

2019

Contributions and benefits



Here are the 2019 parameters for some government programs in Canada that impact the administration or coverage provided by private benefits plans.

For more information, please consult the websites of these programs.

1 Retirement income security system

Canada's retirement income security system has three pillars. Pillars 1 and 2 provide basic retirement income through public plans, while pillar 3 provides complementary retirement income through private plans.

Pillar 1

Universal public pension plan

— Old Age Security (OAS)

The OAS program is funded from the federal government's general revenue, so no direct contribution is required from the employer or the employee.

| Maximum monthly benefit* | 2018 (January – March) | 2019 (January – March) |
|--------------------------|---------------------------|---------------------------|
| OAS pension | \$586.66 | \$601.45 |

* Benefit provided to seniors aged 65 and over who meet residence requirements in Canada. The actual benefit amount is based on the number of years a person has lived in Canada since the age of 18. This amount is indexed quarterly based on cost of living increase. Those with net income over the \$77,580 threshold in 2019 will have to pay back part or all of their OAS pension.

Additional benefits, such as the Guaranteed Income Supplement, the Allowance and the Allowance for the Survivor, are available to low-income seniors.

OAS website:
canada.ca/en/services/benefits/publicpensions/cpp/old-age-security.html

Pillar 2

Mandatory public retirement plan

— Canada Pension Plan (CPP) or Québec Pension Plan (QPP)

The CPP and QPP are equivalent plans funded by contributions.

| Contributions | 2018 | 2019 |
|--|--------------------------------------|--------------------------------------|
| Yearly maximum pensionable earnings (YMPE for CPP) or maximum pensionable earnings (MPE for QPP) | \$55,900 | \$57,400 |
| Basic annual exemption | \$3,500 | \$3,500 |
| Contribution rate* (employer and employee; double for self-employed) | 4.95% (CPP) 5.40% (QPP) | 5.10% (CPP) 5.55% (QPP) |
| Maximum annual contribution (employer and employee; double for self-employed) | \$2,593.80 (CPP) \$2,829.60 (QPP) | \$2,748.90 (CPP) \$2,991.45 (QPP) |

* As of January 1, 2019, contribution rates will increase progressively over a seven-year period to fund announced changes to CPP/QPP.

The amounts indicated represent maximum pension amounts.

| Benefits | 2018 | 2019 |
|---|------------|------------|
| Monthly retirement pension at age 65 | \$1,134.17 | \$1,154.58 |
| Monthly survivor's pension | | |
| Spouse age 65 or older | \$680.50 | \$692.75 |
| Orphan (per child) | \$244.64 | \$250.27 |
| Monthly disability pension | | |
| Contributor - CPP | \$1,335.83 | \$1,362.30 |
| Contributor - QPP | \$1,335.80 | \$1,362.27 |
| Dependent child (per child) - CPP | \$244.64 | \$250.27 |
| Dependent child (per child) - QPP | \$77.67 | \$79.46 |
| Death benefit (maximum lump sum amount) | \$2,500 | \$2,500 |

The actual amount paid varies based on the age of the individual, the contribution amounts and the period of plan participation. See the plan website for additional information.

CPP website:
canada.ca/en/services/benefits/publicpensions/cpp.html

QPP website:
rrq.gouv.qc.ca/en/programmes/regime_rentes

Pillar 3

Optional private retirement plans (group or individual)

- Defined Contribution Registered Pension Plan (DC RPP)
- Registered Retirement Savings Plan (RRSP)
- Deferred Profit Sharing Plan (DPSP)
- Tax-Free Savings Account (TFSA)

Private plans are important savings vehicles to cover financial needs in retirement, helping workers maintain their lifestyle when they retire.

| Contribution limits | 2018 | 2019 |
|-----------------------|----------|----------|
| DC RPP ^{1,2} | \$26,500 | \$27,230 |
| RRSP ² | \$26,230 | \$26,500 |
| DPSP ² | \$13,250 | \$13,615 |
| TFSA | \$5,500 | \$6,000 |

¹ Contribution limit for the Pooled Registered Pension Plan and the Voluntary Retirement Savings Plan similar to RRSP

² Maximum limit of 18% of the year's employment income for the DC RPP and DPSP, and 18% of previous year's earned income for the RRSP.

2 Employment Insurance

To be eligible for health, maternity or parental benefits under the federal *Employment Insurance Act*, an employee must have accumulated 600 insurable hours in the 52-week period preceding the claim. Health and maternity benefits are payable for a maximum of 15 weeks and parental leave benefits are payable for a maximum of 35 weeks. A combination of maternity, parental leave and health benefits can be paid up to a maximum of 65 weeks if specific conditions are met. The amount of the weekly benefit depends on the employee's earnings in the last 26 weeks of employment.

| Contributions | 2018 | 2019 |
|---|------------|------------|
| Maximum annual insurable earnings | \$51,700 | \$53,100 |
| Employee contribution rate per \$100 of insurable earnings | | |
| - Outside Quebec | \$1.66 | \$1.62 |
| - Quebec | \$1.30 | \$1.25 |
| Maximum annual employee contribution | | |
| - Outside Quebec | \$858.22 | \$860.22 |
| - Quebec | \$672.10 | \$663.75 |
| Employer contribution rate per \$100 of insurable earnings* | | |
| - Outside Quebec | \$2.32 | \$2.27 |
| - Quebec | \$1.82 | \$1.75 |
| Maximum annual employer contribution | | |
| - Outside Quebec | \$1,201.51 | \$1,204.31 |
| - Quebec | \$940.94 | \$929.25 |

| Benefits | 2018 | 2019 |
|---|----------|----------|
| Basic benefit rate (% of average insurable earnings) | 55% | 55% |
| Maximum weekly amount | \$547.00 | \$562.00 |
| Based on last weeks of salary | 26 weeks | 26 weeks |
| Waiting period | 1 week | 1 week |
| Maximum duration | 15 weeks | 15 weeks |
| Tax status of benefits | Taxable | Taxable |

Employment Insurance website:
canada.ca/en/services/benefits/ei.html

* Employers who offer their employees a qualified short-term disability plan are eligible for a reduction in their Employment Insurance contributions. Employers are required to return at least 5/12 of the savings generated by the premium reduction to all employees to whom the reduced rate applies.

Québec Parental Insurance Plan

Since January 1, 2006, Quebec employees can benefit from the Québec Parental Insurance Plan (QPIP). Quebec-based employers and employees contribute to this program, which pays benefits for maternity, paternity, adoption and parental leaves. Therefore, Quebec taxpayers contribute slightly less to Employment Insurance, since this program no longer pays claims for maternity or parental benefits in Quebec.

| Contributions | 2018 | 2019 |
|---|----------|----------|
| Maximum annual insurable earnings | \$74,000 | \$76,500 |
| Employee contribution – percent of insurable earnings | 0.548% | 0.526% |
| Maximum contribution – employees | \$405.52 | \$402.39 |
| Employer contribution – percent of insurable earnings | 0.767% | 0.736% |
| Maximum contribution – employer (per employee) | \$567.58 | \$563.04 |
| Maximum contribution – self-employed | 0.973% | 0.934% |

Québec Parental Insurance Plan website:
rqap.gouv.qc.ca/Index_en.asp

2019

Contributions and benefits

3 Workers' compensation

Workers' compensation plans are governed by provincial legislation and financed by employers. In some provinces, participation in such plans is mandatory for certain employers or groups of workers. Premiums vary according to the type of industry and the size of the company or rating class in each province. Workers' compensation plans mainly provide for income replacement benefits and can also reimburse certain medical costs. These benefits are not taxable.



| Province | Maximum assessable earnings 2018 | Maximum assessable earnings 2019 | Disability benefits | Website |
|-----------------------------------|----------------------------------|----------------------------------|--|--|
| British Columbia | \$82,700 | \$84,800 | 90% of net income (for accidents before June 30, 2002: 75% of gross income) | worksafebc.com |
| Alberta | \$98,700 | \$98,700 | 90% of net income (not subject to a maximum for accidents on or after September 1, 2018) | wcb.ab.ca |
| Saskatchewan | \$82,627 | \$88,314 | 90% of net income | wcb.sask.com |
| Manitoba | \$127,000 | \$127,000 | 90% of net income (for accidents before January 1, 2006: 90% of net average income for the first 24 months and 80% thereafter) | wcb.mb.ca |
| Ontario | \$90,300 | \$92,600 | 85% of net income | wsib.on.ca |
| Quebec | \$74,000 | \$76,500 | 90% of net income | csst.qc.ca/en |
| New Brunswick | \$63,600 | \$64,800 | 85% of net income | worksafenb.ca |
| Nova Scotia | \$59,800 | \$60,900 | 75% of net income for the first 26 weeks, 85% thereafter | wcb.ns.ca |
| Prince Edward Island | \$53,400 | \$55,000 | 85% of net income (for accidents before January 1, 2014: 80% of net income for the first 38 weeks and 85% thereafter) | wcb.pe.ca |
| Newfoundland and Labrador | \$64,375 | \$65,600 | 85% of net income (for accidents before April 1, 2018: 80% of net income) | whscc.nf.ca |
| Northwest Territories and Nunavut | \$90,600 | \$92,400 | 90% of net income | wscc.nt.ca |
| Yukon | \$86,971 | \$89,145 | 75% of gross income | wcb.yk.ca |

2019

Contributions and benefits



4 Provincial health insurance plans

The federal and provincial governments share responsibility for Canada's healthcare system. Healthcare services vary from province to province and the coverage provided are constantly being reviewed and revised.

Quebec

In Quebec, the participation in the Public Prescription Drug Insurance Plan is mandatory for all residents who are not covered under a private group insurance plan.

| | Before July 1, 2018 | As of July 1, 2018 |
|-----------------------------|------------------------|-----------------------|
| Monthly deductible | \$19.45 | \$19.90 |
| Co-insurance | 34.80% | 34.90% |
| Maximum annual contribution | \$1,065.96 | \$1,086.96 |
| Maximum annual premium | \$667 | \$616 |

5 Société de l'assurance automobile du Québec (Quebec automobile insurance corporation)

| | 2018 | 2019 |
|---|----------|----------|
| Income replacement benefit (as a % of net salary) | 90% | 90% |
| Gross maximum insurable amount | \$73,500 | \$76,500 |

For your information, here is a list of each province's Ministry of Health website:

British Columbia
gov.bc.ca/health

Alberta
health.gov.ab.ca

Saskatchewan
saskatchewan.ca/government/government-structure/ministries/health

Manitoba
gov.mb.ca/health/index.html

Ontario
health.gov.on.ca

Quebec
msss.gouv.qc.ca/en

New Brunswick
gov.nb.ca/health

Nova Scotia
gov.ns.ca/health

Prince Edward Island
gov.pe.ca/health

Newfoundland and Labrador
gov.nl.ca/health

Nunavut
gov.nu.ca/health

Northwest Territories
hss.gov.nt.ca

Yukon
hss.gov.yk.ca

About iA Financial Group

Founded in 1892, iA Financial Group offers life and health insurance products, mutual and segregated funds, savings and retirement plans, RRSPs, securities, auto and home insurance, mortgages and car loans and other financial products and services for both individuals and groups. It is one of the four largest life and health insurance companies in Canada and among the largest publicly traded companies in the country. iA Financial Group stock is listed on the Toronto Stock Exchange under the ticker symbol IAG.

This fact sheet is also available on our website at ia.ca/business/group-insurance/administer-your-plan/press-releases

INVESTED IN YOU.

iA Financial Group is a business name and trademark of Industrial Alliance Insurance and Financial Services Inc.

ia.ca

F54-845A(19-01) 2019