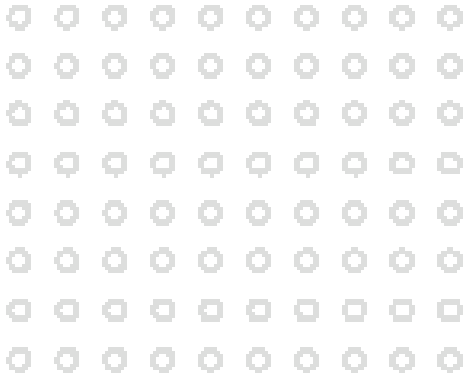




GOVERNMENT BENEFITS UPDATE 2023

Our annual update of the
statutory benefits provided
by the Federal and Provincial
Governments of Canada



GOVERNMENT BENEFITS UPDATE 2023

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WELCOME LETTER

We are pleased to release our 2023 annual Government Benefits Update. As in prior years, our update offers a high-level summary of governmental changes that may be relevant for your benefit plan, retirement plan, HR policies, and compensation strategies. Over the last 12 months, organizations and individuals have found themselves “living with COVID” and, while this takes many forms, it has led everyone to find ways of adapting. Most organizations have adopted some degree of hybrid work for their staff and are navigating the benefits and challenges of this flexible approach. While the focus and priority placed on mental health and wellness has increased, many surveys find that employees and individuals are struggling more than ever. Inflation dominated news and rhetoric over much of the previous year as it has turned out to be more severe and longer lasting than many had anticipated. The current environment means that plan members and employees appreciate the value of benefits and retirement programs more than ever in the midst of a talent crunch. Plan sponsors face the challenge of strategically managing their plans in a fast-paced and dynamic environment, while dealing with rising and volatile costs.

Highlights of the changes outlined in this document include:

- Major legislative changes and updates to the EI sickness benefit, federal dental plan, and universal pharmacare;
- The YMPE increased to \$66,600 (2023) from \$64,900 (2022);
- CPP contribution rate increased to 5.95% (2023) from 5.70% (2022); this is the final increase in the five-year phased approach that began in 2019 to increase the CPP contribution rate by a full percentage point; CPP indexation rate for benefits has increased significantly to 6.5% (2023) from 2.7% (2022);
- QPP contribution rate increased to 6.40% (2023) from 6.15% (2022); since 2019, there has been a gradual increase to reach an employee contribution rate of 6.4%; QPP indexation rate for benefits increased to 6.5% (2023) from 2.7% (2022);
- EI employee contribution rate (as a percentage of insurable earnings) increased to 1.63% (2023) from 1.58% (2022); maximum weekly benefit amount increased to \$650 from \$638 due to the increase in EI maximum yearly insurable earnings to \$61,500;
- Quebec EI employee contributions (as a percentage of insurable earnings) increased to 1.27% (2023) from 1.20% (2022); maximum weekly benefit amount increased to \$650 from \$638 due to the increase in EI maximum yearly insurable earnings to \$61,500.

Outlook 2023

As you prepare for 2023, we invite you to explore the [HUB International 2023 Employee Benefits Outlook: Profitability, Vitality, and Resiliency](#) for insights from our risk management, insurance, employee benefits, and retirement experts.

Our third annual outlook outlines steps you can take to improve your profitability, support the vitality of your people, and build a more resilient future.

About HUB

Headquartered in Chicago, Illinois, HUB International Limited is a leading full-service global insurance broker and financial services firm providing risk management, insurance, employee benefits, retirement and wealth management products and services. With more than 14,000 employees in offices located throughout North America, HUB's vast network of specialists brings clarity to a changing world with tailored solutions and unrelenting advocacy, so clients are ready for tomorrow. For more information, please visit www.hubinternational.com.

The data and information illustrated in our 2023 guide has been compiled from official government documents and publications. Although we believe the sources to be accurate, readers should refer to the actual legislation if using this data for more than informational purposes.

MAJOR LEGISLATIVE DEVELOPMENTS

While not an exhaustive review, there are several notable policy developments that employers and plan sponsors should be aware of:

Employment Insurance Sickness Benefits

It was announced in late 2022 that the maximum benefit period for Employment Insurance (EI) Sickness Benefits would be extended from 15 weeks to 26 weeks effective December 18, 2022.

The extension will provide Canadians who have limited or no employer short-term disability benefits with up to an additional 11 weeks of paid time off to recover from illness and injuries so they can return to work. To align with this change, the maximum length of unpaid medical leave available to federally regulated private-sector employees will also be increased from 17 to 27 weeks under the Canada Labour Code effective December 18, 2022, to ensure that employees have the right to take unpaid job-protected leave while receiving the extended EI sickness benefits.

Employers who provide qualifying disability wage loss replacement plans (e.g., short-term disability, salary continuance, etc.) to their employees can obtain a reduction in EI premiums. In order for the plan to qualify, it must generally match or exceed the level of benefits provided under EI Sickness Benefits and the employer must return 5/12 of savings to covered employees, regardless if the wage loss plan is employee or employer paid. HUB recently participated in multiple roundtables regarding improvements to the EI Premium Reduction Program (PRP) hosted by Employment and Social Development Canada in which we were able to express our views on key issues and policy ideas related to the PRP. The government has not yet indicated a timeframe for announcing the changes to the PRP. For employers who have qualified for the PRP, future announcements may require a review and/or changes to your short-term and long-term disability benefit plans in order to continue to qualify for the PRP. If the last change the government made in 2017 to the EI waiting period is any indication, the government is likely to provide an adequate transition period to all employers to implement changes without duress.

Employers should consider whether any changes to their disability wage loss plans may be advisable.

Canada Dental Benefit

The 2022 federal budget provided funding to initiate dental care for Canadians. The first phase was implemented on December 1, 2022 and provides payments of up to \$650 per child (under 12 years old) per year for households with annual income of under \$90,000. The program is planned to expand to children under-18, seniors and people with disabilities in 2023 and then to all Canadian families with household income under \$90,000 in 2025.

This phase of providing direct payments to families is reported to be an interim measure as the federal government engages with provinces, territories and private industry about the program's final design.

The understanding is that all phases of the federal dental plan will limit eligibility to uninsured Canadians with a family income of less than \$90,000 annually. For this reason, employers and plan sponsors should expect virtually no impact to their plans.

Universal National Pharmacare Program

The federal government has reconfirmed that it is working toward a universal national pharmacare program. This will include tabling a Canada Pharmacare bill and working to have it passed by the end of 2023. The Canadian Drug Agency would be tasked to develop a national formulary of essential medicines and bulk purchasing plan.

The impact of this program on employer-sponsored drug plans is still unclear and several questions remain such as:

- What model of "essential medicines" will be followed?
- What is meant by "universal"?

- Will the program cover only people not covered by a private plan?
- Will employers have to participate in the funding of the program?

Depending on the nature of the program, a universal pharmacare program could be impactful to private plans if and when it's implemented. A bulk purchasing arrangement would help to contain rising prescription drug costs if it's extended to private insurers and employer-sponsored plans. There have been no further developments on the national strategy for drugs for rare diseases, which are one of the most important challenges for employer-sponsored drug plans.

FINANCIAL CALENDAR

The following financial calendar contains some important dates on government payments and tax deadlines.

January	
1	• Additional \$6,500 TFSA contribution room
5	• GST/HST credit payment
20	• Canada Child Benefit
25	• Bank of Canada interest rate announcement
27	• CPP and OAS payments
February	
20	• Canada Child Benefit
24	• CPP and OAS payments
March	
1	• Last day to contribute to your RRSP for the 2022 tax year
8	• Bank of Canada interest rate announcement
20	• Canada Child Benefit
29	• CPP and OAS payments
April	
5	• GST/HST credit payment
12	• Bank of Canada interest rate announcement
20	• Canada Child Benefit
26	• CPP and OAS payments
30	• Tax filing date for personal income tax
	• CRA payment deadline
	• Filing deadline for terminal tax returns if death occurred between January 1 and October 31, 2022
May	
19	• Canada Child Benefit
29	• CPP and OAS payments
June	
7	• Bank of Canada interest rate announcement
15	• Tax filing for self-employed individuals (any balance owing is due April 30, 2023)
20	• Canada Child Benefit
28	• CPP and OAS payments

FINANCIAL CALENDAR (CONT'D)

July	
5	• GST/HST credit payment
12	• Bank of Canada interest rate announcement
20	• Canada Child Benefit
27	• CPP and OAS payments
August	
18	• Canada Child Benefit
29	• CPP and OAS payments
September	
6	• Bank of Canada interest rate announcement
20	• Canada Child Benefit
27	• CPP and OAS payments
October	
5	• GST/HST credit payment
20	• Canada Child Benefit
25	• Bank of Canada interest rate announcement
27	• CPP and OAS payments
November	
20	• Canada Child Benefit
28	• CPP and OAS payments
December	
6	• Bank of Canada interest rate announcement
13	• Canada Child Benefit
20	• CPP and OAS payments
31	• Deadline for individuals who turned 71 in 2023 to contribute to and convert their RRSP to a RRIF
	• Deadline for 2023 RESP contributions
	• Deadline for 2023 RDSP contributions
	• Deadline for 2023 Charitable contributions

OLD AGE SECURITY

The following table illustrates the maximum monthly rates for Old Age Security benefits as well as the maximum annual income to be eligible for these benefits.

Benefit	Maximum Monthly Benefit Jan – Mar 2023¹	Maximum Annual Income Jan – Mar 2023²
Old Age Security Pension (OAS) pension amounts		
Age 65 to 74	\$687.56	\$129,757 (individual income)
75 and over	\$756.32	\$129,757 (individual income)
Guaranteed Income Supplement (GIS)		
Single person, widowed or divorced pensioner	\$1,026.96	\$20,832 (individual income)
Spouse/common-law partner of a non-pensioner	\$1,026.96	\$49,920 (combined income)
Spouse/common-law partner of a pensioner who receives a full OAS pension	\$618.15	\$27,552 (combined income)
Spouse/common-law partner of an allowance recipient	\$618.15	\$38,592 (combined income)
Allowance	\$1,305.71	\$38,592 (combined income)
Allowance for the survivor	\$1,556.51	\$28,080 (individual income)

More information on OAS is available on: <https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security.html>.

¹ The payment is reviewed quarterly (Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec) and any increase in cost of living is based on the CPI.
² The maximum annual income is the income level at which you cannot receive the Old Age Security (OAS) pension or benefits. The amount of your Old Age Security pension is determined by how long you have lived in Canada after the age of 18. To find out how OAS is calculated, go to: <https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security/benefit-amount.html>.

CANADA PENSION PLAN

The yearly maximum pensionable earnings (YMPE) increased in 2023 to \$66,600 from \$64,900 in 2022. The basic exemption remains unchanged at \$3,500, while the contribution rate increased from 5.70% to 5.95%. This concludes the gradual contribution rate increases associated with Phase 1 of the CPP enhancement that began in 2019.

Starting in 2024, Phase 2 of the CPP enhancement will begin by introducing a second higher limit known as the Year's Additional Maximum Pensionable Earnings. This will not replace the first earnings ceiling but rather employees and employers will each contribute at the rate of 4% on earnings between the YMPE and the second higher limit.

The value of the second earnings ceiling is based on the YMPE. In 2024, the second earnings ceiling will be set at an amount that is 7% higher than the YMPE. It will rise to 14% above the YMPE in 2025 and the years after. Like the YMPE, the second earnings ceiling will increase each year to reflect wage growth.

Your age when you want to take your pension and the length of time you have contributed to CPP will determine your monthly payment amount. If you take your pension before the age of 65, it is reduced by 0.6% for each month you receive it before age 65 (7.2% per year). If you take your pension after age 65, it is increased by 0.7% for each month after age 65 that you delay receiving it up to age 70 (8.4% per year, up to a maximum increase of 42%).

For 2023, the indexation rate for benefits is 6.5%.

Canada Pension Plan Contributions & Benefits	2023	2022
Yearly Maximum Pensionable Earnings (YMPE)	\$66,600	\$64,900
Basic Exemption	\$3,500	\$3,500
Contribution Rate		
Employer	5.95%	5.70%
Employee	5.95%	5.70%
Self-employed	11.90%	11.40%
Annual Contributions (maximum)		
Employer	\$3,754.45	\$3,499.80
Employee	\$3,754.45	\$3,499.80
Self-employed	\$7,508.90	\$6,999.60
Retirement Benefit (maximum at age 65)	\$1,306.57/month	\$1,253.59/month
Death Benefits		
Lump sum	\$2,500	\$2,500
Survivor's Benefit (maximum under age 65)	\$707.95/month	\$674.79/month
Survivor's Benefit (maximum age 65 or over)	\$783.94/month	\$752.15/month
Orphan (per child)	\$281.72/month	\$264.53/month
Disability Benefits		
Contributor (maximum)	\$1,538.67/month	\$1,464.83/month
Child (per child)	\$281.72/month	\$264.53/month

Detailed information on the current elements of CPP may be found on: <https://www.canada.ca/en/services/benefits/publicpensions/cpp.html>.

QUEBEC PENSION PLAN

Quebec Pension Plan Contributions & Benefits	2023	2022
Yearly Maximum Pensionable Earnings (YMPE)	\$66,600	\$64,900
Basic Exemption	\$3,500	\$3,500
Contribution Rate		
Employer	6.40%	6.15%
Employee	6.40%	6.15%
Self-employed	12.80%	12.30%
Annual Contributions (maximum)		
Employer	\$4,038.40	\$3,766.10
Employee	\$4,038.40	\$3,766.10
Self-employed	\$8,076.80	\$7,552.20
Retirement Benefit (maximum at age 65)	\$1,306.57/month	\$1,253.59/month
Death Benefits		
Lump sum	\$2,500	\$2,500
Surviving Spouse (maximum under age 45)		
• Has no dependent child and is not disabled	\$649.20/month	\$602.86/month
• Has a dependent child and is not disabled	\$1,024.88/month	\$955.61/month
• Is disabled with or without a dependent child	\$1,064.81/month	\$993.10/month
Spouse (maximum age 45 to 64)	\$1,064.81/month	\$993.10/month
Spouse (maximum age 65 and over)	\$804.13/month	\$746.65/month
Orphan (per child)	\$281.72/month	\$264.53/month
Disability Benefits		
Contributor (maximum)	\$1,537.13/month	\$1,463.83/month
Child (per child)	\$89.45/month	\$83.99/month

Detailed information on the current elements of QPP may be found on:
https://www.rrq.gouv.qc.ca/en/retraite/rrq/regime_chiffres/Pages/regime_chiffres.aspx.

EMPLOYMENT INSURANCE

The maximum yearly insurable earnings for Employment Insurance increased for 2023 to \$61,500 and the employee contribution amount increased to 1.63%. The maximum weekly benefit increased to \$650 per week from \$638; the benefit is still equal to 55% of insured earnings.

Employment Insurance Sickness Benefits have been extended from 15 weeks to 26 weeks effective December 18, 2022.

Employment Insurance Benefits	2023	2022
Maximum yearly insurable earnings	\$61,500	\$60,300
Maximum weekly benefit based on 55% of average insured earnings	\$650	\$638
Required Employee Contributions		
As a percentage of insurable earnings	1.63%	1.58%
Maximum employee contribution per annum	\$1,002.45	\$952.74

Required Employer Contributions

Premium reduced for registered wage loss replacement plan¹

As a multiple of employee contribution – no registered premium reduction program	1.40	1.40
As a multiple of employee contribution – with registered premium reduction program	1.249	1.257
As a percentage of insurable earnings – no registered premium reduction program	2.282%	2.212%
As a percentage of insurable earnings – with registered premium reduction program	2.036%	1.986%
Maximum employer contribution per annum – no registered premium reduction program	\$1,403.43	\$1,333.84
Maximum employer contribution per annum – with registered premium reduction program	\$1,252.06	\$1,197.59

Registered wage loss replacement plan eligible for a partial rate reduction (cumulative paid sick leave/pregnancy plans that allow for a minimum monthly accumulation of one day and for a maximum accumulation of at least 75 days).

- Qualifying plans must provide benefits at least as generous as EI sickness benefits.
- Additional premium reductions are available based on four distinct categories of qualifying paid sick leave plans. Premium reductions range from \$0.23 to \$0.40 per \$100 of insurable earnings.

More information on Employment Insurance is available on the Service Canada website: <https://www.canada.ca/en/services/benefits/ei.html>. As of December 3, 2017, Employment Insurance special benefits for Parents of Critically Ill Children (PICIC) have been replaced by the Family Caregiver Benefit for Children. Maximum benefit period is 35 weeks. More information is available here: <https://www.canada.ca/en/services/benefits/ei/caregiving.html>.

¹Based on a Category 1 Cumulative Sick Leave Plan

QUEBEC EMPLOYMENT INSURANCE

The maximum yearly insurable earnings for Employment Insurance increased for 2023 to \$61,500 and the employee contribution amount increased to 1.27% (2023) from 1.20% (2022). The maximum weekly benefit increased to \$650 per week from \$638; the benefit is still equal to 55% of insured earnings.

Employment Insurance Benefits	2023	2022
Maximum yearly insurable earnings	\$61,500	\$60,300
Maximum weekly benefit based on 55% of average insured earnings	\$650	\$638
Required Employee Contributions		
As a percentage of insurable earnings	1.27%	1.20%
Maximum employee contribution per annum	\$781.05	\$723.60
Required Employer Contributions		
Premium reduced for registered wage loss replacement plan ¹		
As a multiple of employee contribution – no registered premium reduction program	1.40	1.40
As a multiple of employee contribution – with registered premium reduction program	1.206	1.211
As a percentage of insurable earnings – no registered premium reduction program	1.778%	1.680%
As a percentage of insurable earnings – with registered premium reduction program	1.532%	1.453%
Maximum employer contribution per annum – no registered premium reduction program	\$1,093.47	\$1,013.04
Maximum employer contribution per annum – with registered premium reduction program	\$941.95	\$876.28

More information on Employment Insurance is available on the Service Canada website: <https://www.canada.ca/en/services/benefits/ei.html>.

¹ Based on a Category 1 Cumulative Sick Leave Plan

QUEBEC PARENTAL INSURANCE PLAN

The Quebec Parental Insurance Plan (QPIP) provides temporary income support to eligible workers due to being a parent of a newborn or for leave concerning an adopted child.

Basic Plan

Child is born or adopted on or after Jan 1, 2021

Maternity Benefits (non-sharable)	70% of average weekly earnings to a maximum benefit of \$1,225.00 per week for up to 18 weeks
Paternity Benefits (non-sharable)	70% of average weekly earnings to a maximum benefit of \$1,225.00 per week for up to 5 weeks
Parental Benefits (sharable)	70% of average weekly earnings to a maximum benefit of \$1,225.00 per week for up to first 7 weeks 55% of average weekly earnings to a maximum benefit of \$962.50 per week for up to next 25 weeks 55% of average weekly earnings to a maximum benefit of \$962.50 per week for up to 4 additional weeks once 8 shareable parental benefit weeks have been paid to each parent
Parental Benefits for Multiple Births (non-sharable)	70% of average weekly earnings to a maximum benefit of \$1,225.00 per week for up to 5 weeks to each parent
Adoption Benefits (non-sharable)	70% of average weekly earnings to a maximum benefit of \$1,225.00 per week for up to 5 weeks to each parent
Adoption-Related Welcome and Support Benefits (sharable)	70% of average weekly earnings to a maximum benefit of \$1,225.00 per week for up to 13 weeks
Adoption Benefits (sharable)	70% of average weekly earnings to a maximum benefit of \$1,225.00 per week for up to first 7 weeks 55% of average weekly earnings to a maximum benefit of \$962.50 per week for up to next 25 weeks 55% of average weekly earnings to a maximum benefit of \$962.50 per week for up to 4 additional weeks once 8 shareable adoption benefit weeks have been paid to each parent
Multiple Adoption Benefits (non-sharable)	70% of average weekly earnings to a maximum benefit of \$1,225.00 per week for up to 5 weeks to each parent

More information on the Quebec Parental Insurance Plan is available on:
<https://www.rqap.gouv.qc.ca/en/what-is-the-quebec-parental-insurance-plan>.

QUEBEC PARENTAL INSURANCE PLAN (CONT'D)

Basic Plan

Child is born or adopted on or after Jan 1, 2022

Single Parent Parental (non-sharable)	70% of average weekly earnings to a maximum benefit of \$1,225.00 per week for up to 5 weeks
Single Parent Adoption (non-sharable)	70% of average weekly earnings to a maximum benefit of \$1,225.00 per week for up to 5 weeks

Required Contributions	2023	2022
As a percentage of insurance earnings – Employee's maximum premium for 2023 – \$449.54	0.494%	0.494%
As a percentage of insurance earnings – Employer's maximum premium for 2023 – \$629.72	0.692%	0.692%
As a percentage of insurance earnings – Self-Employed maximum premium for 2023– \$798.98	0.878%	0.878%
Maximum insurable income	\$91,000	\$88,000

PREMIUM TAX RATES

Employer sponsored insurance plans are subject to taxes – federal and/or provincial. The table outlines the types of tax charged to plan sponsors as of January 1, 2023.

Plan member resides in:	Premium Tax		Provincial Sales Tax					GST/HST - based on place of supply
	Individual and group insurance premium	ASO plans, HCSAs and Cost Plus	Premiums on group insurance	Claims for ASO, HCSAs and Cost Plus	Fees on ASO plans with pooling, HCSAs and Cost Plus	Fees on ASO plans without pooling	EFAPs and other fee-for-service products	Fees on ASO plans without pooling, EFAPs and other fee-for-service products
AB	3%							5%
BC	2%							5%
MB	2%		7% RST (except health and dental)					5%
NB	2%							15%
NL	5%	5%						15%
NS	3%							15%
ON	2%	2% (except taxable ASO disability income claims and fees)	8% RST	8% RST (except taxable ASO disability income claims)	8% RST	8% RST (when the place of supply is a GST jurisdiction)		13%
PEI	3.75%							15%
QC	3.30%	3.30%	9% QTIP	9% QTIP	9% QTIP	9.975% QST (when the place of supply is Quebec)	9.975% QST (when the place of supply is Quebec)	5%
SK	3%							5%
NWT	3%							5%
NU	3%							5%
YT	4%							5%

WORKERS' COMPENSATION¹

Jurisdiction	Maximum Assessable Earnings	Wage Loss Benefits
Alberta	\$102,100	90% of net earnings, based on maximum assessable earnings of \$102,100
British Columbia	\$112,800	90% of net earnings, based on maximum assessable earnings of \$112,800
Manitoba	\$153,380	90% of net average earnings, based on maximum assessable earnings of \$153,380
New Brunswick	\$ 74,800	85% of net earnings, based on maximum assessable earnings of \$74,800
Newfoundland & Labrador	\$ 72,870	85% of net average earnings, based on maximum assessable earnings of \$72,870
Nova Scotia	\$69,800	Temporary earnings replacement benefit (TERB) calculated at 75% of net earnings for the first 26 weeks, increasing to 85% of net earnings thereafter, based on maximum assessable earnings of \$69,800
Ontario	\$110,000	Loss of earnings benefit (LOE) calculated at 85% of net average earnings, based on maximum assessable earnings of \$110,000
Prince Edward Island	\$65,000	90% of net annual earnings, based on maximum assessable earnings of \$65,000
Quebec	\$91,000	90% of net wages for first 14 days (paid by employer), and then 90% of net income, based on maximum assessable earnings of \$91,000
Saskatchewan	\$96,945	90% of average net earnings, based on maximum assessable earnings of \$96,945
Northwest Territory and Nunavut	\$107,400	90% of net earnings, based on maximum assessable earnings of \$107,400
Yukon	\$98,093	75% of gross earnings, based on maximum assessable earnings of \$98,093

¹ Workers' Compensation benefits are funded by employers. Premiums will vary by industrial sector in each province and by classification or ratings group. Employers pay premiums based on the insurable earnings of employees, up to the maximum assessable earnings amount (plus personal coverage, if any). The cost of coverage is usually per \$100 of insurable earnings based on the average losses in each group, subject to a minimum amount. In some jurisdictions, premiums are adjusted using an experience rating factor, which compares an individual employer to the average of other employers in the same ratings group. In some cases (e.g., Manitoba), employees may be entitled to 100% of their pre-injury earnings, if such earnings are less than or equal to a minimum annual earnings threshold.

DOLLAR LIMITS ON RETIREMENT SAVINGS CONTRIBUTIONS

Registered Pension Plan (RPP) contributions, in respect of a money purchase, or defined contribution pension plan, are based on the lesser of the current year RPP dollar, or money purchase, limit and 18% of the current year's earnings. The pension adjustment (PA) for defined contribution pension plans and deferred profit sharing plans (DPSP) is equal to the contributions made to the RPP (money purchase only) or DPSP for each member. The PA will reduce the amount of RRSP contributions for the next year.

The maximum benefit accrual for defined benefit pension plans in 2023 is **\$3,506.67**.

Registered retirement savings plan (RRSP) contributions are based on the lesser of the current year RRSP limit or 18% of the previous year's earned income.

The DPSP contribution limit for the year is based on the lesser of 50% of the current year's RPP dollar limit or 18% of earnings in that year. The Tax-Free Savings Account (TFSA) limit for 2023 is \$6,500 plus any unused contribution from the program's introduction in 2009. The current TFSA maximum for all years is \$88,000.

Tax Year	Registered Pension Plan (RPP)	Deferred Profit Sharing Plan (DPSP)	Registered Retirement Savings Plan (RRSP)
1996-2002	\$13,500	\$6,750	\$13,500
2003	\$15,500	\$7,750	\$14,500
2004	\$16,500	\$8,250	\$15,500
2005	\$18,000	\$9,000	\$16,500
2006	\$19,000	\$9,500	\$18,000
2007	\$20,000	\$10,000	\$19,000
2008	\$21,000	\$10,500	\$20,000
2009	\$22,000	\$11,000	\$21,000
2010	\$22,450	\$11,225	\$22,000
2011	\$22,970	\$11,485	\$22,450
2012	\$23,820	\$11,910	\$22,970
2013	\$24,270	\$12,135	\$23,820
2014	\$24,930	\$12,465	\$24,270
2015	\$25,370	\$12,685	\$24,930
2016	\$26,010	\$13,005	\$25,370
2017	\$26,230	\$13,115	\$26,010
2018	\$26,500	\$13,250	\$26,230
2019	\$27,230	\$13,615	\$26,500
2020	\$27,830	\$13,915	\$27,230
2021	\$29,210	\$14,605	\$27,830
2022	\$30,780	\$15,390	\$29,210
2023	\$31,560	\$15,780	\$30,780

RETIREMENT INCOME FUND WITHDRAWAL PERCENTAGES

Age as at Jan 1, 2023	RIF/LIF Minimum Withdrawal Percentage	LIF Maximum Withdrawal Percentage		
		AB ¹ , BC ¹ , NB, NL ¹ and ON ¹	MB ² , NS and QC	Federal (PBSA)
50	2.50%	6.27%	6.10%	4.77%
51	2.56%	6.31%	6.10%	4.81%
52	2.63%	6.35%	6.10%	4.85%
53	2.70%	6.40%	6.10%	4.89%
54	2.78%	6.45%	6.10%	4.94%
55	2.86%	6.51%	6.40%	4.98%
56	2.94%	6.57%	6.50%	5.04%
57	3.03%	6.63%	6.50%	5.10%
58	3.13%	6.70%	6.60%	5.16%
59	3.23%	6.77%	6.70%	5.23%
60	3.33%	6.85%	6.70%	5.30%
61	3.45%	6.94%	6.80%	5.38%
62	3.57%	7.04%	6.90%	5.47%
63	3.70%	7.14%	7.00%	5.57%
64	3.85%	7.26%	7.10%	5.67%
65	4.00%	7.38%	7.20%	5.79%
66	4.17%	7.52%	7.30%	5.92%
67	4.35%	7.67%	7.40%	6.06%
68	4.55%	7.83%	7.60%	6.22%
69	4.76%	8.02%	7.70%	6.40%
70	5.00%	8.22%	7.90%	6.61%
71	5.28%	8.45%	8.10%	6.83%
72	5.40%	8.71%	8.30%	7.10%
73	5.53%	9.00%	8.50%	7.39%
74	5.67%	9.34%	8.80%	7.74%
75	5.82%	9.71%	9.10%	8.14%
76	5.98%	10.15%	9.40%	8.60%
77	6.17%	10.66%	9.80%	9.14%
78	6.36%	11.25%	10.30%	9.76%
79	6.58%	11.96%	10.80%	10.50%
80	6.82%	12.82%	11.50%	11.39%
81	7.08%	13.87%	12.10%	12.48%
82	7.38%	15.19%	12.90%	13.84%
83	7.71%	16.90%	13.80%	15.59%
84	8.08%	19.19%	14.80%	17.93%

RETIREMENT INCOME FUND WITHDRAWAL PERCENTAGES (CONT'D)

Age as at Jan 1, 2023	RIF/LIF Minimum Withdrawal Percentage	LIF Maximum Withdrawal Percentage		
		AB ¹ , BC ¹ , NB, NL ¹ and ON ¹	MB ² , NS and QC	Federal (PBSA)
85	8.51%	22.40%	16.00%	21.21%
86	8.99%	27.23%	17.30%	26.13%
87	9.55%	35.29%	18.90%	34.33%
88	10.21%	51.46%	20.00%	50.74%
89	10.99%	100.00%	20.00%	100.00%
90	11.92%	100.00%	20.00%	100.00%
91	13.06%	100.00%	20.00%	100.00%
92	14.49%	100.00%	20.00%	100.00%
93	16.34%	100.00%	20.00%	100.00%
94	18.79%	100.00%	20.00%	100.00%
95 and above	20.00%	100.00%	20.00%	100.00%

The percentages indicated above are based on a formula using a CANSIM interest rate of 6.00%, with the exception of Federal (PBSA) which uses a CANSIM interest rate of 3.02% (effective November 2022).

Please note that the rates indicated are for illustrative purposes only. The rates are subject to change at least annually and may vary by jurisdiction.

NOTE: LIF clients who begin a LIF in the middle of a calendar year with funds that were transferred from a LIRA or pension plan are permitted to take the FULL maximum payment for the year, according to pension legislation in **Quebec, Manitoba, New Brunswick, Alberta & British Columbia**. In other jurisdictions, first year payments must be prorated according to the number of months the LIF was in force.

¹ The Alberta, British Columbia, Newfoundland and Labrador and Ontario LIF maximum calculation is based on the greater of 1) the result using the factor, or 2) the investment returns from the previous year.

² The Manitoba LIF maximum calculation is based on the greater of 1) the result using the applied factor, and 2) the previous year's net investment returns under the LIF contract plus 6.00% of all amounts transferred to the LIF during the current year from a LIRA or pension plan provided the amounts were not previously in a LIF or LRIF.

COMPASSIONATE CARE LEAVE

Jurisdiction	Maximum Length of Leave Provision¹
Federal	28 weeks unpaid to provide care or support to a family member, with a medical certificate from a medical doctor or nurse practitioner stating that a serious medical condition exists with a significant risk of death within 26 weeks. Must be taken in at least 1 week blocks. The leave entitlement ends if: 28 weeks of leave has been completed, family member dies or no longer requires support, or a 52 week period has elapsed since the leave began.
Alberta	27 weeks unpaid to provide care or support to a gravely ill family member, with a medical certificate stating there is a significant risk of dying within 26 weeks. Must be taken in at least 1 week blocks. Employee must be employed for at least 90 days with the same employer to be eligible. The leave entitlement ends if: the family member passes away, the employee ceases to provide care for the family member, or 27 weeks of leave has been completed.
British Columbia	27 weeks unpaid to provide care and support to a family member, with a certificate from a medical practitioner or nurse practitioner stating there is a significant risk of death within 26 weeks. Must be taken in at least 1 week blocks. Can be extended with another doctor's note. The leave entitlement ends if: 27 weeks of leave has been completed, a 52 week period since the beginning of the leave has elapsed or if the family member has passed away.
Manitoba	28 weeks unpaid to support a critically ill family member, with a certificate from a doctor stating that the family member has a serious medical condition and there is a significant risk of death within 26 weeks. Can be broken into a maximum of 2 periods (that must be at least 1 week long). Employee must be employed for at least 90 days with the same employer to be eligible.
New Brunswick	28 weeks unpaid to support a person in a close family relationship, with a written note from a certified medical practitioner stating that a person in a close family relationship has a serious medical condition and there is a significant risk of death within 28 weeks. Must be taken in at least 1 week blocks. The leave entitlement ends if: the family member passes away or 28 weeks of leave has been completed.
Newfoundland & Labrador	28 weeks unpaid, with a medical certificate from a medical practitioner or nurse practitioner stating that a family member has a serious medical condition and there is a significant risk of death within 26 weeks. Employee must be employed for at least 30 days to be eligible. Must be taken in at least 1 week blocks. In exceptional circumstances, 3 additional unpaid days may be granted if the family member passes away. The leave entitlement ends if: the family member has passed away, 28 weeks of leave have been completed or a 52 week period from the beginning of the leave has elapsed. An employee must give at least 2 weeks of notice prior to taking the leave, unless there is a valid reason why that notice cannot be given.
Nova Scotia	28 weeks unpaid to care for a seriously ill family member, with medical practitioner's certificate stating that the family member has a serious medical condition and there is a significant risk of death within 26 weeks. Must be taken in at least 1 week blocks. Employee must be employed at least 3 months with the same employer to be eligible. The leave entitlement ends if: the family member has passed away or a 52 week period from the beginning of the leave has elapsed.

¹ Regardless of the maximum length of leave, an employee will only be entitled to leave for the actual period that they are providing care and support if shorter than the maximum length of leave.

COMPASSIONATE CARE LEAVE (CONT'D)

Jurisdiction	Length of Leave Provision ¹
Ontario	Family Medical Leave: 28 weeks unpaid to care or support a family member, with a qualified health practitioner's certificate stating there is significant risk of death within 26 weeks. Must be taken in at least 1 week blocks. The leave entitlement ends if: the family member passes away, 28 weeks of leave is completed or a 52 week period since the beginning of the leave has elapsed.
Prince Edward Island	28 weeks unpaid to provide care or support for a family member, with a medical practitioner's certificate stating a family member has a serious medical condition and a significant risk of death exists within 26 weeks. Must be taken in at least 1 week blocks. The leave entitlement ends if: the family member passes away or 28 weeks of leave is completed.
Quebec	16 weeks unpaid over a period of 12 months, due to serious illness or accident of a relative or person receiving care by the employee. This may be increased to 36 weeks over 12 months if the person is a minor child. If the minor child has a serious or potentially fatal illness, the leave entitlement may be extended to 104 weeks. 27 weeks unpaid over 12 months due to serious or potentially fatal illness for a relative or person receiving care from the employee (other than their minor child).
Saskatchewan	28 weeks unpaid to care for a family member, who has a serious medical condition with a significant risk of death within 26 weeks. Must be taken in at least 1 week blocks. Employee must have worked with the same employer for more than 13 consecutive weeks to be eligible. At the employer's request, the employee must provide a doctor's note. The leave entitlement ends if: the employee is no longer providing care to the family member, 28 weeks of leave has been completed within a 52 week period, or the family member has passed away.
Northwest Territories	27 weeks unpaid to provide care or support to a family member, who has a serious medical condition with a significant risk of death within 27 weeks. An employee must submit a medical certificate confirming this if requested by the employer. Must be taken in at least 1 week blocks. The leave entitlement ends if: the family member has passed away, 27 weeks of leave have been completed or a 52 week period since the beginning of the leave has elapsed.
Nunavut	8 weeks unpaid to care for a family member, with a medical practitioner's certificate stating a family member has a serious medical condition and there is a significant risk of death within 26 weeks. The leave entitlement ends if: 26 weeks after the leave begins have elapsed, 8 weeks of leave have been completed or the family member has passed away. Leaves must be taken in 1 week periods.
Yukon	28 weeks unpaid to provide care or support to a family member of the employee if a medical practitioner or nurse practitioner issues a certificate stating that the family member has a serious medical condition with a significant risk of death within 26 weeks from the day the certificate was issued. The leave entitlement ends if: 26 weeks within a 52 week period after the leave begins has elapsed or the family member has passed away.

¹ Regardless of the maximum length of leave, an employee will only be entitled to leave for the actual period that they are providing care and support if shorter than the maximum length of leave.

PREMIUMS FOR PROVINCIAL MEDICAL PLANS/ EMPLOYER HEALTH TAX

Province

Payer

Alberta

Resident/Employee

- Premiums eliminated for all residents effective January 1, 2009.

British Columbia

Resident/Employee

- Premiums eliminated for all residents effective January 1, 2020.

Employer

- Effective January 1, 2019, the BC government has implemented the Employer Health Tax (EHT), which applies to all employers and charitable or non-profit employers in BC.

EHT Rates for Business:

Annual Payroll	Tax Rate
\$500,000 or less	0%
\$500,000.01 - \$1,500,000	2.925% x (payroll - \$500,000)
\$1,500,000 +	1.95%

EHT Rates for Non-Profits and Charities:

Annual Payroll	Tax Rate
\$1,500,000 or less	0%
\$1,500,000.01 - \$4,500,000	2.925% x (payroll - \$1,500,000)
\$4,500,000 +	1.95%

Manitoba

Employer

- The Manitoba health premium (called the Health and Post-Secondary Education Tax Levy) is payroll-based and administered through the provincial tax system:

Total Yearly Payroll Amount	Employer Premium
\$0 - \$2,000,000	0%
\$2,000,000 - \$4,000,000	4.3% on amount in excess of \$2,000,000
\$4,000,000 +	2.15% of total payroll

New Brunswick

Resident/Employee

- Uninsured New Brunswick residents who have an active Medicare card can enroll in the New Brunswick Drug Plan. Monthly premiums per adult (ranging from \$5.50 - \$221.67) and 30% co-payment up to a maximum amount per prescription (ranging from \$4-\$33.05). The premiums and maximum co-payment amounts are calculated based on annual family income. Children age 18 and younger do not pay premiums but a parent must be enrolled in the plan. These premiums are for the New Brunswick Drug Plan. See: <https://www2.gnb.ca/content/gnb/en/departments/health/MedicarePrescriptionDrugPlan/NBDrugPlan.html>.

PREMIUMS FOR PROVINCIAL MEDICAL PLANS / EMPLOYER HEALTH TAX (CONT'D)

Province	Payer
Newfoundland & Labrador	Employer – Health and Post Secondary Education Tax <ul style="list-style-type: none"> Payroll tax of 2% for employers with payroll in excess of \$1,300,000.
Nova Scotia	Resident/Employee <ul style="list-style-type: none"> Residents do not pay premiums for Nova Scotia’s Health Insurance Programs. Residents age 65 and over can enroll in the Seniors’ Pharmacare Program if they do not have private or other public drug coverage. Premium is income based with a maximum annual premium of \$424. Premium assistance available. There is also a Family Pharmacare Program for families who have no drug coverage. See: https://novascotia.ca/dhw/pharmacare/family-pharmacare.asp
Ontario	Resident/Employee <ul style="list-style-type: none"> Residents with income of more than \$20,000 are subject to paying the Ontario Health Premium through the tax system. Premium rate varies according to taxable income, up to a maximum of \$900 per tax year for incomes in excess of \$200,600. Employer <ul style="list-style-type: none"> The Ontario Employer Health Tax (EHT) is based on a scale between 0.98% on Ontario payroll up to \$200,000 and up to 1.95% for payroll in excess of \$400,000. The EHT exemption is \$1,000,000 of total payroll (not available to certain employers including those with an Ontario payroll over \$5,000,000).
Quebec	Resident/Employee <ul style="list-style-type: none"> Residents covered under the provincial drug plan (RAMQ) pay an annual premium up to \$710 per adult collected through taxation. Amount adjusted annually on July 1. Individuals who were residents in Quebec on December 31, 2022 may be subject to paying a contribution to the Health Services Fund. First \$15,765 of income is exempt (calculated without reference to certain source of income), with a maximum contribution of \$1,000.

Employer must remit the Quebec Health Services Fund (QHSF).

	Total Payroll (TP)		
	\$1,000,000 or less	\$1,000,001 to \$7,199,999	\$7,200,000 or more
Rates for employers whose total payroll is more than 50% attributable to activities in the primary and manufacturing sectors	1.25%	$0.7645 + (0.4855 \times \text{TP}/1,000,000)$	4.26%
Rates for all employers other than public sector employers and employers whose total payroll is more than 50% attributable to activities in the primary and manufacturing sectors	1.65%	$1.2290 + (0.4210 \times \text{TP}/1,000,000)$	4.26%
Rates for public sector employers	4.26%		

See: <https://www.revenuquebec.ca/en/businesses/source-deductions-and-employer-contributions/calculating-source-deductions-and-employer-contributions/contribution-to-the-health-services-fund/total-payroll-threshold-and-health-services-fund-contribution-rate/>.

There are no health premiums in Prince Edward Island, Saskatchewan, Northwest Territories, Nunavut and Yukon Territory.

TAXABLE INCOME IMPLICATIONS

The following is intended to be a general and non-exhaustive overview of income tax implications to employers and employees:

Old Age Security	Benefit payments are taxable.
Canada/Quebec Pension Plan	Payments taxable; employer contributions deductible. Employee contributions subject to 15% tax credit.
Workers' Compensation	Payments are non-taxable; employer contributions deductible.
Employment Insurance	Benefit payments taxable; employer contributions deductible.
Quebec Parental Insurance Plan	Benefit payments taxable; employer contributions deductible.
Health & Dental Plans	<p>For government plans: taxable to employee if paid by employer; not deductible by the employee. Premiums under some provincial healthcare plans may be eligible for a tax credit on individual contributions.</p> <p>For private health services plans: employers may deduct their contributions, and benefits are not taxable to employees except in Quebec where employer contributions are taxable to employees and qualify for the medical expense tax credit.</p>
Insured Group Sickness / Disability Plans	<p>If an employer pays any portion of the disability premiums, the benefits collected by the employee (in the event of a disability) are taxable (but the employee may reduce the income inclusion by the total amount of any contributions made by the employee before the end of the year).</p> <p>Employer contribution to the disability premium is not a taxable benefit to the employee.</p> <p>If an employee pays 100% of premiums, the benefits collected (in the event of a disability) are non-taxable. However, the premium contributions are not tax deductible to the employee.</p>
Registered Retirement Savings Plans (RRSPs)	<p>18% of earned income in the prior year (up to a maximum of \$30,780 for 2023) can be contributed plus unused contribution room since 1991. Withdrawals are taxed as income in the year withdrawn. Tax-free transfers from a retiring allowance up to \$2,000 per year of service prior to 1996, plus \$1,500 for each year of service prior to 1989 during which employer contributions to either an RPP or DPSP have not vested in the employee.</p> <p>Funds may be withdrawn totally by no later than the end of the year that the participant turns age 71. Funds may be used to provide a monthly pension through a Registered Retirement Income Fund (RRIF) or through the purchase of a life annuity or fixed annuity to age 90.</p>
Group Life Insurance	Net premium paid by the employer for group life insurance and dependent life is considered taxable income to employee. The benefits received by the employee are not taxable.

TAXABLE INCOME IMPLICATIONS (CONT'D)

Accidental Death & Dismemberment (AD&D)

Net premium paid by employer for AD&D is considered taxable income to employee. The benefit received by the employee is not taxable.

Critical Illness (CI)

Net premium paid by the employer for CI is considered taxable income to employee. The benefit received by the employee is not taxable.

Tax-Free Savings Account (TFSA)

Canadian residents 18 years of age and older can contribute up to \$6,500 in 2023, plus any unused TFSA contributions since the program's inception.

Contributions are not deductible from income. Withdrawals can be made at any time and the amount of the withdrawal can be added to the contribution room for the following year. Unused contribution room may be carried forward indefinitely.