



2018

IMPORTANT MESSAGES

- EMPLOYMENT INSURANCE (EI)
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EMPLOYMENT INSURANCE (EI)

As of January 1, 2018, the maximum insurable earnings are \$51,700 annually and the EI benefit maximum is \$547 per week.

Despite an increase in the maximum insurable earnings (MIE) in 2018 of \$400 or 0.8%, employees and employers will see only a minor increase. This is due to the relatively low premium rate of 1.66%, up from 1.63% in 2017.

BENEFIT MAX. CALCULATION

Salary	\$51,700.00
	÷ 52
Weekly	\$994.00
	× 55%
Benefit	\$547.00



EMPLOYMENT INSURANCE (EI) PREMIUM

As of January 1, 2018, the EI premium rates are:

January 1, 2018 – Maximum Insurable Earnings \$51,700					
EMPLOYEE			EMPLOYER		
Premium Rate	Max. Annual Premium	Premium Increase	Premium Rate (1.4 x EE Rate)	Max. Annual Premium	Premium Increase
1.66%	\$858.22	+\$22.03	2.282%	\$1,201.51	+\$30.84



CHANGES TO EMPLOYMENT INSURANCE (EI) MATERNITY, PARENTAL LEAVE, AND CAREGIVER BENEFITS

The recently-announced changes in EI benefits have led to changes in the Canada Labour Code. However, only employees in federally-regulated workplaces as of Dec 3, 2017, have job protection when they opt to extend their benefit period. Provinces will need to amend their labour codes to extend the same job protection to all workers.

- Expectant mothers can now request to receive benefits at 12 weeks prior to their expected due date.
- There is no change in the benefit amount paid and eligibility rules also remain the same. A new parent requires 600 hours of work in the previous 12 months to gain access to benefits.
- Biological and adoptive parents can choose between two options for parental benefits. There is no change in the overall value of the benefits or eligibility requirements.

Standard: up to 35 weeks of EI benefits over a period of up to 12 months at 55% average weekly earnings, up to a maximum amount, ending a year after the child is born or placed with the family.

Extended: up to 61 weeks of EI benefits over a period of up to 18 months at 33% average weekly earnings, up to a maximum amount, ending 78 weeks after the child is born or placed with the family.

*The maternity and parental benefits do not apply to residents of Quebec, as they have a separate provincial plan.

This change means that eligible mothers and fathers, who begin their parental leave on or after Dec 3, 2017, can opt to extend their benefits over a longer period of time or split the leave between parents.

WHAT IS THE EI PREMIUM REDUCTION PROGRAM?

If you offer income-protection coverage to your employees through a Short Term Disability (STD) or cumulative paid sick leave plan, you are effectively reducing the demand on the EI program. If your plan matches or exceeds the EI coverage provision, you may qualify for the EI Premium Reduction Program.

Here's how it works:

EI premiums are paid by employers and employees based on 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.

As an employer, the portion of the savings per employee could be as much as **\$106.63** (7/12 of \$182.80). This calculation is based on an employee earning \$51,700 (MIE for 2018).

Full details of the program can be found at:

http://www.esdc.gc.ca/en/ei/employers_premium_reduction_program.page

CALCULATING EI PREMIUM REDUCTION

An employee whose salary is \$51,700 during 2018 will pay EI premiums of \$858.22 (calculated at 1.66%).

REGULAR EMPLOYER EI PREMIUM		\$858.22
	×	1.4
		<hr/> \$1,201.51

There are various rate categories. For the purpose of this calculation, we have used a reduced employer multiplier of 1.187

REDUCED EMPLOYER EI PREMIUM		\$858.22
	×	1.187
		<hr/> \$1,018.71

AMOUNT OF TOTAL EI PREMIUM REDUCTION

	\$1,201.51
	– 1,018.71
	<hr/> \$182.80



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 plans.

As of January 1, 2018, the maximum insurable earnings taken into account when calculating parental insurance benefits is \$74,000. QPIP premium rates:

- 0.548% for salaried workers
- 0.767% for employers
- 0.973% for self-employed workers

For residents of Québec covered under the QPIP, the premium reduction is \$0.36 per \$100 of insurable earnings. As such, they will pay \$1.30 per \$100 of insurable earnings (regular Canada EI Rate \$1.66/\$100 - \$0.36/\$100 reduction = \$1.30/\$100 QPIP premium). Maximum annual contribution of \$672.10 (+\$20.59).

CANADA PENSION PLAN (CPP)

As of January 1, 2018, rates, maximums and exemptions are as follows:

- The maximum annual pensionable earnings increased to \$55,900
- The basic personal exemption remains at \$3,500.
- The employee contribution rate of 4.95% is unchanged.
- The maximum annual employee contribution increased to \$2,593.80 (\$55,900 - \$3,500 = \$52,400 × 4.95%).

CPP MAXIMUM MONTHLY RATES OF NEW BENEFITS	2017	2018
Retirement Pension (at age 65)	\$1,114.17	\$1,134.17
Post Retirement Benefit (at age 65)	\$27.85	\$28.35
Disability Pension	\$1,313.66	\$1,335.83
Survivor's Pension under 65	\$604.32	\$614.62
Survivor's Pension 65 or over	\$668.50	\$680.50
Children of Disabled or Deceased Contributor Benefits	\$241.02	\$244.64
Death Benefit	\$2,500	\$2,500
COMBINED PENSION	2017	2018
Retired Survivors	\$1,114.17	\$1,134.17
Survivor/Disability	\$1,313.66	\$1,335.83

On October 6, 2016, the Federal Government's Bill C-26 proposed an enhancement to the amount of retirement income for Canadians in their retirement years from one-quarter to one-third of eligible earnings. Higher contribution levels will begin January 1, 2019, and will be gradually increased over the next seven years. **As of 2023**, the CPP contribution rate for employers and employees will rise from 4.95% to 5.95%.

More information about QPIP may be obtained from the Ministry of Employment and Social Solidarity by visiting this link:

http://www.rqap.gouv.qc.ca/a_propos_regime/information_generale/cotisations_en.asp





QUÉBEC PENSION PLAN

As of January 1, 2018 the contribution rate for the Québec Pension Plan is 10.80%. This rate applies to the portion of employment earnings between \$3,500 and the maximum of \$55,900.

BASIC INFORMATION	2018
Maximum Pensionable earnings	\$55,900.00
Basic exemption	\$3,500.00
Contribution rate	10.80%
Maximum contribution for workers (5.40%) and employers (5.40%)	\$2,829.60
Maximum contribution for self-employed workers (10.80%)	\$5,659.20
Indexation rate for benefits as at January 1, 2018	1.5%
Maximum amount for the death benefit	\$2,500.00
MAXIMUM AMOUNTS FOR PENSIONS BEGINNING IN 2018¹	
Retirement pension - age 65 (100%)	\$1,134.17
Retirement pension - age 70 (142%)	\$1,610.52
Disability pension	\$1,335.80
Additional amount for disability for retirement pension beneficiaries	\$485.17
Pension for disabled person's child	\$76.67
Orphan's pension	\$244.64
Surviving spouse's pension ² - beneficiary under age 45 not disabled, without dependent children	\$549.57
Surviving spouse's pension ² - beneficiary under age 45 not disabled, with dependent children	\$875.80
Surviving spouse's pension ² - beneficiary under age 45 disabled, with or without dependent children	\$910.48
Surviving spouse's pension ² - between the ages 45 and 64	\$910.48
Surviving spouse's pension ² - age 65 or over	\$680.50

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

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

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.





PROVINCIAL HEALTH CARE PREMIUMS

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



BRITISH COLUMBIA

Effective January 1, 2018, BC MSP premium monthly rates are reduced by 50% for all British Columbians.

MSP REGULAR PREMIUM ASSISTANCE

In 2018, Regular Premium Assistance offers an **expanded level 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.

Monthly Premium Assistance Rates Effective January 1, 2018		
Adjusted Net Income	One Person	Two Adults in a Family
\$0 - \$24,000	\$0.00	\$0.00
\$24,001 - \$26,000	\$0.00	\$0.00
26,001 - \$28,000	\$11.50	\$23.00
\$28,001 - \$30,000	\$17.50	\$35.00
\$30,001 - \$34,000	\$23.00	\$46.00
\$34,001 - \$38,000	\$28.00	\$ 56.00
\$38,001 - \$42,000	\$32.50	\$ 65.00
Over \$42,000	\$37.50	\$75.00

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

NEW in 2018

British Columbia reduced BC MSP premium rates by 50%.

\$AVINGS 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:

<http://www2.gov.bc.ca/gov/content/health/health-drug-coverage/msp/bc-residents/premiums>





ONTARIO

The Ontario Health Premium (OHP) is a component of Ontario's Personal Income Tax system.

The OHP is based on taxable income or 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.

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
\$72,001 to \$72,600	\$600 + 25% of TI over \$72,000
\$72,601 to \$200,000	\$750
\$200,001 to \$200,600	\$750 + 25% of TI over \$200,000
Over \$200,600	\$900

Effective January 1, 2018 OHIP+ will completely cover the cost of more than 4,400 drug products currently available through the Ontario Drug Benefit program for all babies, children and youth age 24 years and younger.

QUÉBEC

The Minister of Finance of Québec eliminated the health contribution as of January 1, 2017.

Régie de l'assurance maladie du Québec (RAMQ)

Generally speaking, for residents covered for prescription drug insurance with RAMQ, a premium is payable (between \$0 and \$667 from July 1, 2017 to June 30, 2018), whether or not they purchase prescription drugs.

More information about Provincial Health Care Premiums may be found by visiting this link:

<http://www.fin.gov.on.ca/en/tax/healthpremium/>



NEW

OHIP+ effective January 1, 2018 provides coverage for all babies, children and youth age 24 years and under.