

## 2023 GOVERNMENT BENEFITS UPDATE

Westcoast Actuaries Inc. is pleased to present the Government Benefits Update for 2023. 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	2023 <sup>(2)</sup>	2022
Maximum Retirement Pension at Age 65 <sup>(1)</sup>	\$1,306.57	1,253.59
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)	\$558.74/\$558.71	\$524.64/\$524.61
▪ Maximum Benefit (Monthly)	\$1,538.67/\$1,537.13	\$1,464.83/\$1,463.83
▪ Child Benefit (Monthly Amount Per Child)	\$281.72/\$89.45	\$264.53/\$83.99
Orphan Benefit (Per Child)	\$281.72/\$281.72	\$264.53
Maximum Survivor Pension		
▪ CPP/QPP – Age 65 & Over	\$783.94/\$804.13	\$752.15/\$746.65
▪ CPP – Under Age 65	\$707.95	\$674.79
▪ QPP – Age 45 to 64	\$1,064.81	\$993.10
▪ QPP – Under Age 45 – Not Disabled, No Child	\$649.20	\$602.86
▪ QPP – Under Age 45 - Not Disabled, With Child	\$1,024.88	\$955.61
▪ QPP – Under age 45 - Disabled	\$1,064.81	\$993.10

(1) The standard age to receive a C/QPP 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).

(2) The maximum benefit amounts reflect the CPP/QPP enhancement. Starting in 2019, the C/QPP has been enhanced for those who work and make contributions to the C/QPP as of January 1, 2019 and onwards. 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	2023	2022
Year's Maximum Pensionable Earnings (YMPE)	\$66,600	\$64,900
Year's Basic Exemption (YBE)	\$3,500	\$3,500
CPP Employee / Employer Contribution Rate <sup>(3)</sup>	5.95%	5.70%
QPP Employee / Employer Contribution Rate	6.40%	6.15%
CPP Maximum Employee / Employer Contribution	\$3,754.45	\$3,499.80
QPP Maximum Employee / Employer Contribution	\$4,038.40	\$3,776.10

<sup>(3)</sup> The CPP and QPP enhancement took effect January 1, 2019 and are being gradually enhanced from 2019 to 2023. The contribution rates have gradually increased to 5.95% for CPP and 6.40% for QPP in 2023.

## Old Age Security (OAS)

Benefits	2023	2022
	Age 65 – 74 / Age 75+	Age 65 – 74 / Age 75+
Maximum Monthly Benefit at January 1 <sup>(4)</sup>	\$687.56 / \$756.32	\$642.25 / \$642.25
Lower Income Threshold for OAS Clawback <sup>(5)</sup>	\$86,912 / \$86,912	\$81,761 / \$81,761
Upper Income Threshold for OAS Clawback <sup>(5)</sup>	\$141,917 / \$141,917	\$134,626 / \$137,331

<sup>(4)</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. The benefits are adjusted quarterly to reflect increases in the cost of living as measured by the Consumer Price Index. Starting July 2022, the OAS pension has permanently increased by 10% for seniors age 75 and over.

<sup>(5)</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. The thresholds for 2023 are not final and will be adjusted to reflect the quarterly adjustment of OAS benefits.

## Guaranteed Income Supplement (GIS)

Maximum Monthly GIS and Allowance <sup>(6)</sup>	2023	2022
GIS for Single, Widowed, or Divorced Person	\$1,026.96	\$959.26
GIS for Pensioner with Spouse Also Receiving OAS/Allowance	\$618.15	\$577.43
Spousal Allowance	\$1,305.71	\$1,219.68
Allowance for Survivor	\$1,556.51	\$1,453.93

<sup>(6)</sup> Subject to income test and is tax-free.

## Employment Insurance (EI)

Contributions	2023	2022
Benefit Rate (as a % of Insurable Earnings)	55%	55%
Maximum Insurable Earnings (Annual)	\$61,500	\$60,300
Maximum Benefit (Weekly)	\$650	\$638
<b>Employee Premium</b>	<b>Canada/Québec</b>	<b>Canada/Québec</b>
Rate as a % of Insurable Earnings	1.63%/1.27%	1.58%/1.20%
Maximum Annual Dollar Amount	\$1,002.45/\$781.05	\$952.74/\$723.60
<b>Employer Premium</b>	<b>Canada/Québec</b>	<b>Canada/Québec</b>
Rate as a % of Insurable Earnings <sup>(7)</sup>	2.282%/1.778%	2.212%/1.680%
Maximum Annual Dollar Amount <sup>(7)</sup>	\$1,403.43/\$1,093.47	\$1,333.84/\$1,013.04

- (7) 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

	2023	2022
Maximum TFSA Contribution	\$6,500	\$6,000
Maximum RRSP Contribution	\$30,780	\$29,210
Maximum Defined Contribution Pension Plan Contribution	\$31,560	\$30,780
Maximum Deferred Profit Sharing Plan (DPSP) Contribution	\$15,780	\$15,390
Maximum Employee Contribution to Defined Benefit Plan	\$22,672	\$22,126
Maximum Pension Limit for Defined Benefit Pension Plan <sup>(8)</sup>	\$3,506.67	\$3,420.00

- (8) Annual pension per year of pensionable service.

The content in this document is for general information only. Every effort has been made to ensure the accuracy of the information contained in this document. However, because of the nature of the subject matter and because it is impossible to include all situations, circumstances and exceptions in a document such as this, no person or firm involved in the preparation or distribution of this document accepts any liability for its content or use.