

## 2020 GOVERNMENT BENEFITS UPDATE

Westcoast Actuaries Inc. is pleased to present the Government Benefits Update for 2020. 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 Benefits (CPP/QPP)

Benefits	2020	2019
Maximum Retirement Pension at Age 65 <sup>(1)</sup>	\$1,175.83	\$1,154.58
Maximum Lump Sum Death Benefit	\$2,500.00	\$2,500.00
Disability Benefits	<b>CPP/QPP</b>	<b>CPP/QPP</b>
▪ Formula for Benefit – Flat Amount (Monthly)	\$505.79/\$505.76	\$496.36/\$496.33
▪ Maximum Benefit (Monthly)	\$1,387.66/\$1,387.63	\$1,362.30/\$1,362.27
▪ Child Benefit (Monthly Amount Per Child)	\$255.03/\$80.97	\$250.27/\$79.46
Orphan Benefit (Per Child)	\$255.03	\$250.27
Maximum Survivor Pension		
▪ CPP/QPP – Age 65 & Over	\$705.50/\$706.65	\$692.75/\$696.15
▪ CPP – Under Age 65	\$638.28	\$626.63
▪ QPP – Age 45 to 64	\$947.70	\$931.43
▪ QPP – Under Age 45 - Not Disabled, No Child	\$571.48	\$562.22
▪ QPP – Under Age 45 - Not Disabled, With Child	\$911.55	\$895.95
▪ QPP – Under age 45 - Disabled	\$947.70	\$931.43

<sup>(1)</sup> 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 (i.e. reduced by 0.6% for each month before age 65) or as late as age 70 with a 42% increase (i.e. increased by 0.7% for each month after age 65). Pensioner is eligible to receive additional Post-Retirement Benefit from CPP or Retirement Pension Supplement from QPP for each year a valid contribution is made to the C/QPP while a retirement pension is being received.

## Canada/Québec Pension Plan Contributions (CPP/QPP)

Contributions	2020	2019
Year's Maximum Pensionable Earnings (YMPE)	\$58,700	\$57,400
Year's Basic Exemption (YBE)	\$3,500	\$3,500
CPP Employee / Employer Contribution Rate <sup>(2)</sup>	5.25%	5.10%
QPP Employee / Employer Contribution Rate <sup>(2)</sup>	5.70%	5.55%
CPP Maximum Employee / Employer Contribution	\$2,898.00	\$2,748.90
QPP Maximum Employee / Employer Contribution	\$3,146.40	\$2,991.45

<sup>(2)</sup> The CPP and QPP enhancement took effect January 1, 2019 and are being gradually enhanced from 2019 to 2023. The contribution rates will gradually increase to 5.95% for CPP and 6.40% for QPP.

## Old Age Security (OAS)

Benefits	2020	2019
Maximum Monthly Benefit at January 1 <sup>(3)</sup>	\$613.53	\$601.45
Lower Income Threshold for OAS Clawback <sup>(4)</sup>	\$79,054	\$77,580
Upper Income Threshold for OAS Clawback <sup>(4)</sup>	\$128,137	\$125,696

<sup>(3)</sup> The standard age to receive OAS pension is age 65. However, a pensioner can choose to start the OAS pension beyond age 65 in exchange for a higher pension. The monthly OAS pension is increased by 0.6% for every month it is delayed up to a maximum of 36% at age 70.

<sup>(4)</sup> 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 <sup>(5)</sup>	2020	2019
GIS for Single Person	\$916.38	\$898.32
GIS for Pensioner with Spouse also Receiving OAS/Allowance	\$551.63	\$540.77
Spousal Allowance	\$1,165.16	\$1,142.22
Allowance for Survivor	\$1,388.92	\$1,361.56

<sup>(5)</sup> Subject to income test and is tax-free.

## Employment Insurance (EI)

Benefits	2020	2019
Benefit Rate (as a % of Insurable Earnings)	55%	55%
Maximum Insurable Earnings (Annual)	\$54,200	\$53,100
Maximum Benefit (Weekly)	\$573	\$562
<b>Employee Premium</b>	<b>Canada/Québec</b>	<b>Canada/Québec</b>
Rate as a % of Insurable Earnings	1.58%/1.20%	1.62%/1.25%
Maximum Annual Dollar Amount	\$856.36/\$650.40	\$860.22/\$663.75
<b>Employer Premium</b>	<b>Canada/Québec</b>	<b>Canada/Québec</b>
Rate as a % of Insurable Earnings <sup>(6)</sup>	2.212%/1.680%	2.268%/1.750%
Maximum Annual Dollar Amount <sup>(6)</sup>	\$1,198.90/\$910.56	\$1,204.31/\$929.35

<sup>(6)</sup> 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

	2020	2019
Maximum TFSA Contribution	\$6,000	\$6,000
Maximum RRSP Contribution	\$27,230	\$26,500
Maximum Defined Contribution Pension Plan Contribution	\$27,830	\$27,230
Maximum Deferred Profit Sharing Plan (DPSP) Contribution	\$13,915	\$13,615
Maximum Employee Contribution to Defined Benefit Plan	\$20,061	\$19,641
Maximum Pension Limit for Defined Benefit Pension Plan <sup>(7)</sup>	\$3,092.22	\$3,025.56

<sup>(7)</sup> Annual pension per year of pensionable service.

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