

# Important Messages

- Employment Insurance (EI)
- EI Reduction Program
- Québec Parental Insurance Plan Premium (QPIP)
- Canada Pension Plan (CPP)
- Québec Pension Plan (QPP)
- Provincial Health Care Premiums

2015



Salary \$49,500  
 $\div 52$   
 Weekly \$952  
 $\times 55\%$   
 Benefit \$524

## Employment Insurance (EI) Maximum Increase

As of January 1, 2015, the federal government increased the maximum insurable earnings to \$49,500 annually and the EI benefit maximum to \$524 per week.

### Q. How does this affect employers?

- A. If your Short-Term Disability (STD) benefit schedule is tied to the EI maximum, coverage and premium amounts will increase for employees earning over \$49,500.

## Employment Insurance (EI) Premium Changes

As of January 1, 2015, the EI premium rates are:

January 1, 2015 - Maximum Insurable Earnings \$49,500			
EMPLOYEE		EMPLOYER	
Premium Rate	Maximum Annual Premium	Premium Rate (1.4 x EE rate)	Maximum Annual Premium
1.88%	\$930.60	2.632%	\$1,302.84

**Dehoney Financial Group**

Tel: 604-684-2300

Email: info@dehoney.com

**dehoney.com**

## Example:

An employee whose salary is \$49,500 during 2015 will pay EI premiums of \$930.60 (calculated at 1.88%).

Regular employer  
EI premium  
\$930.60  
x 1.4  
\$1,302.84

For the purpose of this calculation, we have used a reduced employer multiplier of 1.224.

Reduced employer  
EI premium  
\$930.60  
x 1.224  
\$1,139.05

Amount of total  
EI premium reduction  
\$1,302.84  
- 1,139.05  
\$163.79

## EI Premium Reduction Program

If you offer income-protection coverage to your employees through a Short-Term Disability (STD) plan, they may not have to collect EI benefits, or they may collect them for a shorter period of time; hence, your STD reduces the demands made on the EI program. For this reason, Service Canada offers the EI Premium Reduction Program to return the savings to employers and their employees.

### Here is how it all works:

EI premiums are paid by employers and employees at a ratio of 7/12 and 5/12 respectively of the total EI premium payable. The EI Premium Reduction Program offers savings using these same ratios. For administrative reasons, Service Canada only reduces the employer's EI premium rate; therefore, this reduction includes the employee's portion of the savings too. It is the employer's responsibility to ensure that all employees, for whom the reduction applies, receive 5/12 of the savings.

### Q. Does my Short-Term Disability (STD) plan qualify for a premium reduction?

- A. There are two types of STD plans that qualify for an EI premium reduction:
- Short-Term Disability Plan
  - Cumulative Paid Sick Leave Plans

In 2015, the total yearly savings per employee could be as much as \$163.79. This calculation is based on an employee who earned \$49,500, which is the current yearly maximum insurable earnings.

For additional information, please feel free to contact your Dehoney Financial Group account manager.



Full details of the program may be found by visiting this link:  
[servicecanada.gc.ca/eng/cs/prp/0200/0200\\_020.shtml#a020-4](http://servicecanada.gc.ca/eng/cs/prp/0200/0200_020.shtml#a020-4)

The amount you and your employees can save depends on the type of short-term disability plan you offer to your employees and the employees' insurable earnings.





More information about QPIP may be obtained from the Ministry of Employment and Social Solidarity by visiting this link:  
[rqap.gouv.qc.ca/Index\\_en.asp](http://rqap.gouv.qc.ca/Index_en.asp)

## Québec Parental Insurance Plan Premium (QPIP)

Québec employment insurance contributors receive a reduction in their employment insurance premiums because Québec has its own maternity, paternity, parental, and adoption benefit plan.

As of January 1, 2015, the maximum insurable earnings taken into account when calculating parental insurance benefits is \$70,000. QPIP premium rates remain unchanged from 2014:

- 0.559% for salaried workers
- 0.782% for employers
- 0.993% for self-employed workers

For residents of Quebec covered under the QPIP, the premium reduction is \$0.34 per \$100 of insurable earnings. As such, they will pay \$1.54 per \$100 of insurable earnings. (Regular Canada EI Rate \$1.88/\$100 - .35/\$100 reduction = \$1.53/\$100 QPIP premium.)



## Canada Pension Plan (CPP)

As of January 1, 2015, rates, maximums and exemptions are as follows:

- The Maximum Contributory Earnings increased to \$53,600.
- The basic personal exemption remains at \$3,500
- The employee contribution rate of 4.95% is unchanged.
- The maximum annual employee contribution increased to \$2,479.95 ( $\$53,600 - \$3,500 = \$50,100 * 4.95\%$ ).

### Canada Pension Plan Maximum Monthly Rates of New Benefits – 2014/2015

	2014	2015
Retirement Pension (at age 65)	\$1,038.33	\$1,065.00
Post Retirement Benefit (at age 65)	\$25.96	\$26.63
Disability Pension	\$1,236.35	\$1,264.59
Survivor's Pension under 65	\$567.91	\$581.13
Survivor's Pension 65 or over	\$623.00	\$639.00
Children of Disabled or Deceased Contributor Benefits	\$230.72	\$234.87
Death Benefit	\$2,500.00	\$2,500.00
<b>Combined Pensions</b>		
	2014	2015
Retired Survivors	\$1,038.33	\$1,065.00
Survivor/Disability	\$1,236.35	\$1,264.59



## Québec Pension Plan

As of January 1, 2015 the contribution rate for the Québec Pension Plan is 10.5%. This rate applies to the portion of employment earnings between \$3,500 and the maximum of \$53,600.

Basic information	2015
Maximum Pensionable Earnings	\$53,600.00
Basic exemption	\$3,500.00
Contribution rate	10.5%
Maximum contribution for workers (5.25%) and employers (5.25%)	\$2,630.25
Maximum contribution for self-employed workers (10.35%)	\$5,260.50
Indexation rate for benefits as at 1 January 2015	1.8%
Maximum amount for the death benefit	\$2,500.00
<b>Maximum amounts for pensions beginning in 2015<sup>1</sup></b>	
Retirement pension - age 65 (100%)	\$1,065.00
Retirement pension - age 70 (142%)	\$1,512.30
Disability pension	\$1,264.59
Additional amount for disability for retirement pension beneficiaries	\$465.81
Pension for a disabled person's child	\$74.57
Orphan's pension	\$234.87
Surviving spouse's pension <sup>2</sup> - beneficiary under age 45 not disabled, without dependent children	\$518.68
Surviving spouse's pension <sup>2</sup> - beneficiary under age 45 not disabled, with dependent children	\$831.89
Surviving spouse's pension <sup>2</sup> - beneficiary under age 45 disabled, with or without dependent children	\$865.19
Surviving spouse's pension <sup>2</sup> - between ages 45 and 64	\$865.19
Surviving spouse's pension <sup>2</sup> - age 65 or over	\$639.00

The highlights contained in this document are for general reference only and are subject to change, corrections and updates. Other government programs may also be available.

For more information on the latest coverage details, please contact your Dehoney Financial Group account manager.

**604-684-2300**

1. Pensions calculated using the average of maximum pensionable earnings for the last 5 years.

2. Pension calculated with respect to contributors who were not receiving a retirement pension.



## Provincial Health Care Premiums

Most Canadian provincial health programs are funded through tax revenues and levies, and do not require a premium to be paid by residents of those provinces. However, residents of Ontario, Québec and British Columbia contribute to the funding of provincial health programs as follows:

### British Columbia

As of January 1, 2015, monthly rates are \$72.00 for one person, \$130.50 for a family of two and \$144.00 for a family of three or more.

#### MSP Regular Premium Assistance

Regular Premium Assistance offers five levels of subsidies, based on an individual's net income (or a couple's combined net income) for the preceding tax year, less deductions for age, family size, disability and any reported Universal Child Care Benefit and Registered Disability Savings Plan Income.

To apply for Regular Premium Assistance, employees need to complete and return an application form to MSP. Forms are available online.

#### Savings Tip

If you hire students or individuals new to the work force you can save money. Encourage these employees to apply for MSP Regular Premium Assistance since premiums are based on an individual's net income (or a couple's combined net income) for the preceding year.



More information about BC Medical Premiums may be found by visiting this link: [health.gov.bc.ca/msp/infoben/premium.html#monthly](http://health.gov.bc.ca/msp/infoben/premium.html#monthly)

Do you have students or new entrants to the work force on staff?

If yes, encourage them to apply for MSP Regular Premium Assistance.

**Monthly Premium Assistance Rates Effective January 1, 2015**

Adjusted Net Income	One Person	Family of Two	Family of Three or More
\$0 - \$22,000	\$0.00	\$0.00	\$0.00
\$22,001 - \$24,000	\$12.80	\$23.20	\$25.60
\$24,001 - \$26,000	\$25.60	\$46.40	\$51.20
\$26,001 - \$28,000	\$38.40	\$69.60	\$76.80
\$28,001 - \$30,000	\$51.20	\$92.80	\$102.40
Over \$30,000	\$72.00	\$130.50	\$144.00

In 2014 and prior years, the Canada Revenue Agency (CRA) did not require income taxes be withheld at source; however, as of January 1, 2015, benefits paid from long term disability (LTD) and short term disability (STD) plans will be taxed at source.



More information about Provincial Health Care Premiums may be found by visiting this link: [fin.gov.on.ca/en/tax/healthpremium/](http://fin.gov.on.ca/en/tax/healthpremium/)

## Ontario

The Ontario Health Premium (OHP) is a component of Ontario's Personal Income Tax system. The OHP is based on taxable income for a taxation year. Taxable income is income after allowable deductions, such as child care expenses, RRSP and pension contributions, union dues and non-taxable benefits (including Guaranteed Income Supplement, Ontario Disability Support Program, social assistance, and workers' compensation). This table provides examples of how much individuals can expect to pay in OHP:

Taxable Income (TI)	Annual Premium
Up to \$20,000	nil
20,001 to 25,000	6% of TI over \$20,000
25,001 to 36,000	\$300
36,001 to 38,500	\$300 + 6% of TI over \$36,000
38,501 to 48,000	\$450
48,001 to 48,600	\$450 + 25% of TI over \$48,000
48,601 to 72,000	\$600
72,000 to 76,000	\$600 + 25% of TI over \$72,000
76,001 to 200,000	\$750
200,001 to 200,600	\$750 + 25% of TI over \$200,000
Over 200,600	\$900



More information about calculating Quebec source deductions for health contributions may be found by visiting this link: [revenuquebec.ca/documents/en/formulaires/tp/tp-1015.f-v\(2015-01\).pdf](http://revenuquebec.ca/documents/en/formulaires/tp/tp-1015.f-v(2015-01).pdf)

## Québec

For 2015, the rates and amounts used to calculate the value of the health contribution remain unchanged. However, the net income thresholds have been indexed.

Estimated Annual Net Income ( R )*	Health Contribution
\$18,370 or less	\$0
More than \$18,370 but not more than \$40,820	Whichever is less: \$100; $5\% \times (R - \$18,370)$
More than \$40,820 but not more than \$132,650	Whichever is less: \$200; $\$100 + [5\% \times (R - \$40,820)]$
More than \$132,650	Whichever is less: \$1,000; $\$200 + [4\% \times (R - \$132,650)]$

\* Indexed annually