



2021 IMPORTANT MESSAGES

- EMPLOYMENT INSURANCE (EI)
- EI PREMIUM REDUCTION PROGRAM
- QUÉBEC PARENTAL INSURANCE PLAN PREMIUM (QPIP)
- CANADA PENSION PLAN (CPP)
- QUÉBEC PENSION PLAN (QPP)
- PROVINCIAL HEALTH CARE PREMIUMS

Information For Plan Administrators

EMPLOYMENT INSURANCE (EI)

Issuing Records of Employment (ROEs) during COVID-19

In response to the COVID-19 pandemic, Service Canada established temporary measures to assist employers with issuing ROEs for their staff.

Important:

- ✓ If an employee has stopped working because of COVID-19, issue their ROE as soon as possible, even if they are currently receiving the Canada Emergency Response Benefit (CERB). By doing so, your employee will have access to Employment Insurance (EI) benefits.
- ✓ **CEWS:** If an employee is being paid through the Canada Emergency Wage Subsidy (CEWS), employers are required to issue an ROE for those who have an interruption of earnings when the CEWS ends.
- ✓ If an employee is still off work when their CERB or CEWS ends, please advise them to apply for EI benefits. Service Canada will use their ROE to determine if they qualify for EI benefits.
- ✓ To assist in the submission of ROEs, Service Canada encourages employers to register for ROEs. Available [here](#).



Employment Insurance (EI)

As of January 1, 2021, the maximum insurable earnings (MIE) are \$56,300 annually and the EI benefit maximum is \$595 per week.

Important:

- ✓ Short-Term Disability (STD) plans may be impacted.
- ✓ If you use either the EI weekly benefit or EI maximum earnings to calculate STD benefits, adjustments to the payable STD benefit will be required.

Benefit Maximum Calculation	
Annual Salary	\$56,300.00 ÷ 52
Weekly Salary	\$ 1,083.00 × 55%
EI Benefit Maximum	\$ 595.00

EMPLOYMENT INSURANCE (EI) PREMIUM

As of January 1, 2021, the EI premium rates are:

January 1, 2021 – Maximum Insurable Earnings (MIE) \$ 56,300					
Employee			Employer		
Premium Rate	Max. Annual Premium	Premium Increase	Premium Rate (1.4 x EE Rate)	Max. Annual Premium	Premium Increase
1.58%	\$889.54	+ \$33.18	2.212%	\$1,245.36	+ \$46.46



Learn more about the Employment Insurance (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.

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. [Click here for details of the program.](#)

As an employer, the portion of the savings per employee could be as much as **\$121.36** (7/12 of \$208.16). This calculation is based on an employee earning \$56,300 (MIE for 2021).

Calculating EI Premium Reduction			
Employee	Employer		
An employee whose salary is \$ 56,300 during 2021 will pay the Max EI premium of \$ 889.54.	REGULAR EI Premium	REDUCED EI Premium	EI REDUCTION Premium (Max. Savings)
	$\$889.54 \times 1.4 = \$1,245.36$	$\$889.54 \times 1.166 = \$1,037.20$	$\$1,245.36 - \$1,037.30 = \$208.16$

REMINDER: As of January 2, 2021 an employer's Short-Term Disability plan must comply with the reduced EI waiting period of one week in order to participate in the EI reduction program.

EMPLOYMENT INSURANCE (EI)

Maternity, Parental Leave and Caregiver Benefits

- Expectant mothers can start receiving maternity benefits 12 weeks prior to their expected due date. Benefits cannot be received more than 17 weeks after their due date or the date they gave birth, whichever is later.
- A new parent requires 600 hours of work in the previous 12 months to gain access to benefits.
- The maximum number of weeks for maternity benefits is 15 weeks. Maternity benefits can be followed by parental benefits (Standard or Extended).
- Biological and adoptive parents can choose between two options for parental benefits.
- Adoptive parents may apply for up to 8 weeks of parental benefits if their child was born or placed with them on or after March 17, 2019, and they share Employment Insurance parental benefits with another parent.

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.

Eligible mothers and fathers have the option to extend their benefits over a longer period of time or split the leave between parents.

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



QUÉBEC PARENTAL INSURANCE PLAN PREMIUM (QPIP)

On December 13, 2020, the Minister of Labour, Employment and Social Solidarity, Jean Boulet, announced a temporary adjustment to improve QPIP. For parents, whose benefit period under the Québec Parental Insurance Plan (RQAP) begins between September 27, 2020 and September 25, 2021, a minimum benefit amount of \$ 500/week has been introduced. This action is in response to families working from home due to COVID-19 restrictions.



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, 2021, the maximum insurable earnings considered when calculating parental insurance benefits is \$83,500. QPIP premium rates, as announced on June 15, 2020, will remain unchanged for 2021:

- **0.494%** for salaried workers
- **0.692%** for employers
- **0.878%** for self-employed workers

For residents of Québec covered under the QPIP, the premium reduction is \$0.40 per \$100 of insurable earnings. As such, they will pay \$1.18 per \$100 of insurable earnings (regular Canada EI Rate \$1.58/\$100 - \$0.40/\$100 reduction = \$1.18/\$100 QPIP premium). Maximum annual contribution of **\$664.34** or an increase of **\$13.94**.

For more information on QPIP, please [click here](#).

CANADA PENSION PLAN (CPP)

As of January 1, 2021, the maximum annual pensionable earnings increased to \$61,600.

- ✓ The basic personal exemption remains at \$3,500.
- ✓ The employee contribution rate of 5.45% has increased.
- ✓ The maximum annual employee contribution increased to **\$3,166.45** ($\$61,600 - \$3,500 = \$58,100 \times 5.45\%$).

CPP Maximum Monthly Rates of New Benefits	2020	2021
Retirement Pension (at Age 65)	\$1,175.83	\$1,203.75
Post Retirement Benefit (at Age 65)	\$29.40	\$30.09
Disability Pension	\$1,387.66	\$1,413.66
Survivor's Pension under 65	\$638.28	\$650.72
Survivor's Pension 65 and over	\$705.50	\$722.25
Children of Disabled or Deceased Contributor Benefits	\$255.03	\$257.58
Death Benefit	\$2,500.00	\$2,500.00
COMBINED PENSION	2020	2021
Retired Seniors	\$1,175.83	\$1,203.75
Survivor/Disability	\$1,387.66	\$1,413.66

As of January 1, 2021, the employee and employer CPP contribution rate rose to 5.45%. Rates will continue to rise over the next three years. As of 2023, the CPP contribution rate for employers and employees will rise to 5.95%, for a total of 11.9% up to the year's maximum pensionable earnings.

QUÉBEC PENSION PLAN

As of January 1, 2021, the Québec Pension Plan contribution rate is 10.80%. This rate applies to the portion of employment earnings between \$3,500 and \$61,600.

BASIC INFORMATION	2021
Maximum Pensionable Earnings	\$61,600
Basic Exemption	\$3,500
Contribution Rate	10.80%
Max. Contribution for Workers (5.40%) and Employers (5.40%)	\$3,137.40
Max. Contribution for Self-Employed Workers (10.80%)	\$6,274.80
Indexation Rate for Benefits as at January 1, 2021	1.0%
Max. Amount for the Death Benefit	\$2,500
MAXIMUM AMOUNTS FOR PENSIONS BEGINNING IN 2021 ¹	2021
Retirement Pension - Age 65 (100%)	\$1,208.26
Retirement Pension - Age 70 (142%)	\$1,715.73
Disability Pension	\$1,416.45
Additional Amount for Disability for Retirement Pension Beneficiaries	\$510.82
Pension for Disabled Person's Child	\$81.78
Orphan's Pension	\$257.58
Surviving Spouse's Pension ² - beneficiary under Age 45 not disabled, without dependent children	\$578.42
Surviving Spouse's Pension ² - beneficiary under Age 45 not disabled, with dependent children	\$921.89
Surviving Spouse's Pension ² - beneficiary under Age 45 disabled, with or without dependent children	\$958.40
Surviving Spouse's Pension ² - between the Ages of 45 and 64	\$958.40
Surviving Spouse's Pension ² - Age 65 or over	\$714.78

¹Pensions calculated using the average of max. pensionable earnings for the last 5 years. The amounts paid under the additional plans are included in the max. amounts shown. However, payment of those pensions will begin at the end of 2021 only, and will be retroactive.

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

PROVINCIAL HEALTH CARE PREMIUMS - BC

In 2020, we saw the elimination of Medical Services Plan (MSP) premiums for BC residents (employers who pay MSP premiums on behalf of their employees).

EMPLOYER HEALTH TAX

- Employers with B.C. remuneration greater than \$500,000 (exemption amount) in a calendar year must be registered for the Employer Health Tax (EHT).
- Employers with B.C. remuneration of \$500,000 or less and who paid MSP premiums on behalf of their employees do not pay MSP premiums.
- 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.
- If you are an **employer with B.C. remuneration between \$500,000.01 and \$1,500,000** you will pay $2.925\% \times (\text{B.C. remuneration} - \$500,000)$.
- If you are an **employer with B.C. remuneration greater than \$1,500,000** you will pay $1.95\% \times \text{B.C. remuneration}$.

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 EHT remuneration based on the same amounts you include when calculating your source deductions under the *Income Tax Act* (Canada).



Find out more about *B.C.'s Increased Employment Incentive*. A credit offered to employers who encourage the creation of new jobs.

Your business may qualify for a tax credit.

[Click here](#) for more information.

PROVINCIAL HEALTH CARE PREMIUMS - ALBERTA

ALBERTA HEALTH CARE INSURANCE PLAN (AHCIP)

- In January 2009, the provincial government stopped requiring the payment of premiums for Alberta Health Care. Previously, the program was charging a monthly fee of \$44 for singles and \$88 for families.
- Presently, Albertans can apply for supplemental Non-Group Coverage for services not covered under AHCIP; however, they must be registered with AHCIP to be eligible. The current Non-Group monthly premiums (administered by Alberta Blue Cross) are contained in the table below.

Non-Group Monthly Premiums	Single	Family
Full Premium	\$63.50	\$118.00
Subsidized Premiums	\$44.45	\$82.60

- Effective April 1, 2020, AHCIP will no longer provide coverage for nonurgent health services received by Albertans when travelling in another country. Only claims for insured emergency physician and/or hospital services received outside of Canada will be eligible for reimbursement.

PROVINCIAL HEALTH CARE PREMIUMS - QUÉBEC

REGIE 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 \$648 from July 1, 2020 to June 30, 2021), whether or not prescription drugs are purchased.
- The new premium represents an increase of 1.9%.



PROVINCIAL HEALTH CARE PREMIUMS - ONTARIO

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

ONTARIO HEALTH PREMIUM

- 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 in 2021.

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 is billed first.

[Click here](#) to look-up which drugs are covered under this plan.

As of January 1, 2020, Ontario residents will no longer be eligible for up to \$400 per day for out-of-country hospital care.



Important: Eligible Out-of-Country Travellers' claims for emergency services incurred up to and including December 31, 2019 are no longer reimbursed. [Click here](#) for more information regarding out-of-country health services.