

2018 Government Benefits Update

Westcoast Actuaries Inc. is pleased to present the Government Benefits Update for 2018. It is designed to provide our clients and business partners with a handy reference of government benefit programs, income tax retirement savings and pension limits.

Canada/Québec Pension Plan (CPP/QPP)

Benefits	2018	2017
Maximum Retirement Pension at Age 65 ⁽¹⁾	\$1,134.17	\$1,114.17
Maximum Lump Sum Death Benefit	\$2,500.00	\$2,500.00
Disability Benefits	CPP/QPP	CPP/QPP
➤ Formula for Benefit – Flat Amount (Monthly)	\$485.20/\$485.17	\$478.03/\$478.00
➤ Maximum Benefit (Monthly)	\$1,335.83/\$1,335.80	\$1,313.66/\$1,313.63
➤ Child Benefit (Monthly Amount Per Child)	\$244.64/\$77.67	\$241.02/\$76.52
Orphan Benefit (Per Child)	\$244.64	\$241.02
Survivor Pension (Maximum, Age 65 & Over)	\$680.50	\$668.50
Survivor Pension (Maximum, Under Age 65)		
➤ CPP	\$614.62	\$604.32
➤ QPP – Age 45 to 64	\$910.48	\$895.81
➤ QPP – Under Age 45 – Not Disabled, No Child	\$549.57	\$540.23
➤ QPP – Under Age 45 - Not Disabled, With Child	\$875.80	\$861.64
➤ QPP – Under age 45 - Disabled	\$910.48	\$895.81
Contributions	2018	2017
Year's Maximum Pensionable Earnings (YMPE)	\$55,900	\$55,300
Year's Basic Exemption (YBE)	\$3,500	\$3,500
CPP Employee / Employer Contribution Rate	4.95%	4.95%
QPP Employee / Employer Contribution Rate	5.4%	5.4%
CPP Maximum Employee / Employer Contribution	\$2,593.80	\$2,564.10
QPP Maximum Employee / Employer Contribution	\$2,829.60	\$2,797.20

⁽¹⁾ The standard age to receive a CPP retirement pension is age 65. However, a pensioner can choose to start the pension as early as age 60 with a 36% reduction (\$725.87 per month in 2018) or as late as age 70 with a 42% increase (\$1,610.52 per month in 2018).

Old Age Security (OAS)

Benefits	2018	2017
Maximum Monthly Benefit at January 1	\$586.66	\$578.53
Lower Income Threshold for OAS Clawback ⁽²⁾	\$75,910	\$74,788
Upper Income Threshold for OAS Clawback ⁽²⁾	\$122,843	\$121,071

⁽²⁾ Clawback is 15% of income in excess of the Lower Income Threshold. The OAS benefits are fully clawed back at the Upper Income Threshold.

Guaranteed Income Supplement (GIS)

Maximum Monthly GIS and Allowance ⁽³⁾	2018	2017
GIS for Single Person	\$876.23	\$864.09
GIS for Pensioner with Spouse Also Receiving OAS	\$527.48	\$520.17
Spousal Allowance	\$1,114.14	\$1,098.70
Allowance for Survivor	\$1,328.08	\$1,309.67

⁽³⁾ Subject to income test and is tax-free.

Employment Insurance (EI)

Benefits	2018	2017
Benefit Rate (as a % of Insurable Earnings)	55%	55%
Maximum Insurable Earnings (Annual)	\$51,700	\$51,300
Maximum Benefit (Weekly)	\$547	\$543
Employee Premium	Canada/Québec	Canada/Québec
Rate as a % of Insurable Earnings	1.66%/1.30%	1.63%/1.27%
Maximum Annual Dollar Amount	\$858.22/\$672.10	\$836.19/\$651.51
Employer Premium	Canada/Québec	Canada/Québec
Rate as a % of Insurable Earnings ⁽⁴⁾	2.324%/1.820%	2.282%/1.778%
Maximum Annual Dollar Amount ⁽⁴⁾	\$1,201.51/\$940.94	\$1,170.67/\$912.11

⁽⁴⁾ If an employer offers a Wage Loss Replacement Plan, a qualifying insured or self-insured short-term disability plan for employees, the employer can apply for the [EI Premium Reduction Program](#) and pay a lower EI premium rate once qualified.

Income Tax Retirement Savings and Pension Limits

	2018	2017
Maximum TFSA Contribution	\$5,500	\$5,500
Maximum RRSP Contribution	\$26,230	\$26,010
Maximum Defined Contribution Pension Plan Contribution	\$26,500	\$26,230
Maximum Deferred Profit Sharing Plan (DPSP) Contribution	\$13,250	\$13,115
Maximum Employee Contribution to Defined Benefit Plan	\$19,130	\$18,941
Maximum Pension Limit for Defined Benefit Pension Plan ⁽⁴⁾	\$2,944.44	\$2,914.44

⁽⁴⁾ Annual pension per year of pensionable service.

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