



# GOVERNMENT BENEFITS UPDATE **2018**

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



TRG Group Benefits & Pensions Inc.  
Suite 800, 1177 West Hastings Street  
Vancouver, British Columbia, Canada, V6E 2K3  
[www.TRGGroup.com](http://www.TRGGroup.com)

**TRG**  
GROUP BENEFITS

# GOVERNMENT BENEFITS UPDATE 2018

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# HAPPY 2018!

We are excited to start the year off with the release of our 13th annual Government Benefits Update. As in prior years, our update offers a high level summary of public policy changes that may intersect with your benefit plan, retirement plan, HR policies, and compensation strategies.

Several important changes were announced for the coming year and here's a quick summary:

- The YMPE increased to \$55,900 (2018) from \$55,300 (2017)
- The CPP indexation rate for benefits increased to 1.5% (2018) from 1.4% (2017)
- BC MSP premiums is reduced by 50% (\$37.50 one adult; \$75.00 two adults in a family); premium assistance earning less than \$26,000 per year (from \$24,000)
- EI employee contributions (as a percentage of insurable earnings): increased to 1.66% from 1.63% (2017)
- Quebec EI employee contributions (as a percentage of insurable earnings): increased to 1.30% from 1.27% (2017)
- EI Parental Leave extension: Now up to 18 months can be granted for parental/maternity leave (The new rules are automatically in effect for federal workers, giving them the option to take time off, while provincial changes are still needed for the other 92% of Canadian workers. Ontario is currently the only province to adjust its legislation.)

There are numerous changes and tweaks to public policy outlined in our report and we hope you find the information valuable as you craft your business plans and goals for this year and beyond.

TRG strongly believes that benefit plan sustainability can be achieved through advocacy, advice and action. We take these mandates seriously and spend considerable time and energy to deliver on them. We view advocacy as the identification of emerging issues that can negatively impact our plan sponsors and their members. We work tirelessly to drive industry awareness of these issues. Simply put, we identify benefit plan risks and associated business risks and work with our industry to develop solutions for our clients. Our independent advice is oriented around education as we believe it is the fundamental element in knowing the drivers of current state trends and emerging headwinds. Finally, educated clients can now proceed with action as they have more confidence and a deeper understanding of the complex benefits world.

From our TRG family to yours, we wish you a prosperous and wonderful 2018.



Robert J. Taylor  
Managing Director

The data and information illustrated in our 2018 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.

# 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.

<b>Benefit</b>	<b>Maximum Monthly Benefit Jan - Mar 2018<sup>1</sup></b>	<b>Maximum Annual Income Jan - Mar 2018<sup>2</sup></b>
<b>Old Age Security Pension (OAS) regardless of marital status</b>	\$586.66	\$122,843 (individual income)
<b>Guaranteed Income Supplement (GIS)</b>		
Single person, widowed or divorced pensioner	\$876.23	\$17,784 (individual income)
Spouse/common-law partner of a non-pensioner	\$876.23	\$42,624 (combined income)
Spouse/common-law partner of a pensioner	\$527.48	\$23,520 (combined income)
Spouse/common-law partner of an allowance recipient	\$527.48	\$42,624 (combined income)
<b>Allowance</b>	\$1,114.14	\$32,928 (combined income)
<b>Allowance for the survivor</b>	\$1,328.08	\$23,952 (individual income)

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

<sup>1</sup>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.

<sup>2</sup>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/payments.html>

# CANADA PENSION PLAN

The yearly maximum pensionable earnings (YMPE) will increase in 2018 to \$55,900 from \$55,300 in 2017. The basic exemption, along with the contribution rates, will remain unchanged at \$3,500.

Over the next several years, contribution rates will continue to increase. From 2019 to 2023, there will be a 1% increase (from 4.95% to 5.95%) in the employee's contribution rate on earnings between \$3,500 to the original earnings limit.

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).

For 2018, the indexation rate for benefits is 1.5%.

<b>Canada Pension Plan Contributions &amp; Benefits</b>	<b>2018</b>	<b>2017</b>
<b>Yearly Maximum Pensionable Earnings (YMPE)</b>	\$55,900	\$55,300
<b>Basic Exemption</b>	\$3,500	\$3,500
<b>Contribution Rate*</b>		
Employer	4.95%	4.95%
Employee	4.95%	4.95%
Self-employed	9.90%	9.90%
<b>Annual Contributions (maximum)</b>		
Employer	\$2,593.80	\$2,564.10
Employee	\$2,593.80	\$2,564.10
Self-employed	\$5,187.60	\$5,128.20
Retirement Benefit (maximum at age 65)	\$1,134.17/month	\$1,114.17/month
<b>Death Benefits</b>		
Lump sum	\$2,500	\$2,500
Survivor's Benefit (maximum under age 65)	\$614.62/month	\$604.32/month
Survivor's Benefit (maximum age 65 or over)	\$680.50/month	\$668.50/month
Orphan (per child)	\$244.64/month	\$241.02/month
<b>Disability Benefits</b>		
Contributor (maximum)	\$1,335.83/month	\$1,313.66/month
Child (per child)	\$244.64/month	\$241.02/month

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

## COMING CHANGES TO CPP CONTRIBUTIONS

- From 2019 to 2023, there will be a 1% increase (from 4.95% to 5.95%) in the employee's contribution rate on earnings between \$3,500 to the original earnings limit.
- In 2024, employees will start to contribute 4% on an additional range of earnings, starting at the **original earnings limit** (estimated to be \$69,700 in 2025) and go to the **additional earnings limit**, which will be 14% higher by 2025 (estimated to be \$79,400).

More information can be found here: <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-enhancement.html>

# QUEBEC PENSION PLAN

<b>Quebec Pension Plan Contributions &amp; Benefits</b>	<b>2018</b>	<b>2017</b>
<b>Yearly Maximum Pensionable Earnings (YMPE)</b>	\$55,900	\$55,300
<b>Basic Exemption</b>	\$3,500	\$3,500
<b>Contribution Rate</b>		
Employer	5.40%	5.40%
Employee	5.40%	5.40%
Self-employed	10.80%	10.80%
<b>Annual Contributions (maximum)</b>		
Employer	\$2,829.60	\$2,797.20
Employee	\$2,829.60	\$2,797.20
Self-employed	\$5,659.20	\$5,594.40
Retirement Benefit (maximum at age 65)	\$1,134.17/month	\$1,114.17/month
<b>Death Benefits</b>		
Lump sum	\$2,500	\$2,500
Surviving Spouse (maximum under age 45)		
• Has no dependent child and is not disabled	\$549.57/month	\$540.23/month
• Has a dependent child and is not disabled	\$875.80/month	\$861.64/month
• Is disabled with or without a dependent child	\$910.48/month	\$895.81/month
Spouse (maximum age 45 to 64)	\$910.48/month	\$895.81/month
Spouse (maximum age 65 and over)	\$680.50/month	\$668.50/month
Orphan (per child)	\$244.64/month	\$241.02/month
<b>Disability Benefits</b>		
Contributor (maximum)	\$1,335.80/month	\$1,313.63/month
Child (per child)	\$77.67/month	\$76.52/month

Detailed information on the current elements of QPP may be found on:  
[https://www.rrq.gouv.qc.ca/en/programmes/regime\\_rentes/regime\\_chiffres/Pages/regime\\_chiffres.aspx](https://www.rrq.gouv.qc.ca/en/programmes/regime_rentes/regime_chiffres/Pages/regime_chiffres.aspx)

## EMPLOYMENT INSURANCE

The maximum yearly insurable earnings for Employment Insurance increases for 2018 to \$51,700 and the contribution amount will increase marginally. The maximum weekly benefit increases to \$547 per week from \$543; the benefit is still equal to 55% of insured earnings.

<b>Employment Insurance Benefits</b>	<b>2018</b>	<b>2017</b>
<b>Maximum yearly insurable earnings</b>	\$51,700	\$51,300
<b>Maximum weekly benefit based on 55% of average insured earnings</b>	\$547	\$543
<b>Required Employee Contributions</b>		
As a percentage of insurable earnings	1.66%	1.63%
Maximum employee contribution per annum	\$858.22	\$836.19
<b>Required Employer Contributions</b>		
Premium reduced for registered wage loss replacement plan <sup>1</sup>		
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	1.273	1.274
As a percentage of insurable earnings – no registered premium reduction program	2.324%	2.282%
As a percentage of insurable earnings – with registered premium reduction program	2.113%	2.077%
Maximum employer contribution per annum – no registered premium reduction program	\$1,201.51	\$1,170.67
Maximum employer contribution per annum – with registered premium reduction program	\$1,092.51	\$1,065.31

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 \$0.21 to \$0.39 per \$100 of insurable earnings.

More information on Employment Insurance is available on the Service Canada website: <http://www.servicecanada.gc.ca/eng/sc/ei/index.shtml>  
As of December 3, 2017, Employment Insurance special benefits for Parents of Critically Ill Children (PCIC) 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/ei-critically-ill-children.html>

<sup>1</sup>Based on a Category 1 Cumulative Sick Leave Plan



# QUEBEC EMPLOYMENT INSURANCE

The maximum yearly insurable earnings for Employment Insurance increases for 2018 to \$51,700 and the contribution amount will increase marginally. The maximum weekly benefit increases to \$547 per week from \$543; the benefit is still equal to 55% of insured earnings.

<b>Employment Insurance Benefits</b>	<b>2018</b>	<b>2017</b>
<b>Maximum yearly insurable earnings</b>	\$51,700	\$51,300
<b>Maximum weekly benefit based on 55% of average insured earnings</b>	\$547	\$543
<b>Required Employee Contributions</b>		
As a percentage of insurable earnings	1.30%	1.27%
Maximum employee contribution per annum	\$672.10	\$651.51
<b>Required Employer Contributions</b>		
Premium reduced for registered wage loss replacement plan <sup>1</sup>		
As a multiple of employee contribution – with no registered premium reduction program	1.40	1.40
As a multiple of employee contribution – with registered premium reduction program	1.238	1.238
As a percentage of insurable earnings – no registered premium reduction program	1.820%	1.778%
As a percentage of insurable earnings – with registered premium reduction program	1.609%	1.572%
Maximum employer contribution per annum – no registered premium reduction program	\$940.94	\$912.11
Maximum employer contribution per annum – with registered premium reduction program	\$832.06	\$806.57

More information on Quebec Employment Insurance is available the Revenue Quebec website:  
<http://www.revenuquebec.ca/en/entreprises/ras/casparticuliers/typesremu/asemploi.aspx>.

<sup>1</sup>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

Maternity Benefits	70% of average weekly earnings to a maximum benefit of \$996.15 per week for up to 18 weeks
Paternity Benefits	70% of average weekly earnings to a maximum benefit of \$996.15 per week for up to 5 weeks
Parental Benefits	70% of average weekly earnings to a maximum benefit of \$996.15 per week for up to 7 weeks 55% of average weekly earnings to a maximum benefit of \$782.69 per week for up to 25 additional weeks
Adoption Benefits	70% of average weekly earnings to a maximum benefit of \$996.15 per week for up to 12 weeks 55% of average weekly earnings to a maximum benefit of \$782.69 per week for up to 25 additional weeks

Required Contributions	2018	2017
As a percentage of insurance earnings – Employees Maximum premium - \$405.52	0.548%	0.548%
As a percentage of insurance earnings – Employers Maximum premium - \$567.58	0.767%	0.767%
As a percentage of insurance earnings – Self-Employed Maximum premium - \$720.02	0.973%	0.973%
Maximum insurable income	\$74,000	\$72,500

More information on the Quebec Parental Insurance Plan is available on: [http://rqap.gouv.qc.ca/index\\_en.asp](http://rqap.gouv.qc.ca/index_en.asp)

## PREMIUM TAX RATES

Plan 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, 2018.

Employee 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	EAPs and other fee for service products	Fees on ASO plans without pooling, EAPs and other fee for service products
<b>AB</b>	3%							5%
<b>BC</b>	2%							5%
<b>MB</b>	2%		8% RST (except health and dental)					5%
<b>NB</b>	2%							15%
<b>NL</b>	5%	5%						15%
<b>NS</b>	3%							15%
<b>ON</b>	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%
<b>PE</b>	3.75%							15%
<b>QC</b>	3.48%	3.48%	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%
<b>SK</b>	3%		6% PST	6% PST	6% PST			5%
<b>NT</b>	3%							5%
<b>NU</b>	3%							5%
<b>YT</b>	2%							5%

# WORKERS' COMPENSATION<sup>1</sup>

<b>Jurisdiction</b>	<b>Maximum Assessable Earnings</b>	<b>Wage Loss Benefits</b>
Alberta	\$98,700	90% of net earnings, based on maximum assessable earnings of \$98,700
British Columbia	\$82,700	90% of net average earnings, based on maximum assessable earnings of \$82,700
Manitoba	\$127,000	90% of net average earnings, based on maximum assessable earnings of \$127,000
New Brunswick	\$63,600	85% of net earnings, based on maximum assessable earnings of \$63,600
Newfoundland & Labrador	\$64,375	80% of net average earnings, based on maximum assessable earnings of \$64,375
Nova Scotia	\$59,800	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 \$59,800
Ontario	\$90,300	Loss of earnings benefit (LOE) calculated at 85% of net earnings, based on maximum assessable earnings of \$90,300
Prince Edward Island	\$53,400	85% of net earnings, based on maximum assessable earnings of \$53,400
Quebec	\$74,000	90% of net earnings, based on maximum assessable earnings of \$74,000
Saskatchewan	\$82,627	90% of net earnings, based on maximum assessable earnings of \$82,627
Northwest Territories and Nunavut	\$90,600	90% of net earnings, based on maximum assessable earnings of \$90,600
Yukon	\$86,971	75% of gross earnings, based on maximum assessable earnings of \$86,971

<sup>1</sup> 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.

# DOLLAR LIMITS ON RETIREMENT SAVINGS CONTRIBUTIONS

Registered Pension Plan contributions are based on the lesser of the current RPP dollar 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 contribution made to the RPP (Money Purchase only) 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 2018 is **\$2,944.44**.

The registered savings plan contribution limit is based on the lesser of the current year RRSP limit or 18% of the previous year's earned income.

The DPSP contribution 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 2018 is \$5,500 plus any unused contribution from the program's introduction in 2009. The current TFSA maximum for all years is \$57,500.

Tax Year	Registered Pension Plan (RPP)	Registered Profit Sharing Plan (DPSP)	Registered Retired Savings Plan (RRSP)
1996-2002	\$13,500	\$6,750	\$13,500
2003	\$15,500	\$7,750	\$14,500
2004	\$16,500	\$7,750	\$15,500
2005	\$18,000	\$9,000	\$16,500
2006	\$19,500	\$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
<b>2018</b>	<b>\$26,500</b>	<b>\$13,320</b>	<b>\$26,230</b>

# RETIREMENT INCOME FUND WITHDRAWAL PERCENTAGES

Age as at Dec 31, 2017	RIF/LIF Minimum withdrawal percentage	LIF Maximum withdrawal percentage		
		AB <sup>1</sup> , BC <sup>1</sup> , NB, NL <sup>2</sup> and ON <sup>1</sup>	MB <sup>3</sup> , NS and QC	Federal (PBSA)
50	2.50%	6.27%	6.10%	4.34%
51	2.56%	6.31%	6.10%	4.38%
52	2.63%	6.35%	6.10%	4.41%
53	2.70%	6.40%	6.10%	4.45%
54	2.78%	6.45%	6.10%	4.50%
55	2.86%	6.51%	6.40%	4.54%
56	2.94%	6.57%	6.50%	4.59%
57	3.03%	6.63%	6.50%	4.65%
58	3.13%	6.70%	6.60%	4.71%
59	3.23%	6.77%	6.70%	4.77%
60	3.33%	6.85%	6.70%	4.85%
61	3.45%	6.94%	6.80%	4.92%
62	3.57%	7.04%	6.90%	5.01%
63	3.70%	7.14%	7.00%	5.10%
64	3.85%	7.26%	7.10%	5.20%
65	4.00%	7.38%	7.20%	5.32%
66	4.17%	7.52%	7.30%	5.45%
67	4.35%	7.67%	7.40%	5.59%
68	4.55%	7.83%	7.60%	5.74%
69	4.76%	8.02%	7.70%	5.92%
70	5.00%	8.22%	7.90%	6.12%
71	5.28%	8.45%	8.10%	6.35%
72	5.40%	8.71%	8.30%	6.60%
73	5.53%	9.00%	8.50%	6.90%
74	5.67%	9.34%	8.80%	7.25%
75	5.82%	9.71%	9.10%	7.66%
76	5.98%	10.15%	9.40%	8.13%
77	6.17%	10.66%	9.80%	8.67%
78	6.36%	11.25%	10.30%	9.30%
79	6.58%	11.96%	10.80%	10.05%
80	6.82%	12.82%	11.50%	10.94%
81	7.08%	13.87%	12.10%	12.04%
82	7.38%	15.19%	12.90%	13.41%
83	7.71%	16.90%	13.80%	15.17%
84	8.08%	19.19%	14.80%	17.53%

## RETIREMENT INCOME FUND WITHDRAWAL PERCENTAGES (CONT'D)

Age as at Dec 31, 2017	RIF/LIF Minimum withdrawal percentage	LIF Maximum withdrawal percentage		
		AB <sup>1</sup> , BC <sup>1</sup> , NB, NL <sup>2</sup> and ON <sup>1</sup>	MB <sup>3</sup> , NS and QC	Federal (PBSA)
85	8.51%	22.40%	16.00%	20.82%
86	8.99%	27.23%	17.30%	25.77%
87	9.55%	35.29%	18.90%	34.02%
88	10.21%	51.46%	20.00%	50.51%
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 2.06% (effective November 30, 2016). *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.

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

<sup>2</sup> Newfoundland and Labrador LIF members are required to convert their LIFs to a life annuity by the end of the year they reach age 80.

<sup>3</sup> The Manitoba LIF maximum calculation is based on the greater of 1) the result using the applied factor or 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

<b>Jurisdiction</b>	<b>Length of Leave Provision</b>
Federal	Twenty-six weeks unpaid to provide care or support to a family member with a doctor's note stating that it is a serious medical condition with a significant risk of death within 52 weeks.
Alberta	Eight weeks unpaid to provide care or support to a seriously ill family member if the employee is the primary caregiver. Employee must have worked 52 weeks of the year prior to absence.
British Columbia	Eight weeks unpaid, with doctor's note stating that a significant risk of death within 26 weeks. Must be taken in blocks of one or more weeks. Can be extended if family member does not die, with another doctor's note.
Manitoba	Eight weeks unpaid to support a seriously ill family member, with a doctor's note stating that there is a significant risk of death within 26 weeks. Can be broken into two periods, maximum. Must have been employed for at least 30 days.
New Brunswick	Eight weeks, unpaid, with a doctor's note stating a significant risk of death within 26 weeks. Must be taken in blocks of minimum one week.
Newfoundland & Labrador	Eight weeks, unpaid, with a doctor's note stating a significant risk of death within 26 weeks if employed for at least 30 days. In exceptional circumstances, three additional unpaid days may be granted if the family member dies. This leave must be taken in periods of minimum one week.
Nova Scotia	Eight weeks, unpaid, with a doctor's note that there is a significant risk of death within 26 weeks. Must have been employed at least three months.
Ontario	Family Medical Leave: eight weeks, unpaid, with doctor's note that significant risk of death within 26 weeks. Must be taken in entire week periods.
Prince Edward Island	Eight weeks, unpaid, with a doctor's note stating a significant risk of death within 26 weeks. Periods of no less than a week.
Quebec	Up to 12 weeks unpaid in 12 months (can be extended to 104 weeks) if employee has minor child who has serious and potentially terminal illness. This can be extended if child is victim of crime and needs care.
Saskatchewan	Up to 12 weeks unpaid in a year for serious illness/injury, and 12 days for non-serious, with some exceptions, and not for longer than 16 weeks total. Employee must have worked 13 weeks of the year prior to absence. Can be extended to 26 weeks for serious injury if employee is receiving workers' compensation.
Northwest Territories	Eight weeks unpaid with doctor's note proving significant risk of death within 26 weeks. Cannot be broken up into periods shorter than one week.
Nunavut	Eight weeks unpaid to care for family with doctor's note stating significant risk of death in 26 weeks.
Yukon	Eight 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.



# PREMIUMS FOR PROVINCIAL MEDICAL PLANS

<b>Province</b>	<b>Payer</b>								
<b>Alberta</b>	Resident/Employee • Premiums eliminated for all residents effective January 1, 2009.								
<b>British Columbia</b>	Resident/Employee • One Adult: \$37.50/month • Two Adults in a family: \$75.00/month (There are no premiums for children under the age of 19)  Premium assistance may be available for low income individuals or couples/families earning less than \$26,000 per year.								
<b>Manitoba</b>	Employer The Manitoba Health Premium is payroll-based and administered through the provincial tax system: <table border="1" style="margin-left: 20px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Total Yearly Payroll Amount</th> <th style="text-align: left;">Employer Premium</th> </tr> </thead> <tbody> <tr> <td>\$0 - \$1,250,000</td> <td>0%</td> </tr> <tr> <td>\$1,250,000 - \$2,500,000</td> <td>4.3% on amounts in excess of \$1,250,000</td> </tr> <tr> <td>\$2,500,000 +</td> <td>2.15% of total payroll</td> </tr> </tbody> </table>	Total Yearly Payroll Amount	Employer Premium	\$0 - \$1,250,000	0%	\$1,250,000 - \$2,500,000	4.3% on amounts in excess of \$1,250,000	\$2,500,000 +	2.15% of total payroll
Total Yearly Payroll Amount	Employer Premium								
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\$1,250,000 - \$2,500,000	4.3% on amounts in excess of \$1,250,000								
\$2,500,000 +	2.15% of total payroll								
<b>New Brunswick</b>	Resident/Employee • Monthly premiums per adult (ranging from \$16.67 - \$166.67) and 30% copayment up to a maximum amount per prescription (ranging from \$5-\$30). 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.								
<b>Newfoundland &amp; Labrador</b>	Employer • Payroll tax of 2% for employers with payroll in excess of \$1,200,000.								
<b>Nova Scotia</b>	Resident/Employee • Residents do not pay premiums for Nova Scotia’s Health Insurance Programs. Residents age 65 and over can enroll in the Senior’s 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.								

## PREMIUMS FOR PROVINCIAL MEDICAL PLANS (CONT'D)

<b>Province</b>	<b>Payer</b>
<b>Ontario</b>	<p>Resident/Employee</p> <ul style="list-style-type: none"><li>• 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.</li></ul> <p>Employer</p> <ul style="list-style-type: none"><li>• The Ontario Employer Health Tax (EHT) is based on a scale between 0.98% - 1.95% where payroll is \$0 - \$450,000 or more.</li></ul>
<b>Quebec</b>	<p>Resident/Employee</p> <ul style="list-style-type: none"><li>• Residents covered under the provincial drug plan (RAMQ) pay an annual premium up to \$667 per adult collected through taxation.</li><li>• Residents who are at least age 18 by the end of 2017 are subject to the Quebec Health Services Fund. First \$14,545 of income is exempt; maximum contribution is \$1,000.</li></ul> <p>Employer must remit the Quebec Health Services Fund (QHSF)</p> <ul style="list-style-type: none"><li>• All public sector employers pay 4.26%, regardless of their total annual payroll.</li><li>• All other employers pay 4.26% if their annual payroll is over \$5 million; For payroll between \$1 million and \$5 million, they pay a calculated rate; if payroll is less than \$1 million, they pay 2.5%</li><li>• Employers in the primary or manufacturing sectors 1.55% if their payroll is under \$1 million; if their payroll is between \$1 million and \$5 million, they pay a calculated rate.</li></ul>

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

# TAXABLE INCOME IMPLICATIONS

<b>Old Age Security</b>	Benefit payments are taxable.
<b>Canada/Quebec Pension Plan</b>	Payments taxable; employer contributions deductible. Employee contributions subject to 15% tax credit.
<b>Workers' Compensation</b>	Payments are non-taxable; employer contributions deductible.
<b>Employment Insurance</b>	Benefit payments taxable; employer contributions deductible.
<b>Quebec Parental Insurance Plan</b>	Benefit payments taxable; employer contributions deductible.
<b>Health &amp; Dental Expenses</b>	<p>For government plans: taxable to employee if paid by employer and not deductible by the employee. Quebec provides a tax credit on individual contributions.</p> <p>For private 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>
<b>Insured Group Sickness/Disability Plans</b>	<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. 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. Since employee contributions are made with after-tax dollars, the premium contributions are not tax deductible to the employee.</p>
<b>Registered Retirement Savings Plan (RRSP)</b>	<p>18% of earned income in the prior year 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>
<b>Group Life Insurance</b>	Net premium paid by 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 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 \$5,500 in 2017, 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.