GOVERNMENT BENEFITS UPDATE 2024

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

HUB

TABLE OF CONTENTS

Welcome Letter	3
Major Legislative Developments	4
▪ Canadian Dental Care Plan	4
▪ Universal National Pharmacare Program	6
▪ Québec Pension Plan Changes	7
▪ Amendments to the British Columbia *Pension Benefits Standards Act*	8
Updates on Statutory Benefits	9
▪ Old Age Security	9
▪ Canada Pension Plan	10
▪ Québec Pension Plan	12
▪ Employment Insurance	14
▪ Employment Insurance (Quebec)	15
▪ Premium Tax Rates	16
▪ Workers' Compensation	17
▪ Dollar Limits on Retirement Savings Contributions	18
▪ Premiums for Provincial Medical Plans / Employer Health Tax	19
▪ Taxable Income Implications	22
▪ Employment Protected Leaves	24
About HUB	25
Contacts	26

Any data and information illustrated in our 2024 Government Benefits Update 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.

WELCOME LETTER

We are pleased to release our 2024 annual Government Benefits Update. As in prior years, our update offers a high-level summary of governmental changes that may be relevant for your employee benefit plan, retirement plan, HR policies, and compensation strategies.

Organizations and employees find themselves in a tenuous environment. Issues including the rate of inflation, interest rates, and the economy lurching into a recession affect the outlook for employers and day-to-day concerns for workers. Discomfort with wage growth compared to the cost of living and prominent collective bargaining have attracted a lot of notice.

HUB works with clients in examining the affordability and value of plans and creating more personalized benefits programs that address the evolving needs and expectations of employees.

Highlights of the changes outlined in this document include:

- Major legislative changes and updates regarding federal dental benefits, universal pharmacare, Quebec Pension Plan changes, and amendments to the British Columbia *Pension Benefits Standards Act*.
- The Yearly Maximum Pensionable Earnings (YMPE) increased to $68,500 (2024) from $66,600 (2023).
- The Canada Pension Plan (CPP) contribution rate will remain at 5.95% as the five-year phased approach that began in 2019 to increase the CPP contribution rate by a full percentage point has ended. CPP indexation rate for benefits will be 4.4% in 2024 compared to 6.5% in 2023.
- Beginning in 2024, a second earnings ceiling of $73,200 will be implemented and used to determine second additional CPP contributions. Pensionable earnings between $68,500 and $73,200 will be subject to a contribution rate of 4.00%.
- The Quebec Pension Plan (QPP) base contribution rate remains at 6.4% in 2024; since 2019, there has been a gradual increase to reach an employee contribution rate of 6.4%; QPP indexation rate for benefits decreased to 4.4% (2024) from 6.5% (2023).
- Beginning in 2024, a second earnings ceiling of $73,200 will be implemented and used to determine second additional QPP contributions. Pensionable earnings between $68,500 and $73,200 will be subject to a contribution rate of 4.00%.
- Employment Insurance (EI) employee contribution rate (as a percentage of insurable earnings) increased to 1.66% (2024) from 1.63% (2023); maximum weekly benefit amount increased to $668 from $650 due to the increase in EI maximum yearly insurable earnings to $63,200.
- Quebec EI employee contributions (as a percentage of insurable earnings) increased to 1.32% (2024) from 1.27% (2023); maximum weekly benefit amount increased to $668 from $650 due to the increase in EI maximum yearly insurable earnings to $63,200.

MAJOR LEGISLATIVE DEVELOPMENTS

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

Canadian Dental Care Plan

Summary

Since October 2022, children under the age of 12 whose parents do not have access to a private dental insurance plan and whose family income is less than $90,000 can receive a direct, tax-free payment from the Canada Dental Benefit (CDB). The amount of the CDB is outlined in the following table:

Adjusted family net income	Full custody	Shared custody
Less than $70,000	$650	$325
$70,000 to $79,999	$390	$195
$80,000 to $89,999	$260	$130
$90,000 or more	n/a	n/a

On December 10th, 2023, the federal government announced details on the next phase of providing access to dental benefits for uninsured Canadians. As of December 2023, seniors aged 87 and over will be eligible to start applying for the Canadian Dental Care Plan (CDCP). Families with children under 12 eligible for the CDB will continue to be eligible for the CDCP. The following table represents the implementation schedule that will eventually roll out the CDCP to all uninsured Canadians by 2025:

Group	Applications Open
Seniors aged 87 and above	Starting December 2023
Seniors aged 77-86	Starting January 2024
Seniors aged 72-76	Starting February 2024
Seniors aged 70-71	Starting March 2024
Seniors aged 65-69	Starting May 2024
Persons with a valid Disability Tax Credit certificate & children under 18	Starting June 2024
All remaining eligible Canadian residents	Starting in 2025

CDCP Coverage

The following services are expected to be covered by the CDCP, and may be subject to change as part of a regular review process based on data to ensure it meets the needs of Canadians:

- preventive services, including scaling (cleaning), polishing, sealants, and fluoride.
- diagnostic services, including examinations and x-rays.
- restorative services, including fillings.
- endodontic services, including root canal treatments.
- prosthodontic services, including complete and partial removable dentures.
- periodontal services, including deep scaling.
- oral surgery services, including extractions.

For those with family income of less than $70,000, eligible dental expenses will be reimbursed at 100%. For those with family income between $70,000 and $79,999, eligible dental expenses will be reimbursed at 60%, while those with family income between $80,000 and $89,999 will be reimbursed at 40%. Expenses will be reimbursed according to the fees established by the CDCP which will vary by province and territory. The fees reimbursed by the CDCP will not be the same as provincial and territorial fee guides and other factors may influence providers' willingness to participate in the CDCP.

Plan Sponsor Perspective

The latest announcement on the CDCP comes shortly after the *Dental Care Measures Act* was passed, which requires employers to report on T4 and T4A slips whether they provided employees and retirees access to dental coverage starting with the 2023 tax year. Dental coverage includes traditional dental insurance available through employer-sponsored benefit plans, as well as health spending accounts or any kind of reimbursement as an employee, former employee, or retiree benefit. The tax reporting does not differentiate whether the coverage was used, only whether those benefits were made available. By this point, plan sponsors should have received information from their payroll provider on how to properly report access to dental coverage on T4/T4A statements.

Since those covered by private plans are not eligible for the CDCP, the formal implementation of the program is not expected to immediately impact private plans. Certain employers could consider measures to eliminate dental coverage for lower-paid workers, but employers have no way of confirming their employees' family income to determine whether they would qualify for the CDCP. If the implementation stays on schedule, approximately 9 million uninsured Canadian residents will be eligible to apply for the CDCP by 2025. Given the enormous footprint of the CDCP, there may yet be additional impacts to private plan sponsors as it continues to develop.

Universal National Pharmacare Program

Summary

There was no mention of universal pharmacare in the 2023 federal budget and there were no major changes in the status of a Universal National Pharmacare Program so far in 2023.

The intention had been for legislation regarding the implementation of a Universal Pharmacare Program to be tabled by the end of 2023. Doing so is stipulated as part of the confidence and supply agreement between the federal Liberal and NDP parties. Discussions between the two parties have been ongoing and as of late 2023 the timeline for legislation to be introduced was pushed back to March 2024.

Plan Sponsor Perspective

There remains uncertainty about the form that a federal benefit will take, who will be eligible for coverage, and implementation timing. This is a high-profile matter with very significant cost implications.

Depending on the nature of the program, a Universal Pharmacare Program could be impactful to private plans. If a bulk purchasing arrangement was extended to private insurers and employer-sponsored plans, it would also help to mitigate the rising cost of prescription drugs.

Many employer-sponsored drug plans struggle with high-cost drugs in particular. In March 2023, the federal government announced measures and funding in support of the first-ever National Strategy for Drugs for Rare Diseases. This is intended to “improve access to new and emerging drugs, as well as support enhanced access to existing drugs, early diagnosis, and screening for rare diseases”. If this program helps to mitigate the cost pressure and uncertainty associated with very high-cost drugs, it will be welcome news for private plans.

Québec Pension Plan Changes

Summary

Last year, the Quebec Budget announced changes to the Québec Pension Plan (QPP) aiming to bolster the financial security of retirees while encouraging experienced workers to remain in the workforce.

Key changes to the QPP, which took effect January 1, 2024, include:

1. Increasing the maximum age to start receiving QPP benefits from 70 to 72, providing those who choose to further delay receiving their pension with higher payments. For example, Retraite Québec notes that a person who would be entitled to the maximum pension and who applies for their pension at age 72 would receive an amount that would be $2,751 higher per year for life compared to what they would have received at age 70.
2. Similar to the Canada Pension Plan (CPP), QPP contributions are optional at age 65 for workers continuing to work while receiving QPP benefits. Individuals who continue contributing will continue earning pension credits and will attract employer contributions. Employers will no longer need to make contributions for employees who opt out.
3. As with the CPP, reduced working hours after age 65 will no longer lower the average earnings used for a worker's QPP pension calculations, encouraging continued employment for experienced workers. This change allows the option to stay employed, even part-time, and delay taking a QPP pension without negatively impacting its value.
4. A second earnings ceiling of $73,200 will be implemented and used to determine second additional QPP contributions. Pensionable earnings between $68,500 and $73,200 will be subject to a contribution rate of 4.00%.

Separately, the final phase of the previously announced changes to the QPP's disability pension payments took effect January 1, 2024. Individuals aged 60 to 65 with disabilities will benefit from a new calculation for disability pensions under the QPP. They can now simultaneously receive a retirement pension and a disability pension. This change aims to provide better financial protection, and in most cases, the amount will be higher than the current disability pension. If they need to reduce working hours due to disability, they can receive disability benefits as long as their gross earnings are below the annual limit (e.g., $20,171 in 2023). At age 65, they will transition to receiving only a retirement pension.

Plan Sponsor Perspective

These changes provide increased flexibility for workers in Quebec in and approaching their retirement years. Employers will need to track employee elections at age 65.

Insurers are making mass contract amendments in order to integrate disability benefits with both QPP pension and disability benefits. Employers should make sure such amendments still respect collective agreements or other relevant policies and will still facilitate the progressive retirement of their employees.

Amendments to the British Columbia *Pension Benefits Standards Act*

Summary

In November 2023, the British Columbia *Pension Benefits Standards Act* was amended to incorporate several changes including those enabling defined contribution pension plans to offer variable life benefits. A summary of some of the key changes is outlined below.

Variable Life Benefits

The amendments are the latest pension reforms supporting new settlement options for members of defined contribution (DC) pension plans to draw down their retirement income.

On June 29, 2021, the Federal *Income Tax Act* was amended to permit a new type of lifetime retirement benefit known as a variable payment life annuity (VPLA). However, amendments to provincial pension legislation, such as those just passed in BC, are also required before DC plans can offer this new option.

VPLAs pool the longevity risk of retirees within a DC plan and pay variable retirement payments dependent on mortality and investment returns.

Amendments to the BC *Pension Benefits Standard Regulation* (PBSR) are required to implement this change.

Auto-escalation of DC Member Contributions

Defined contribution plans with auto-enrolment will be permitted to also provide auto-escalation of contributions made by automatically enrolled members. This new feature requires notice of the right to opt out of the increase within a prescribed period.

Again, amendments to the PBSR are required to implement this change.

New Minimum Eligibility Requirement for Collectively Bargained Multi-Employer Plan

Collectively Bargained Multi-Employer Plans are now permitted to specify eligibility requirements in the plan text based on hours of employment. Previously, the condition was based only on earnings.

Statutory Discharge of Liabilities Upon Annuity Purchase

The amendments clarify that the discharge available to plan administrators purchasing annuity contracts apply to all persons entitled to those benefits including active members no longer accruing benefits under the defined benefit provision and surviving spouses.

Amendments to the PBSR are required to implement this change.

Amended Settlement Options

The amendments specify that surviving spouses have the right to choose a pension and are not required to transfer their entitlement out of the plan.

Also, plan texts must provide that lump sums payable to a person may be transferred to the person's registered retirement income fund (RRIF), as opposed to only the person's registered retirement savings plan (RRSP).

Plan Sponsor Perspective

While the current regulations do not yet permit variable life benefits, these amendments indicate emerging possibilities for BC plan sponsors considering different decumulation strategies.

Plan sponsors exploring plan design innovations may wish to consider the benefits of auto-enrolment and the soon-to-be-permitted auto-escalation feature.

UPDATES ON STATUTORY BENEFITS

Updates on statutory benefits provided by the Federal and Provincial Governments of Canada.

Old Age Security

Old Age Security (OAS) is a federal government program that provides a basic pension to individuals aged 65 and older who meet Canadian legal status and residence requirements. The amount is based on how long an eligible individual has lived in Canada after the age of 18. OAS is a taxable benefit, meaning recipients may need to pay income tax on it. OAS is funded and administered by the federal government and not plan sponsors. However, plan sponsors may provide information to employees about OAS as part of overall retirement planning support.

Maximum Monthly Benefits & Annual Income

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.

Old Age Security Pension (OAS) pension amounts	**Maximum Monthly Benefit Jan– Mar 2024**[1]	**Maximum Annual Income Jan– Mar 2024**[2]
Age 65 to 74	$713.34	$142,609 (individual income)
75 and over	$784.67	$148,179 (individual income)
Guaranteed Income Supplement (GIS)		
Single person, widowed or divorced pensioner	$1,065.47	$21,624 (individual income)
Spouse/common-law partner of a non-pensioner	$1,065.47	$51,840 (combined income)
Spouse/common-law partner of a pensioner who receives a full OAS pension	$641.35	$28,560 (combined income)
Spouse/common-law partner of an allowance recipient	$641.35	$39,984 (combined income)
Allowance	$1,354.69	$39,984 (combined income)
Allowance for the survivor	$1,614.89	$29,112 (individual income)

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.

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

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 Canada Pension Plan (CPP) is a national pension program that provides financial support to eligible individuals in retirement, disability, or to their survivors. The amount an individual receives is based on their contributions during their working years.

Employees and employers contribute to the CPP during the time a person is employed and has employment earnings in excess of $3,500. Employers deduct CPP contributions from employees' pay and contribute their own share. Contributions are based on a percentage of the individual's earnings, up to a yearly maximum.

The Yearly Maximum Pensionable Earnings (YMPE) increased to $68,500 (2024) from $66,600 (2023).

The CPP contribution rate will remain at 5.95% as the five-year phased approach that began in 2019 to increase the CPP contribution rate by a full percentage point has ended.

Beginning in 2024, a second earnings ceiling of $73,200 will be implemented and used to determine second additional CPP contributions. Pensionable earnings between $68,500 and $73,200 will be subject to a contribution rate of 4.00%. CPP indexation rate for benefits will be 4.4% in 2024 compared to 6.5% in 2023.

Canada Pension Plan Contributions & Benefits	**2023**	**2024**
Yearly Maximum Pensionable Earnings (YMPE)	$66,600	$68,500
Year's additional maximum pensionable earnings (YAMPE)	N/A	$73,200
Basic Exemption	$3,500	$3,500
Contribution Rate (YMPE)		
Employer	5.95%	5.95%
Employee	5.95%	5.95%
Self-Employed	11.90%	11.90%
Maximum yearly contribution (YMPE)		
Employer	$3,754.45	$3,867.50
Employee	$3,754.45	$3,867.50
Self-Employed	$7,508.90	$7,735.00
Contribution rate (YAMPE)		
Employer	N/A	4%
Employee	N/A	4%
Self-Employed	N/A	8%
Maximum yearly contribution (YAMPE)		
Employer	N/A	$188.00
Employee	N/A	$188.00
Self-Employed	N/A	$376.00

Canada Pension Plan (Continued)

Canada Pension Plan Contributions & Benefits	2023	2024
Retirement Benefit		
Maximum at age 65	$1,306.57/month	$1,364.60/month
Death Benefits		
Lump sum	$2,500	$2,500
Survivor's Benefit (maximum under age 65)	$707.95/month	$739.31/month
Survivor's Benefit (maximum age 65 or over)	$783.94/month	$818.76/month
Orphan (per child)	$281.72/month	$294.12/month
Disability Benefits		
Contributor (maximum)	$1,538.67/month	$1,613.54/month
Child (per child)	$281.72/month	$294.12/month

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

Québec Pension Plan

The Québec Pension Plan (QPP) is a pension program designed to help ensure residents of Quebec have a basic level of income in retirement. It operates similarly to the Canada Pension Plan (CPP) - providing financial support to eligible individuals in retirement, disability, or to their survivors. The main difference is that the QPP is administered separately by the provincial government of Quebec, with some variations in contribution rates and benefits compared to CPP.

Employees and employers in Quebec contribute to the QPP during the time a person is employed in the province and has employment earnings in excess of $3,500. Employers deduct QPP contributions from employees' pay and contribute their own share. Contributions are based on a percentage of the individual's earnings, up to a yearly maximum.

The Yearly Maximum Pensionable Earnings (YMPE) increased to $68,500 (2024) from $66,600 (2023).

The QPP contribution rate remains at 6.40% in 2024, there has been a gradual increase to reach an employee contribution rate of 6.4%; QPP indexation rate for benefits decreased to 4.40% (2024) from 6.50% (2023).

Beginning in 2024, a second earnings ceiling of $73,200 will be implemented and used to determine second additional QPP contributions. Pensionable earnings between $68,500 and $73,200 will be subject to a contribution rate of 4.00%.

Quebec Pension Plan Contributions & Benefits	2023	2024
Yearly Maximum Pensionable Earnings (YMPE)	$66,600	$68,500
Year's additional maximum pensionable earnings (YAMPE)	N/A	$73,200
Basic Exemption	$3,500	$3,500
Contribution Rate (YMPE)		
Employer	6.40%	6.40%
Employee	6.40%	6.40%
Self-Employed	12.80%	12.80%
Annual Contributions (YMPE)		
Employer	$4,038.40	$4,160
Employee	$4,038.40	$4,160
Self-Employed	$8,076.80	$8,320
Contribution rate (YAMPE)		
Employer	N/A	4%
Employee	N/A	4%
Self-Employed	N/A	8%
Maximum yearly contribution (YAMPE)		
Employer	N/A	$188.00
Employee	N/A	$188.00
Self-Employed	N/A	$376.00

Québec Pension Plan (Continued)

Quebec Pension Plan Contributions & Benefits	2023	2024
Retirement Benefit		
Maximum at age 65	$1,306.57/month	$1,364.60/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	$668.91/month
• Has a dependent child and is not disabled	$1,024.88/month	$1,061.12/month
• Is disabled with or without a dependent child	$1,064.81/month	$1,102.80/month
Spouse (maximum age 45 to 64)	$1,064.81/month	$1,102.80/month
Spouse (maximum age 65 and over)	$804.13/month	$822.14/month
Orphan (per child)	$281.72/month	$294.12/month
Disability Benefits		
Contributor (maximum)	$1,537.13/month	$1,606.75/month
Child (per child)	$89.45/month	$93.39/month

Detailed information on the current elements of QPP may be found on:
https://www.retraitequebec.gouv.qc.ca/en/landing/indexation/Pages/montants-donnees-base.aspx#note1

Employment Insurance

Employment Insurance (EI) is a federal government program designed to provide temporary financial assistance to eligible individuals who are unemployed, sick, or on maternity/parental leave. Employees and employers contribute to the EI program through payroll deductions. When individuals experience a period of unemployment, illness, maternity, or parental leave, they may be eligible to receive financial benefits through EI.

Employers play a role in the EI program by deducting EI premiums from employees' pay and remitting their own contributions. Understanding EI is important as it can contribute to the overall financial well-being of employees during challenging life events.

The EI employee contribution rate (as a percentage of insurable earnings) increased to 1.66% (2024) from 1.63% (2023); maximum weekly benefit amount increased to $668 from $650 due to the increase in EI maximum yearly insurable earnings to $63,200.

Employment Insurance Benefits	**2023**	**2024**
Maximum yearly insurable earnings	$61,500	$63,200
Maximum weekly benefit based on 55% of average insured earnings	$650	$668
Required Employee Contributions		
As a percentage of insurable earnings	1.63%	1.66%
Maximum employee contribution per annum	$1,002.45	$1,049.12
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	1.163	1.177
As a percentage of insurable earnings – no registered premium reduction program	2.282%	2.324%
As a percentage of insurable earnings – with registered premium reduction program	1.896%	1.954%
Maximum employer contribution per annum – no registered premium reduction program	$1,403.43	$1,468.77
Maximum employer contribution per annum – with registered premium reduction program	$1165.85	$1234.81

[1] Based on a Category 3 Cumulative Sick Leave Plan

Registered wage loss replacement plans may be 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 $0.41 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

Employment Insurance (Quebec)

Employment Insurance in Quebec is designed to provide temporary financial assistance to individuals who are unemployed, sick, or on maternity/parental leave. Quebec employees and their employers contribute to the EI program through payroll deductions.

Employers of Quebec employees play a role in the EI program by deducting EI premiums from employees' pay and remitting their own contributions. The rate is different in Quebec than in the rest of Canada because Quebec administers its own parental insurance plan which is financed directly by employees in Quebec and their employers.

Quebec EI employee contributions (as a percentage of insurable earnings) increased to 1.32% (2024) from 1.27% (2023); maximum weekly benefit amount increased to $668 from $650 due to the increase in EI maximum yearly insurable earnings to $63,200.

Employment Insurance Benefits	2023	2024
Maximum yearly insurable earnings	$61,500	$63,200
Maximum weekly benefit based on 55% of average insured earnings	$650	$668
Required Employee Contributions		
As a percentage of insurable earnings	1.27%	1.32%
Maximum employee contribution per annum	$781.05	$834.24
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	1.096	1.119
As a percentage of insurable earnings – no registered premium reduction program	1.534%	1.567%
As a percentage of insurable earnings – with registered premium reduction program	1.392%	1.477%
Maximum employer contribution per annum – no registered premium reduction program	$1,093.47	$1,167.94
Maximum employer contribution per annum – with registered premium reduction program	$856.03	$933.25

[1] Based on a Category 3 Cumulative Sick Leave Plan

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

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.

	Premium Tax		Provincial Sales Tax					GST/HST based on place of supply
Plan member resides in:	**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**
Alberta	3%							5%
British Columbia	2%							5%
Manitoba	2%		7% RST (except health and dental)					5%
New Brunswick	2%							15%
Newfoundland & Labrador	5%	5%						15%
Nova Scotia	3%							15%
Ontario	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%
Prince Edward Island	3.75%							15%
Québec	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%
Saskatchewan	3%							5%
Northwest Territories	3%							5%
Nunavut	3%							5%
Yukon	4%							5%

Workers' Compensation

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.

	Maximum Assessable Earnings	
Jurisdiction	**2023**	**2024**
Alberta	$102,100	$104,600
British Columbia	$112,800	$116,700
Manitoba	$153,380	$160,510
New Brunswick	$74,800	$76,900
Newfoundland & Labrador	$72,870	$76,955
Nova Scotia	$69,800	$72,500
Ontario	$110,000	$112,500
Prince Edward Island	$65,000	$78,400
Quebec	$91,000	$94,000
Saskatchewan	$96,945	$99,945
Northwest Territories and Nunavut	$107,400	$110,600
Yukon	$98,093	$102,017

Dollar Limits on Retirement Savings Contributions

Registered Pension Plan (RPP) contributions, in respect of a money purchase (MP), 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 2024 is $3,610.00.

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) was first introduced in 2009. The TFSA limit for 2024 is $7,000 plus any unused contribution from the program's introduction in 2009. The current TFSA maximum for all years is $95,000.

The First Home Savings Account (FHSA) was announced by the federal government in 2022 with individuals able to open FHSA accounts starting in mid-2023. The FHSA participation limit for 2024 is $8,000 plus any unused participation rates from previous years - up to a limit of $40,000.

Tax Year	Registered Pension Plan (RPP)	Deferred Profit-Sharing Plan (DPSP)	Registered Retirement Savings Plan (RRSP)	Tax-Free Savings Account (TFSA)	First Home Savings Account (FHSA)
1996-2002	$13,500	$6,750	$13,500	N/A	N/A
2003	$15,500	$7,750	$14,500	N/A	N/A
2004	$16,500	$8,250	$15,500	N/A	N/A
2005	$18,000	$9,000	$16,500	N/A	N/A
2006	$19,000	$9,500	$18,000	N/A	N/A
2007	$20,000	$10,000	$19,000	N/A	N/A
2008	$21,000	$10,500	$20,000	N/A	N/A
2009	$22,000	$11,000	$21,000	$5,000	N/A
2010	$22,450	$11,225	$22,000	$5,000	N/A
2011	$22,970	$11,485	$22,450	$5,000	N/A
2012	$23,820	$11,910	$22,970	$5,000	N/A
2013	$24,270	$12,135	$23,820	$5,500	N/A
2014	$24,930	$12,465	$24,270	$5,500	N/A
2015	$25,370	$12,685	$24,930	$10,000	N/A
2016	$26,010	$13,005	$25,370	$5,500	N/A
2017	$26,230	$13,115	$26,010	$5,500	N/A
2018	$26,500	$13,250	$26,230	$5,500	N/A
2019	$27,230	$13,615	$26,500	$6,000	N/A
2020	$27,830	$13,915	$27,230	$6,000	N/A
2021	$29,210	$14,605	$27,830	$6,000	N/A
2022	$30,780	$15,390	$29,210	$6,000	N/A
2023	$31,560	$15,780	$30,780	$6,500	$8,000
2024	**$32,490**	**$16,245**	**$31,560**	**$7,000**	**$8,000**

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 & Charities:

Annual Payroll	Tax Rate
$500,000 or less	0%
$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 & Post-Secondary Education Tax Levy) is payroll based and administered through the provincial tax system:

Total Yearly Payroll Amount	Employee Premium
$0 - $2,000,000	0%
$2,000,000 - $4,000,000	$4.3% on amount in excess of $2,000,000
$4,500,000 +	2.15% of total payroll

Premiums for Provincial Medical Plans / Employer Health Tax (Continued)

Province	Payer
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 aged 18 and younger do not pay premiums but a parent must be enrolled in the plan. ▪ See more about Premiums and Copayments for New Brunswick Drug Plan.
Newfoundland & Labrador	Employer – Health and Post Secondary Education Tax ▪ Payroll tax of 2% for employers with payroll in excess of $2,000,000.
Nova Scotia	Resident/Employee ▪ Residents do not pay premiums for Nova Scotia's Health Insurance Programs. Residents aged 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.
Ontario	Resident/Employee ▪ 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 ▪ 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).

Premiums for Provincial Medical Plans / Employer Health Tax (Continued)

Province	Payer
Quebec	Resident/Employee

Resident/Employee

- Residents covered under the provincial drug plan (RAMQ) pay an annual premium up to $731 per adult collected through taxation. This rate is in effect from July 1, 2023, to June 30, 2024. The amount adjusted annually on July 1.
- Individuals who were residents in Quebec on December 31, 2023 may be subject to paying a contribution to the Health Services Fund. First $16,780 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	$1,000,000 to $7,500,000	$7,500,000 or more
Rates for employers whose total payroll is more than 50% attributable to activities in the primary and manufacturing sectors	1.25%	0.7869+ (0.4631 × 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%	1.2485 + (0.4015 × TP/1,000,000)	4.26%
Rates for public sector employers	4.26%		

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 for both government and group benefits.

Government Benefits

Program	Income Tax Implications
Old Age Security	Benefit payments are taxable.
Canada/Quebec Pension Plan	Payments taxable; employer contributions deductible. Employee base contributions subject to 15% tax credit. Beginning January 1, 2024, employees can also claim a tax deduction for the enhanced portion of CPP and QPP contributions.
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.
Registered Retirement Savings Plans (RRSPs)	18% of earned income in the prior year (up to a maximum of \$31,560 for 2024) 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. 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.
Tax-Free Savings Account (TFSA)	Canadian residents 18 years of age and older can contribute up to \$7,000 in 2024, 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.
Government Healthcare Plans	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.

Taxable Income Implications (continued)

Group Benefits

Program	Income tax implications
Group Accidental Death & Dismemberment (AD&D)	Premium paid by employer for AD&D is considered taxable income to employee. The benefit received by the employee is not taxable.
Group Critical Illness (CI)	Premium paid by the employer for CI is considered taxable income to employee. The benefit received by the employee is not taxable.
Group Health & Dental 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.
Group Sickness / Disability Plans	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). Employer contribution to the disability premium is not a taxable benefit to the employee. 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.
Group Life Insurance	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.

Employment Protected Leaves of Absence

This following table provides an overview of duration lengths for employment protected leaves - federally and across the provinces and territories. Specifically covered here are maternity, parental, adoption, and compassionate care leaves. All durations shown are in weeks.

Durations shown have been compiled from official government sources and links are provided in the table. Although we believe the sources to be accurate, readers should refer to official legislation if using this data for more than informational purposes. Readers can click on all figures for more details from the applicable federal or provincial resources.

Region	Maternity	Parental	Adoption	Compassion
Federal	17 weeks	63 weeks	63 weeks	28 weeks
Alberta	16 weeks	62 weeks	62 weeks	27 weeks
British Columbia	17 weeks	61 weeks	62 weeks	27 weeks
Manitoba	17 weeks	63 weeks	63 weeks	28 weeks
Newfoundland and Labrador	17 weeks	35 weeks	17 weeks	26 weeks
New Brunswick	17 weeks	62 weeks	62 weeks	28 weeks
Northwest Territories	17 weeks	61 weeks	61 weeks	27 weeks
Nunavut	17 weeks	37 weeks	37 weeks	8 weeks
Nova Scotia	16 weeks	77 weeks	77 weeks	28 weeks
Ontario	17 weeks	63 weeks	63 weeks	28 weeks
Prince Edward Island	17 weeks	62 weeks	62 weeks	28 weeks
Quebec	18 weeks	65 weeks	65 weeks	Various [1]
Saskatchewan	19 weeks	71 weeks	19 weeks	28 weeks
Yukon	17 weeks	63 weeks	63 weeks	28 weeks

1. up to 16 weeks to stay with a relative because of a serious accident or a serious illness, up to 27 weeks if the person who is seriously ill has a life-threatening illness, and up to 36 weeks if the person who is seriously ill or had an accident is a minor child.

ABOUT HUB

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Outlook 2024

As you prepare for 2024, we invite you to explore the HUB 2024 Employee Benefits & Retirement Outlook for insights from our risk management, insurance, employee benefits, and retirement experts. Our latest annual outlook explores how personalized benefits focused on employee wellbeing will translate into higher employee engagement and retention in 2024.

CONTACTS

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Any data and information illustrated in our 2024 Government Benefits Update 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.