



2019

IMPORTANT MESSAGES

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EMPLOYMENT INSURANCE (EI)

As of January 1, 2019, the maximum insurable earnings are \$53,100 annually and the EI benefit maximum is \$562 per week.

With the increase in maximum insurable earnings (\$53,100), Short-Term Disability (STD) plans may be impacted. If your plan's maximum STD benefit is based on the EI weekly benefit or EI maximum earnings are used to calculate the STD benefit, you will have to make adjustments to the STD benefit payable.

BENEFIT MAX. CALCULATION

Salary	\$53,100.00
	÷ 52
Weekly	\$1,021.00
	× 55%
Benefit	\$562.00



EMPLOYMENT INSURANCE (EI) PREMIUM

As of January 1, 2019, the EI premium rates are:

January 1, 2019 – Maximum Insurable Earnings \$53,100					
EMPLOYEE			EMPLOYER		
Premium Rate	Max. Annual Premium	Premium Increase	Premium Rate (1.4 x EE Rate)	Max. Annual Premium	Premium Increase
1.62%	\$860.22	+\$2.00	2.268%	\$1,204.31	+\$2.79



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

In 2017, the Government introduced greater flexibility to EI maternity and parental benefits. The changes included:

- 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 provides eligible mothers and fathers, who began their parental leave on or after Dec 3, 2017, with the option 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 **\$109.89** (7/12 of \$188.39). This calculation is based on an employee earning \$53,100 (MIE for 2019).

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 \$53,100 during 2019 will pay EI premiums of \$860.22 (calculated at 1.62%).

REGULAR EMPLOYER EI PREMIUM		\$860.22
	×	1.4
		<u>\$1,204.31</u>

There are various rate categories. For the purpose of this calculation, we have used a reduced employer multiplier of 1.181

REDUCED EMPLOYER EI PREMIUM		\$860.22
	×	1.181
		<u>\$1,015.92</u>

AMOUNT OF TOTAL EI PREMIUM REDUCTION

\$1,204.31
<u>- 1,015.92</u>
\$188.39



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, 2019, the maximum insurable earnings taken into account when calculating parental insurance benefits is \$76,500. QPIP premium rates:

- 0.526% for salaried workers
- 0.736% for employers
- 0.934% for self-employed workers

For residents of Québec covered under the QPIP, the premium reduction is \$0.37 per \$100 of insurable earnings. As such, they will pay \$1.25 per \$100 of insurable earnings (regular Canada EI Rate \$1.62/\$100 - \$0.37/\$100 reduction = \$1.25/\$100 QPIP premium). Maximum annual contribution of \$663.75(- \$8.35).

CANADA PENSION PLAN (CPP)

As of January 1, 2019, rates, maximums and exemptions are as follows:

- The maximum annual pensionable earnings increased to \$57,400
- The basic personal exemption remains at \$3,500.
- The employee contribution rate of 5.10% has increased.
- The maximum annual employee contribution increased to \$2,748.90 (\$57,400 - \$3,500 = \$53,900 × 5.10%).

CPP MAXIMUM MONTHLY RATES OF NEW BENEFITS	2018	2019
Retirement Pension (at age 65)	\$1,134.17	\$1,154.38
Post Retirement Benefit (at age 65)	\$28.35	\$28.86
Disability Pension	\$1,335.83	\$1,362.30
Survivor's Pension under 65	\$614.62	\$626.63
Survivor's Pension 65 or over	\$680.50	\$692.75
Children of Disabled or Deceased Contributor Benefits	\$244.64	\$250.27
Death Benefit	\$2,500	\$2,500
COMBINED PENSION	2018	2019
Retired Survivors	\$1,134.17	\$1,154.58
Survivor/Disability	\$1,335.83	\$1,362.30

The Federal Government's Bill C-26 kicks in on January 1, 2019, with the deduction of an additional 0.15% for CPP contributions (4.95% to 5.10%). **As of 2023**, the CPP contribution rate for employers and employees will rise from 4.95% to 5.95%, for a total of 11.9% up to the year's maximum pensionable earnings.

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, 2019 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 \$57,400.

BASIC INFORMATION	2019
Maximum Pensionable earnings	\$57,400.00
Basic exemption	\$3,500.00
Contribution rate	10.80%
Maximum contribution for workers (5.40%) and employers (5.40%)	\$2,910.60
Maximum contribution for self-employed workers (10.80%)	\$5,821.20
Indexation rate for benefits as at January 1, 2019	2.3%
Maximum amount for the death benefit	\$2,500.00
MAXIMUM AMOUNTS FOR PENSIONS BEGINNING IN 2019¹	
Retirement pension - age 65 (100%)	\$1,154.58
Retirement pension - age 70 (142%)	\$1,639.50
Disability pension	\$1,362.27
Additional amount for disability for retirement pension beneficiaries	\$496.33
Pension for disabled person's child	\$79.46
Orphan's pension	\$250.27
Surviving spouse's pension ² - beneficiary under age 45 not disabled, without dependent children	\$562.22
Surviving spouse's pension ² - beneficiary under age 45 not disabled, with dependent children	\$895.95
Surviving spouse's pension ² - beneficiary under age 45 disabled, with or without dependent children	\$931.43
Surviving spouse's pension ² - between the ages 45 and 64	\$931.43
Surviving spouse's pension ² - age 65 or over	\$696.15

1: Pensions calculated using the average of 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

Big changes were announced by BC's NDP Government in 2018 related to the introduction of an Employer Health Tax (EHT) effective January 1, 2019. These changes will lead to the full elimination of Medical Services Plan (MSP) premiums paid by BC residents (and employers who pay MSP premiums on behalf of their employees) by January 1, 2020.



BRITISH COLUMBIA

Effective January 1, 2019, employers with B.C. remuneration greater than \$500,000 (exemption amount) in a calendar year must register for the Employer Health Tax (EHT). Employers with B.C. remuneration of \$500,000 or less and who pay MSP premiums on behalf of their employees, will continue to pay premiums in 2019.

The EHT applies to employers who are either registered charities or non-profit. However, the exemption amount is \$1,500,000 per calendar year for registered charitable and non-profit employers.

EMPLOYER HEALTH TAX

- If you are an employer with B.C. remuneration between \$500,000.01 and \$1,500,000 you will pay **2.925%** x (B.C. remuneration - \$500,000)
- If you are an employer with B.C. remuneration greater than \$1,500,000 you will pay **1.95%** x total B.C. remuneration

Registration begins on January 7, 2019

If you are an employer who must pay installments in the 2019 calendar year, you must register by May 15, 2019. Your first installment is due by June 15, 2019.

All other employers must register by December 31, 2019.

For information on employer registration, please visit:

<http://www2.gov.bc.ca/gov/content/taxes/employer-health-tax/employer-health-tax-overview/eht-register>

NEW in 2019

British Columbia introduces an Employer Health Tax beginning January 1, 2019.

Remuneration includes all payments, benefits or allowances that must be included in the income of an employee under sections 5, 6, or 7 of the *Income Tax Act* (Canada).

Note: Generally, calculate your employer health tax remuneration based on the same amounts you include when calculating your source deductions under the *Income Tax Act* (Canada).

More information about the BC Employer Health Tax visit:

<http://www2.gov.bc.ca/gov/content/taxes/employer-health-tax/employer-health-tax-overview>





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

OHIP+ covers the cost of more than 4,400 drug products currently available through the Ontario Drug Benefit program for all babies, children and youth under the age of 25. For youth with private plan coverage, the private plan will be billed first. This change to first payer status was part of a June 30, 2018 announcement by Ontario's Health Minister Christine Elliott.

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 \$616 from July 1, 2018 to June 30, 2019), 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/>



OHIP+ TO BECOME SECOND PAYER

OHIP+ announced that for those Ontarians under the age of 25, with private benefits plans, OHIP+ will become second payer.