$52,400)

BENEFITS - CPP	2017 *	2018 *
Retirement Pension: Age 65	\$1,114.17	\$1,134.17
Post Retirement	\$27.85	\$28.35
DEATH BENEFITS		
Lump sum	\$2,500.00	\$2,500.00
Surviving Spouse (Under Age 65)	\$604.32/mo	\$614.62/mo
Surviving Spouse (Age 65 & Over)	\$668.50/mo	\$680.50/mo
Child (Per Child)	\$241.02/mo	\$244.64/mo
DISABILITY BENEFITS		
Contributor	\$1,313.66/mo	\$1,236.35/mo
Child (Per Child)	\$241.02/mo	\$244.64/mo

*Maximum amount

QUEBEC PENSION PLAN (QPP)

The QPP provides retirement benefits to people who have worked and contributed to the plan in Quebec. Contributions towards QPP are deducted from the individual's pay. This chart specifies annual contribution limits for individuals based on the Canada Revenue Agency (CRA) guidelines.

CONTRIBUTIONS	2017	2018
Annual Maximum Pensionable Earnings	\$55,300	\$55,900
Annual Basic Exemption	\$3,500	\$3,500
Contribution Basis	\$51,800	\$52,400
MAXIMUM ANNUAL CONTRIBUTIONS		
Employee	\$2,797.20 (5.40% of \$51,800)	\$2,829.60 (5.40% of \$52,400)
Employer	\$2,797.20 (5.40% of \$51,800)	\$2,829.60 (5.40% of \$52,400)
Self-employed	\$5,594.40 (10.80% of \$51,800)	\$5,659.20 (10.80% of \$52,400)

Quebec Pension Plan tax information continued on next page...

QUEBEC PENSION PLAN (QPP)...CONTINUED

This is a continuation of the information from page 4.

BENEFITS - QPP	2017 *	2018 *	*Maximum amount
Retirement Pension: Age 60 (64%)	\$713.07	\$725.87	
Retirement Pension: Age 65	\$1,114.17	\$1,134.17	
Retirement Pension: Age 70 (142%)	\$1,582.12	\$1,610.52	
DEATH BENEFITS			
Lump Sum	\$2,500.00	\$2,500.00	
Under Age 45: Without Dependent Children	\$540.23/mo	\$549.57/mo	
Under Age 45: With Dependent Children	\$861.64/mo	\$875.80/mo	
Under Age 45: Disabled (With or Without Children)	\$895.81/mo	\$910.48/mo	
Age 45 - 64	\$895.81/mo	\$910.48/mo	
Age 65 & Over	\$668.50/mo	\$680.50/mo	
Child (Per Child)	\$241.02/mo	\$244.64/mo	
DISABILITY BENEFITS			
Contributor	\$1,313.63 /mo	\$1,335.80/mo	
Child (Per Child)	\$76.52/mo	\$77.67/mo	

EMPLOYMENT INSURANCE (EI)

EI is an amount that each employee is required to pay based on their earnings in case the insurance is ever required. EI comes into play when an employee has lost their job and, through no fault of their own, are available to work but unable to secure employment. There are two types of benefits: regular and special.

- **Regular:** Lose of employment through no fault of your own.
- **Special** benefits include:
 - **Maternity and parental benefits:** If you are pregnant or the mother/father caring for a newborn or adopted child.
 - **Sickness benefits:** If you are sick or injured or are quarantined due to an illness.
 - **Compassionate care benefits:** If you have to take time off work for a sick family member.

	2017	2018
Maximum Weekly Benefit	\$543.00	\$547.00
Maximum Annual Insurable Earnings	\$51,300	\$51,700
PROVINCES (OUTSIDE OF QUEBEC)		
Employee Contribution Rate	1.63%	1.66%
Employer Contribution Rate	2.282 %	2.324 %
Maximum Employee Cost	\$836.19	\$858.22
Maximum Employer Cost - Non-Qualified Plan	\$1,171.00	\$1,201.51
QUEBEC		
Employee Contribution Rate	1.27%	1.30%
Employer Contribution Rate	1.778%	1.82%
Maximum Employee Cost	\$651.51	\$672.10
Maximum Employer Cost - Non-Qualified Plan	\$912.11	\$940.94

QUEBEC PARENTAL INSURANCE PLAN (QPIP)

QPIP supplements income for parents on parental leave. It is designed to support new parents as they devote time to their children in their first few months. It replaces maternity, parental or adoptive parent benefits provided before 2006 under the federal employment insurance plan.

	2017	2018
Maximum Annual Insurable Earnings	\$72,500	\$74,000
Employee Contribution Rate	0.548%	0.548%
Employer Contribution Rate	0.767%	0.767%
Maximum Employee Cost	\$397.30	\$405.52
Maximum Employer Cost	\$556.08	\$567.58

REGISTERED PENSION / SAVINGS PLAN

Individual contributions to Registered Retirement Savings Plans (RRSP) and Registered Pension Plans (RPP) are tax deductible and not taxed until the funds are withdrawn. For RRSP and RPP plans, there is a maximum amount for what you can deposit in a given year.

Tax-Free Savings Accounts (TFSA) are a government-regulated tax-free savings plan. Similar to the RRSP and RPP plans, there is a cap on the amount you can deposit per year.

Deferred Pension Savings Plan (DPSP) is a savings plan whereby an employer contributes up to a certain amount (typically in the form of a percentage of your earnings). A DPSP acts like a pension at ages 60-65.

	2017	2018
Defined Contribution Plan / RPP	\$26,230	\$26,500
Pensionable Earnings *	\$145,722	\$147,222
Registered Education Savings Plan (RESP)	\$7,200	\$7,200
Registered Retirement Savings Plan (RRSP)	\$26,010	\$26,230
Deferred Profit Sharing Plan (DPSP)	\$13,115	\$13,250
Tax-Free Savings Account (\$5,000/yr from 2009-2012)	\$5,500	\$5,500

* The total of all employer and employee contributions to an RPP are limited to the lesser of the current year's contribution limit and 18% of the employee's pensionable earnings for the year. The amount of pensionable earnings that generates the contribution limit each year is indicated in the table.

PROVINCIAL MEDICAL COSTS

Canadians are provided with health insurance by individual provinces and territories.

	2017	2018
BRITISH COLUMBIA MSP MONTHLY PREMIUMS*		
*2018 MSP reduction of 50% for annual net income below \$120,000		
Single	\$75.00	\$75.00
Couple	\$150.00	\$150.00
Family (3 or More)	\$150.00	\$150.00
MANITOBA HEALTH TAX		
Gross Annual Payroll is \$1,250,000 or less	Exempt – No payroll tax	Exempt – No payroll tax
Gross Annual Payroll is \$1,250,001 - \$2,500,000	(Remuneration - \$1.25 million) x 4.3%	(Remuneration - \$1.25 million) x 4.3%
Gross Annual Payroll is \$2,500,000 (or more) from first dollar	Remuneration x 2.15%	Remuneration x 2.15%
ONTARIO EMPLOYER HEALTH TAX*		
*See separate table for premiums payable by individuals		
Gross Annual Payroll Exemption (Includes associated corporations sharing exemption)*	\$450,000	\$450,000
Up to \$200,000.00	0.98%	0.98%
\$200,000.01 to \$400,000.00	1.101% - 1.829%	1.101% - 1.829%
Over \$400,000.00	1.95%	1.95%
QUEBEC HEALTH SERVICES FUND		
Gross Annual Payroll is \$1,000,000 or less	2.55%	2.40%
Gross Annual Payroll is \$5,000,000 or more	4.26%	4.26%
Gross Annual Payroll is over \$1,000,000 but less than \$5,000,000	Between 2.12% and 4.26%	Between 2.40% and 4.26%

* No exemption for private sector employers, including associated groups, with annual payroll over \$5 million

PROVINCIAL MEDICAL COSTS...CONTINUED

This is a continuation of the information from page 9.

	2017	2018
NEWFOUNDLAND AND LABRADOR HEALTH TAX		
Gross Annual Payroll is \$1,200,000 or less	Exempt - No payroll tax	Exempt - No payroll tax
\$1,200,001 or more	2%	2%
ALBERTA		
Government Funded	N/A	N/A
SASKATCHEWAN		
Government Funded	N/A	N/A
NEW BRUNSWICK		
Government Funded	N/A	N/A
NOVA SCOTIA		
Government Funded	N/A	N/A
PRINCE EDWARD ISLAND		
Government Funded	N/A	N/A
NORTH WEST TERRITORIES		
Government Funded	N/A	N/A
NUNAVUT		
Government Funded	N/A	N/A
YUKON		
Government Funded	N/A	N/A

ONTARIO INDIVIDUAL HEALTH PREMIUMS

Ontario residents pay the health premium through the income tax system. The money collected through the tax funds Ontario's health services.

Taxable Income	2005 and Later Tax Years
\$0.00 - \$20,000	No premium
\$20,001 - \$25,000	$(\text{Taxable income} - \$20,000) \times 6\%$
\$25,001 - \$36,000	\$300
\$36,001 - \$38,500	$\$300 + (\text{taxable income} - \$36,000) \times 6\%$
\$38,501 - \$48,000	\$450
\$48,001 - \$48,600	$\$450 + (\text{taxable income} - \$48,000) \times 25\%$
\$48,601 - \$72,000	\$600
\$72,001 - \$72,600	$\$600 + (\text{taxable income} - \$72,000) \times 25\%$
\$72,601 - \$200,000	\$750
\$200,001 - \$200,600	$\$750 + (\text{taxable income} - \$200,000) \times 25\%$
\$200,601+	\$900

WORKERS COMPENSATION

Workers compensation (WCIB) is a percentage of earnings that you are required to pay out of your paycheck if you ever need to draw on it. Maximum assessable earnings subject to premiums.

Province	2017	2018
British Columbia	\$81,900	\$82,700
Alberta	\$98,700	\$98,700
Saskatchewan	\$76,086	\$82,627
Manitoba	\$127,000	\$127,000
Ontario	\$88,500	\$90,300
Quebec	\$72,500	\$74,000
New Brunswick	\$62,700	\$62,600
Newfoundland and Labrador	\$63,420	\$64,375
Nova Scotia	\$59,300	\$59,800
Prince Edward Island	\$52,800	\$53,400
Northwest Territories	\$90,600	\$90,600
Nunavut	\$90,600	\$90,600
Yukon	\$85,601	\$86,971

GROUP BENEFIT TAXATION

Each benefit, depending on what your employer provides, plus the percentage you pay versus the percentage your employer pays - makes it a taxable or a non-taxable benefit.

Group Benefit	Employer: Premium Is Tax Deductible	Employer Contribution*	Benefit Payments to Employee
Group Life	Yes	Taxable Benefit	Non-Taxable
Group Dependent Life	Yes	Taxable Benefit	Non-Taxable
Group Wage Loss Replacement Plans*** (Long Term Disability & Short Term Disability)	Yes	Non-Taxable	Yes / No
Group Accidental Death & Dismemberment	Yes	Taxable Benefit	Non-Taxable
Group Critical Illness	Yes	Taxable Benefit	Non-Taxable
Group Extended Health	Yes	Non-Taxable**	Non-Taxable
Group Dental	Yes	Non-Taxable**	Non-Taxable
Group Employee Assistance Program (EAP)	Yes	Non-Taxable	Non-Taxable

* Certain Employer paid contributions are subject to GST/HST and/or PST or provincial insurance levies and should be added to the value of the taxable benefit

** Taxable benefit in Quebec

*** Disability benefit payments are taxable to the employee if any part of the short term or longterm disability premium is paid by the employer. If the entire short-term or long-term premium is paid by the employee the benefit is not taxable. Where the costs of the short-term or long-term disability plan are shared between employer and employee, the employee is entitled to receive benefits equal to his/her contributions on a non-taxable basis. To ensure that the non-taxable status of disability benefits are preserved, it is important to maintain accurate payroll records. For further information, please contact your tax advisor.