Overview of government benefit programs and parameters for **2023**

Here are the 2023 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*	2022 (January – March)	2023 (January – March)
OAS pension	$642.25	$687.56

* 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 $86,912 threshold in 2023 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	2022	2023
Yearly maximum pensionable earnings (YMPE for CPP) or maximum pensionable earnings (MPE for QPP)	$64,900	$66,600
Basic annual exemption	$3,500	$3,500
Contribution rate* (employer and employee; double for self-employed)	5.70% (CPP) 6.15% (QPP)	5.95% (CPP) 6.40% (QPP)
Maximum annual contribution (employer and employee; double for self-employed)	$3,499.80 (CPP) $3,776.10 (QPP)	$3,754.45 (CPP) $4,038.40 (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	2022	2023
Monthly retirement pension at age 65	$1,253.59	$1,306.57
Monthly survivor's pension		
Spouse age 65 or older – CPP	$752.15	$783.94
Spouse age 65 or older – QPP	$746.65	$804.13
Orphan (per child)	$264.53	$281.72
Monthly disability pension		
Contributor – CPP	$1,464.83	$1,538.67
Contributor – QPP	$1,463.83	$1,537.13
Dependent child (per child) – CPP	$264.53	$281.72
Dependent child (per child) – QPP	$83.99	$89.45
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

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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	2022	2023
DC RPP[1]	$30,780	$31,560
RRSP[1]	$29,210	$30,780
DPSP[1]	$15,390	$15,780
TFSA	$6,000	$6,500

[1] 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 a minimum of insurable hours in the 52-week period preceding the claim. Health benefits are payable for a maximum of 26 weeks, 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 76 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	2022	2023
Maximum annual insurable earnings	$60,300	$61,500
Employee contribution rate per $100 of insurable earnings		
– Outside Quebec	$1.58	$1.63
– Quebec	$1.20	$1.27
Maximum annual employee contribution		
– Outside Quebec	$952.74	$1,002.45
– Quebec	$723.60	$781.05
Employer contribution rate per $100 of insurable earnings*		
– Outside Quebec	$2.21	$2.28
– Quebec	$1.68	$1.78
Maximum annual employer contribution		
– Outside Quebec	$1,333.84	$1,403.43
– Quebec	$1,013.04	$1,093.47

Benefits	2022	2023
Basic benefit rate (% of average insurable earnings)	55%	55%
Maximum weekly amount	$638	$650
Based on last weeks of salary	26 weeks	26 weeks
Waiting period	1 week	1 week
Maximum duration	15 weeks	26 weeks
Tax status of benefits	Taxable	Taxable

The Government of Canada intends to modernize the Employment Insurance program. This could result in major upgrades to the program in the future.

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	2022	2023
Maximum annual insurable earnings	$88,000	$91,000
Employee contribution – percent of insurable earnings	0.494%	0.494%
Maximum contribution – employees	$434.72	$449.54
Employer contribution – percent of insurable earnings	0.692%	0.692%
Maximum contribution – employer (per employee)	$608.96	$629.72
Maximum contribution – self-employed	0.878%	0.878%

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

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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 2022	Maximum assessable earnings 2023	Disability benefits	Website
British Columbia	$108,400	$112,800	90% of net income (for accidents before June 30, 2002: 75% of gross income)	worksafebc.com
Alberta	$98,700	$102,100	90% of net income	wcb.ab.ca
Saskatchewan	$94,440	$96,945	90% of net income	wcbsask.com
Manitoba	$150,000	$153,380	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	$100,422	$110,000	85% of net income	wsib.ca/en
Quebec	$88,000	$91,000	90% of net income	cnesst.gouv.qc.ca/en
New Brunswick	$69,200	$74,800	85% of net income	worksafenb.ca
Nova Scotia	$69,000	$69,800	75% of net income for the first 26 weeks, 85% thereafter	wcb.ns.ca
Prince Edward Island	$58,300	$65,000	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	$69,005	$72,870	85% of net income (for accidents before April 1, 2018: 80% of net income)	workplacenl.ca
Northwest Territories and Nunavut	$102,200	$107,400	90% of net income	wscc.nt.ca
Yukon	$94,320	$98,093	75% of gross income	wcb.yk.ca

Overview of government benefit programs and parameters for **2023**

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 is constantly being reviewed and revised.

Quebec

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

	As of July 1, 2022
Monthly deductible	$22.25
Co-insurance	35.00%
Maximum annual contribution	$1,161
Maximum annual premium	$710

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

	2022	2023
Income replacement benefit (as a % of net salary)	90%	90%
Gross maximum insurable amount	$88,000	$90,500

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

British Columbia
gov.bc.ca/health

Alberta
alberta.ca/health-wellness.aspx

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
www2.gnb.ca/content/gnb/en/departments/health.html

Nova Scotia
novascotia.ca/dhw/

Prince Edward Island
princeedwardisland.ca/en/topic/health-and-wellness

Newfoundland and Labrador
gov.nl.ca/health

Nunavut
gov.nu.ca/health

Northwest Territories
hss.gov.nt.ca/en

Yukon
yukon.ca/en/health-and-wellness

About iA Financial Group

iA Financial Group is one of the largest insurance and wealth management groups in Canada, with operations in the United States. Founded in 1892, it is one of Canada's largest public companies and is listed on the Toronto Stock Exchange under the ticker symbols IAG (common shares) and IAF (preferred shares).

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