

JANUARY 2004



**SUMMARY OF CONTRIBUTIONS AND BENEFITS
FOR INCOME SECURITY PROGRAMS IN CANADA**

CANADA/QUEBEC PENSION PLAN

	<u>CPP MAXIMUM</u>	<u>QPP MAXIMUM</u>
Year's Maximum Pensionable Earnings (YMPE):	\$40,500.00	\$40,500.00
Year's Basic Exemption (YBE):	3,500.00	3,500.00
Maximum contributory earnings	37,000.00	37,000.00
Annual contributions		
• Rate		
Employee/Employer	4.95%	4.95%
Self-employed	9.90%	9.90%
• Maximum amount:		
Employee/Employer	\$1,831.50	\$1,831.50
Self-employed	3,663.00	3,663.00
Retirement Pension at age 65:	814.17	814.17
Disability pension:	992.80	992.77
Orphan's Benefit and Disabled Contributor's Child Benefit (per child)	192.68	61.18
Death Benefit (lump sum):	2,500.00	2,500.00
Surviving Spouse's Pension:		
• Under 45		
without dependent child	⁽¹⁾ \$454.42	\$403.18
with dependant child	454.42	660.12
disabled (with or without children)	454.42	687.45
• Age 45 to 54	454.42	687.45
• Age 55 to 64	454.42	704.90
• Age 65 and over	488.50	488.50
• Age 65 and over, in combination with own CPP/QPP retirement pension	814.17	814.17
 (1) Reduced by 1/120 for each month the spouse was below age 45 at the contributor's death, unless the spouse is disabled. The maximum benefit amounts are those payable to individuals becoming eligible to receive payments, for the first time, on January 1, 2001 and after.		

OLD AGE SECURITY

Basic OAS	\$462.47	
Guaranteed Income Supplement	\$549.63	Single pensioner or pensioner whose spouse does not receive OAS or Spouse's Allowance.
Guaranteed Income Supplement	\$358.01	Pensioner whose spouse does receive OAS or Spouse's Allowance
Spouse's Allowance	\$820.48	Between the ages of 60 and 64 with limited income and whose spouse is a GIS recipient.
Widowed Spouse's Allowance	\$905.83	Low-income between the ages of 60 and 64.
Pension payable to every person in Canada age 65 and over who fulfills the residency requirements. Amounts indicated are for January to March 2002 period; the pension is adjusted quarterly based on the Consumer Price Index.		

EMPLOYMENT INSURANCE

Maximum weekly insurable earnings	\$750.00	
Maximum weekly benefit	\$413.00	
Maximum annual insurable earnings (MIE)	\$39,000	
Premium rates: per \$100 of insurable earnings	Employee \$1.98	Employer \$2.77

NOTE: All benefits stated above are payable on a monthly basis except for the lump sum death benefit payable under the Canada/Quebec Pension Plan and the weekly benefits payable under Employment Insurance.

E & O E

GLOSSARY

The **Canada Pension Plan (CPP)** is a governmental pension plan that provides benefits to workers and their families in the event of retirement, disability or death. Contributions to fund the program are made equally by Employees and Employers. The CPP applies in Canada, with the exception of Quebec.

The **Quebec Pension Plan (QPP)** is a contributory governmental pension plan that provides benefits to Quebec workers and their families in the event of retirement, disability or death.

The **YEARLY MAXIMUM PENSIONABLE EARNINGS (YMPE)** corresponds to the maximum amount of earnings of an individual that is used to determine the maximum contributory earnings and the maximum benefits applicable under the CPP/QPP. The YMPE is revised annually.

The **Year's Basic Exemption (YBE)** is the amount of base earnings on which you are not required to contribute to the CPP/QPP.

MAXIMUM CONTRIBUTORY EARNINGS, with respect to the CPP/QPP, is the amount of the yearly maximum pensionable earnings minus the amount of the year's basic exemption (YBE). It serves to determine the maximum amount of earnings on which contributions are made.

The **Old Age Security (OAS)** is a monthly pension paid to Canadians who are age 65 or over and who fulfill the residency requirements. The pension is adjusted quarterly based on the Consumer Price Index.

The **Consumer Price Index (CPI)** is a statistical device that measures the change in the *cost of living* for Canadian consumers. Old Age Security pensions, Canada Pension and Quebec Pension Plan payments, and other forms of social and welfare payments are adjusted periodically to take account of changes in the CPI.

INSURABLE EARNINGS, as it pertains to employment insurance, is the total amount of earnings, in accordance with the employment insurance act, that an insured person receives from insurable employment.

WEEKLY INSURABLE EARNINGS serve to determine the employment insurance benefit payable, while the **MAXIMUM ANNUAL INSURABLE EARNINGS (MIE)** serve to determine the maximum annual premiums payable.

For more information regarding Income Security Programs in Canada, please consult the Human Resources Development Canada Internet website at <http://www.hrdc-drhc.gc.ca/common/income.shtml> or call 1-800-277-9914. For information regarding the Quebec Pension Plan, consult the Internet website of la Regie des Rentes du Quebec at <http://www.rrq.gouv.qc.ca/an/english.htm> or call 1-800-463-5185.