



2023 Tax Quick Facts:

Guide to Canadian Benefits

This information is up to date as of January 31, 2023

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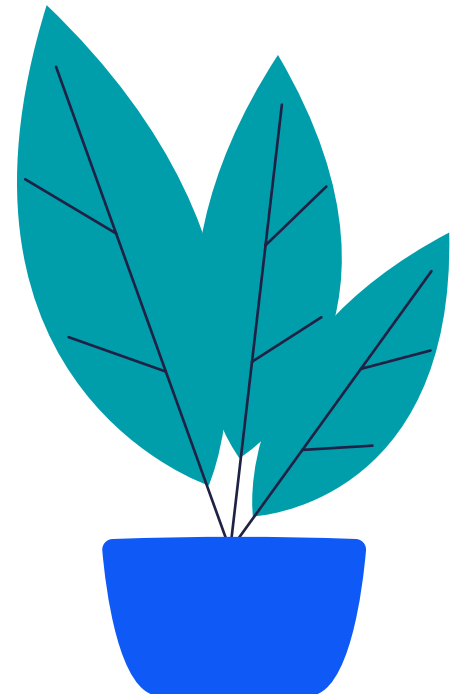
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About Partner Solutions

Partner Solutions is a division of People Corporation, one of the largest benefits, pension, and HR consulting companies in Canada.

We're committed to keeping our advisor partners at the center of everything we do. Our unique model offers third-party administration and MGA services alongside our Advisor Enablement team.

Through Partner Solutions, our advisors have access to the resources and expertise of the largest firms, all while reducing operating costs and keeping them in complete control of their business, and ultimately their clients.



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 and contributions are deducted from the individual's pay. This chart specifies annual contribution limits for individuals based on the Canada Revenue Agency (CRA) guidelines.

Contributions		2022	2023
Annual maximum pensionable earnings		\$64,900	\$66,600
Annual basic exemption		\$3,500	\$3,500
Contribution basis		\$61,400	\$63,100
Maximum annual contributions	Employee	\$3,499.80	\$3,754.45
	Employer	\$3,499.80	\$3,754.45

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		2022	2023
Annual maximum pensionable earnings		\$64,900	\$66,600
Annual basic exemption		\$3,500	\$3,500
Contribution basis		\$61,400	\$63,100
Maximum annual contributions	Employee	\$3,776.10	\$4,038.40
	Employer	\$3,776.10	\$4,038.40

Maximum monthly benefit 2023

Type of benefit	CPP	QPP
Retirement pension (at age 65)	\$1,306.57	\$1,306.57
Death benefits		
65 and older	\$783.94	\$804.13
64 and under (maximum)	\$707.95	\$1,064.81
Under 45 (disabled)	\$707.95	\$1,064.81
Under 45 (not disabled with dependent child)	\$707.95	\$1,024.88
Under 45 (not disabled without dependent child)	\$707.95	\$649.20
Lump sum	\$2,500.00	\$2,500.00
Each child	\$281.72	\$281.72
Disability benefit		
Contributor (maximum)	\$1,538.67	\$1,537.13
Each child	\$281.72	\$89.45

Employment Insurance (EI)

EI is an amount that each employee is required to pay based on their earnings. EI may be collected when an employee has lost their job through no fault of their own, and are available to work but unable to secure employment. There are two types of benefits: regular and special.

Regular: Loss of employment through no fault of your own.

Special benefits:

- 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.

	2022	2023
Maximum weekly benefit	\$638	\$650
Maximum annual insurable earnings	\$60,300	\$61,500
Employees		
Employee contribution rate (Quebec)	1.20%	1.27%
Maximum employee cost (Quebec)	\$723.60	\$781.05
Employee contribution rate	1.58%	1.63%
Maximum employee cost	\$952.74	\$1,002.45
Employers		
Employer contribution rate (Quebec)	1.68%	1.78%
Maximum employer cost (Quebec)	\$1,013.04	\$1,093.47
Employer contribution rate	2.212%	2.282%
Maximum employer cost	\$1,333.84	\$1,403.43

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 the first few months. It replaces maternity, parental, or adoptive parent benefits provided before 2006 under the federal employment insurance plan.

	2022	2023
Maximum annual insurable earnings	\$88,000	\$91,000
Employee contribution rate	0.494%	0.494%
Employer contribution rate	0.692%	0.692%
Maximum employee cost	\$434.72	\$449.54
Maximum employer cost	\$608.96	\$629.72



Registered Pension / Retirement Savings Plan limits

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 Profit Sharing 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.

	2022	2023
Defined Contribution RPP - Annual contribution limit	\$30,780	\$31,560
Registered Retirement Savings Plan (RRSP)	\$29,210	\$30,780
Deferred Profit Sharing Plan (DPSP)	\$15,390	\$15,780
Tax-Free Savings Account (TFSA)	\$6,000	\$6,500

Workers' compensation

Maximum assessable earnings subject to premiums

Workers' compensation 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 are subject to premiums.

Province	2022	2023
Alberta	\$98,700	\$102,100
British Columbia	\$108,400	\$112,800
Manitoba	\$150,000	\$153,380
New Brunswick	\$69,200	\$74,800
Newfoundland	\$69,005	\$72,870
Northwest Territories/Nunavut	\$102,200	\$107,400
Nova Scotia	\$69,000	\$69,800
Ontario	\$100,422	\$110,000
Prince Edward Island	\$58,300	\$65,000
Quebec	\$88,000	\$91,000
Saskatchewan	\$94,440	\$96,945
Yukon	\$94,320	\$98,093

Provincial medical programs

The Canada Health Act (CHA) is Canada's federal legislation for publicly funded health insurance. The CHA ensures all eligible residents of Canada have access to medically necessary health services, including hospital, physician, and extended health care services, on a prepaid basis, without direct charges at the point of service for such services.

All provinces and territories provide a range of health services that go beyond the requirements of the CHA. Coverage is up to the discretion of each province or territory.

For more information on these services, please visit:

[Alberta Health Care Insurance Plan \(AHCIP\)](#)

[British Columbia Medical Services Plan \(MSP\)](#)

[Manitoba Health Services Insurance Plan \(MHSIP\)](#)

[New Brunswick Medicare](#)

[Newfoundland Medical Care Plan](#)

[Northwest Territories Health Care Plan](#)

[Nova Scotia Medical Services Insurance Program \(MSI\)](#)

[Nunavut Health Care Plan](#)

[Ontario Health Insurance Plan \(OHIP\)](#)

[Prince Edward Island Health Care Coverage](#)

[Régie de l'assurance maladie du Québec \(RAMQ\)](#)

[Saskatchewan Health Benefits Coverage](#)

[Yukon Health Care Insurance Plan](#)



Provincial plan

Province	Gross annual payroll	2023
British Columbia (Employer Health Tax)	\$500,000.00 or less	Exempt
	\$500,000.01 to \$1,500,000.00	2.925% × (B.C. remuneration - \$500,000)
	Greater than \$1,500,000.00	1.95% × total B.C. remuneration
Manitoba (Health & Post Secondary Education Tax Levy)	\$2,000,000.00 or less	Exempt
	\$2,000,000.00 to \$4,000,000.00	4.3% on the amount in excess of \$2 Million (notch provision)
	Greater than \$4,000,000.00	2.15% of the total payroll (the \$2 Million is not a deduction)
Ontario (Employer Health Tax)	\$200,000.00 or less	0.98%
	\$200,000.01 to \$230,000.00	1.101%
	\$230,000.01 to \$260,000.00	1.223%
	\$260,000.01 to \$290,000.00	1.344%
	\$290,000.01 to \$320,000.00	1.465%
	\$320,000.01 to \$350,000.00	1.586%
	\$350,000.01 to \$380,000.00	1.708%
	\$380,000.01 to \$400,000.00	1.829%
	Over \$400,000.00	1.95%

Provincial plan (continued)

Province	Gross annual payroll	2023
Quebec (Health Services Fund)	Any amount	4.26% (public sector)
	\$1,000,000 or less	1.25% (primary and manufacturing sectors) 1.65% (other than public sector)
	\$1,000,001 to \$7,199,999	0.7645 + (0.4855 × TP/1,000,000) (primary and manufacturing sectors) 1.2290 + (0.4210 × TP/1,000,000) (other than public sector)
	\$7,200,000 or more	4.26%
Newfoundland (Health & Post Secondary Education Tax)	\$1,300,000 or less	Exempt
	Over \$1,300,000	2%
All other provinces	Government-funded	N/A

Taxes

Sales taxes on group insurance premiums

Sales tax is applied based on the location of the organization purchasing group insurance or the location of the plan member, depending on the employer/employee premium cost-sharing arrangement.

Ontario, Quebec, and Manitoba charge sales taxes on group insurance premiums. Sales taxes are not applicable for all other provinces.

Ontario	8% on net group insurance plan costs
Quebec	9% on net group insurance plan costs
Manitoba	7% on life, dependent life, short and long term disability, critical illness and accidental death and dismemberment insurance. <i>Does not include premiums for health and dental.</i>

Group benefits taxation

Employer paid premium contributions may be considered a taxable benefit to the employee. Benefit payments may be taxable when received by the employee (or beneficiary).

Benefit	Is the premium taxable to employees?	Are benefit payments taxable to employees?
Life Insurance	Yes	No
Dependent Life	Yes	No
Accidental Death & Dismemberment (AD&D)	Yes	No
Critical Illness	Yes	No
Short & Long-Term Disability	No	No/yes*
Health Care	No; yes in Quebec	No
Dental Care	No; yes in Quebec	No
Employee Assistance Program (EAP)	No	No
Health Care Spending Account (HCSA)	No; yes in Quebec	No
Diagnostic Specialist Access Insurance (DSAI)	No	No

*Disability payments are taxable to the employee if the employer pays a portion of the premium for short term and/or long term disability.

Premium tax

Premium tax is a tax applied on net group insurance premiums and is based on the location of the plan member.

Province	Premium tax
British Columbia, Manitoba, New Brunswick, Ontario	2%
Yukon	4%
Alberta, Northwest Territories, Nova Scotia, Nunavut, Saskatchewan	3%
Newfoundland and Labrador	5%
Prince Edward Island	3.75%
Quebec	3.3%

Net premiums is defined as the gross premiums less dividends or a surplus.

Applies to insured premium, claims, and expenses on administrative services only (ASO) plans in Ontario, Quebec, and Newfoundland.

Not applicable to fee-for-use services

Harmonized Sales Tax

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. For more information on HST/GST rules, visit the [Canada Revenue Agency website](#).