



# 2025 Federal/Provincial Legislative Changes

January 2025

Please review the notable changes for tax year 2025 mentioned below to determine how you may be impacted.

## Federal Legislative Changes for 2025 – affecting all employees

### Changes to Canada Pension Plan (CPP) Pensionable Earnings and Contributions

Changes to CPP will be gradually implemented over a seven (7) year period from 2019 through 2025 in two phases:

Phase 1: Increased employee and employer contributions as follows:

- The contribution rate will rise from 4.95% to 5.95% over a five (5) year period (2019-2023) on the Yearly Maximum Pensionable Earnings (YMPE).

Phase 2: A new upper earnings limit will be introduced; targeted to be \$81,200 by 2025.

- In 2024 the upper earnings will be approximately 7% above YMPE.
- In 2025 the upper earnings will be approximately 14% above YMPE.

An expected contribution rate of 4% of enhanced earnings (the difference between YMPE and the upper earnings limit) will apply.

CPP Pensionable Earnings and Contributions				
Year	Projected* YMPE	Projected* upper earnings	Contribution Rate	
			On YMPE	On enhanced earnings
2019	\$57,400	N/A	5.10%	-
2020	\$58,700	N/A	5.25%	-
2021	\$61,600	N/A	5.45%	-
2022	\$64,900	N/A	5.70%	-
2023	\$66,600	N/A	5.95%	-
2024	\$68,500	\$73,200	5.95%	4%
2025	\$71,300	\$81,200	5.95%	4%

CRA has indicated that the \$3,500 annual CPP exemption will continue to apply, on a pay period basis, to the YMPE but not to the enhanced upper earnings.



### **Canada Pension Plan (CPP)**

Employee contribution rates will remain 5.95% with the annual maximum contribution increasing from \$3,867.50 to \$4,034.10.

Additional employee CPP contributions will be deducted at 4% to a maximum of \$396.00.

### **Employment Insurance (EI)**

Employee EI maximum insurable earnings will increase from \$63,200 to \$65,700.

Employee EI premium rate will decrease from 1.66% to 1.64% with the annual maximum contribution increasing from \$1,049.12 to \$1,077.48.

### **Federal Income Tax Bracket Threshold – Income Changes Only**

Income	Tax Rate
Up to \$57,375	15%
\$57,375 - \$114,750	20.5%
\$114,750- \$177,882	26%
\$177,882 - \$253,414	29%
Over \$253,414	33%

### **Lump Sum Federal Tax (Outside of Quebec) - No Change**

Income	Tax Rate
Over \$15,000	30%
\$5,000 - \$15,000	20%
Up to \$5,000	10%



## Quebec Legislative Changes for 2025 – affecting employees working in Quebec

### Quebec Pension Plan (QPP)

Employee contribution rates will remain 6.40% with the annual maximum contribution increasing from \$4,160.00 to \$4,339.20.

Additional employee QPP contributions will be deducted at 4% to a maximum of \$396.00.

### Employment Insurance (EI) within Quebec

Employee EI maximum insurable earnings will increase from \$63,200 to \$65,700.

Employee premium rate will decrease from 1.32% to 1.31% with the annual maximum contribution increasing from \$834.24 to \$860.67.

### Quebec Parental Insurance Plan (QPIP)

Employee QPIP maximum insurable earnings will increase from \$94,000 to \$98,000.

Employee premium rates will remain unchanged at 0.494% with the annual maximum contribution increasing from \$464.36 to \$484.12.

### Quebec Lump Sum Federal Rate – No Change

Income	Tax Rate
Over \$15,000	15%
\$5,000 - \$15,000	10%
Up to \$5,000	5%

### Quebec Lump Sum Provincial Rate – No Change

Income	Tax Rate
Over \$5,000	19%
Up to \$5,000	14%



### Quebec Income Threshold – Income & Tax Rate Changes

Income	Tax Rate
Up to \$53,255	14%
\$53,255 - \$106,495	19%
\$106,495 - \$129,590	24%
Over \$129,590	25.75%

## Provincial Income Thresholds and Rates for 2025

### Alberta Income Threshold – Income Changes Only

Income	Tax Rate
Up to \$151,234	10%
\$151,234 – \$181,481	12%
\$181,481 – \$241,974	13%
\$241,974 – \$362,961	14%
Over \$362,961	15%

### British Columbia Income Threshold – Income Changes Only

Income	Tax Rate
Up to \$49,279	5.06%
\$49,279 - \$98,560	7.7%
\$98,560 - \$113,158	10.5%
\$113,158 - \$137,407	12.29%
\$137,407 - \$186,306	14.7%
\$186,306 – \$259,829	16.8%
Over \$259,829	20.5%



### Manitoba Income Threshold – Income Changes Only

Income	Tax Rate
Up to \$47,564	10.8%
\$47,564 - \$101,200	12.75%
Over \$101,200	17.4%

### New Brunswick Income Threshold – Income Changes Only

Income	Tax Rate
Up to \$51,306	9.4%
\$51,306 - \$102,614	14%
\$102,614 - \$190,060	16%
Over \$190,060	19.5%

### Newfoundland and Labrador Income Threshold – Income Changes Only

Income	Tax Rate
Up to \$44,192	8.7%
\$44,192 - \$88,382	14.5%
\$88,382 - \$157,792	15.8%
\$157,792 - \$220,910	17.8%
\$220,910 - \$282,214	19.8%
\$282,214 - \$564,429	20.8%
\$564,429 - \$1,128,858	21.3%
Over \$1,128,858	21.8%



### **Nova Scotia Income Threshold – Income Changes Only**

<b>Income</b>	<b>Tax Rate</b>
<b>Up to \$30,507</b>	8.79%
<b>\$30,507 - \$61,015</b>	14.95%
<b>\$61,015 - \$95,883</b>	16.67%
<b>\$95,883 - \$154,650</b>	17.5%
<b>Over \$154,650</b>	21%

### **Northwest Territories Income Threshold – Income Changes Only**

<b>Income</b>	<b>Tax Rate</b>
<b>Up to \$51,964</b>	5.9%
<b>\$51,964 - \$103,930</b>	8.6%
<b>\$103,930 - \$168,967</b>	12.2%
<b>Over \$168,967</b>	14.05%

### **Nunavut Income Threshold – Income Changes Only**

<b>Income</b>	<b>Tax Rate</b>
<b>Up to \$54,707</b>	4%
<b>\$54,707 - \$109,413</b>	7%
<b>\$109,413 - \$177,881</b>	9%
<b>Over \$177,881</b>	11.5%



#### Ontario Income Threshold – Income Changes Only

Income	Tax Rate
Up to \$52,886	5.05%
\$52,886 - \$105,775	9.15%
\$105,775 - \$150,000	11.16%
\$150,000 - \$220,000	12.16%
Over \$220,000	13.16%

#### Prince Edward Island Income Threshold – Income & Tax Rate Changes

Income	Tax Rate
Up to \$31,984	9.8%
\$31,984 - \$63,969	13.8%
Over \$63,969	16.7%

#### Saskatchewan Income Threshold – Income Changes Only

Income	Tax Rate
Up to \$53,463	10.5%
\$53,463 - \$152,750	12.5%
Over \$152,750	14.5%

#### Yukon Income Threshold – Income Changes Only

Income	Tax Rate
Up to \$57,375	6.4%
\$57,375 - \$114,750	9%
\$114,750 - \$177,882	10.9%
\$177,882 - \$500,000	12.8%
Over \$500,000	15%



## Federal/Provincial TD1 & Quebec TP-1015.3-V Basic Personal Amounts

Province or Territory	2024 Basic Personal Amount	2025 Basic Personal Amount
<b>Federal</b>	\$15,705*	\$16,129*
<b>Alberta</b>	\$21,885	\$22,323
<b>British Columbia</b>	\$12,580	\$12,932
<b>Manitoba</b>	\$15,780	\$15,969*
<b>New Brunswick</b>	\$13,044	\$13,396
<b>Newfoundland and</b>	\$10,818	\$11,067
<b>Northwest Territories</b>	\$17,373	\$17,842
<b>Nova Scotia</b>	\$11,481*	\$11,744*
<b>Nunavut</b>	\$18,767	\$19,274
<b>Ontario</b>	\$12,399	\$12,747
<b>Prince Edward Island</b>	\$13,500	\$14,250
<b>Quebec</b>	\$18,056	\$18,571
<b>Saskatchewan</b>	\$18,491	\$18,991
<b>Yukon</b>	\$15,705*	\$16,129*

*\*Basic Personal Amount is unique to each employee's annual income.*

### TD1 Forms - Reminder

- The federal TD1 form now has a variable basic personal amount that is determined based on the employee's annual net taxable income.
- The TD1—Personal Tax Credit Return form is used to determine the amount of income tax to be deducted from employment income or other income such as pensions.
- Employees should consider completing a new form each year if they:
  - are a higher earner and claim a lower BPA value
  - are entitled to other credits (e.g., spouse or common-law partner)
  - had claimed exemption from tax in the previous year and this no longer applies had requested additional voluntary income tax deductions and wish to change this amount

Federal and provincial TD1's are available at <https://www.canada.ca/en/revenue-agency/services/forms-publications/td1-personal-tax-credits-returns/td1-forms-pay-received-on-january-1-later.html>

Quebec TP-1015.3-V is available at <https://www.revenuquebec.ca/en/online-services/forms-and-publications/current-details/tp-1015.3-v/>





## Pension Adjustment (PA) & TFSA Limits

	2024	2025
<b>Defined Contribution RPP's – Annual contribution limit</b>	\$32,490	\$33,810
<b>Defined Benefit RPP's – Maximum Benefit Amount</b> <ul style="list-style-type: none"> <li>Maximum Benefit</li> <li>Pension Adjustment</li> </ul>	\$3,610.00 \$31,890	\$3,756.67 \$33,210
<b>RRSP's – Annual contribution limit</b>	\$31,560	\$32,490
<b>TFSA – Annual contribution limit</b>	\$7,000	\$7,000

## Canadian Minimum Wage Increases for 2025

Province	Hourly Rate Jan 2025	Changes
<b>Federal</b>	\$17.30	<b>Change expected Apr 1,2025</b>
<b>Alberta</b>	\$15.00	No changes expected at this time
<b>British Columbia</b>	\$17.40	<b>Change expected Jun 1,2025</b>
<b>Manitoba</b>	\$15.80	<b>Change expected Oct 1,2025</b>
<b>New Brunswick</b>	\$15.30	<b>Change expected Apr 1,2025</b>
<b>Newfoundland and Labrador</b>	\$15.60	<b>Change expected Apr 1,2025</b>
<b>Northwest Territories</b>	\$16.70	<b>Change expected Sep 1, 2025</b>
<b>Nova Scotia</b>	\$15.20	<b>Change expected Apr 1,2025</b>
<b>Nunavut</b>	\$19.00	No changes expected at this time
<b>Ontario</b>	\$17.20	<b>Change expected Oct 1,2025</b>
<b>Prince Edward Island</b>	\$16.00	<b>Change expected Oct 1,2025</b>
<b>Quebec</b>	\$15.75	<b>Change expected May 1,2025</b>
<b>Saskatchewan</b>	\$15.00	<b>Change expected Oct 1,2025</b>
<b>Yukon</b>	\$17.59	<b>Change expected Apr 1, 2025</b>