

I N F O Bulletin

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Information Bulletin for Group Insurance Plan Administrators and Benefit Advisors

2012 Government Benefits

A number of federally and provincially legislated programs affect the administration and coverage available under private benefit plans. We are pleased to present you with an updated outline of the benefits provided under various legislated programs for 2012. If you require any additional information regarding these programs, we recommend that you consult the corresponding agency's website, which is listed at the end of each section.

1. Quebec Pension Plan (QPP) and Canada Pension Plan (CPP)

Unless otherwise indicated, QPP and CPP rates are the same. The listed figure represents the maximum pension amount.

Contributions	2011	2012	Benefits	2011	2012
Yearly maximum pensionable earnings (YMPE)	\$48,300	\$50,100	CPP monthly survivors' pension		
Basic annual exemption	\$3,500	\$3,500	Spouse under 65 years of age	\$529.09	\$543.82
Contribution rate			Spouse 65 years of age or older	\$576.00	\$592.00
(employer and employee; double for self-employed)	4.95%	4.95% (CPP)	Orphan		
	4.95%	5.025% (QPP)	(per child until age 18 or until age 25 if a student)	\$218.50	\$224.62
Maximum annual contributions			QPP monthly disability pension		
(employer and employee; double for self-employed)	\$2,217.60	\$2,306.70 (CPP)	Contributor	\$1,153.34	\$1,185.47
	\$2,217.60	\$2,341.65 (QPP)	Dependent child (per child)	\$69.38	\$71.32
Benefits			CPP monthly disability pension		
QPP death benefit (lump sum)	\$2,500	\$2,500	Contributor	\$1,153.37	\$1,185.50
	6 times the retirement pension,	6 times the retirement pension,	Dependent child (per child)	\$218.50	\$224.62
CPP death benefit (lump sum)	Max \$2,500	Max \$2,500	Maximum monthly retirement pension at age 65	\$960.00	\$986.67
QPP monthly survivors' pension					
Spouse under 45 years of age					
• Not disabled with no dependent children	\$470.98	\$484.09			
• Not disabled with dependent children	\$762.35	\$783.62			
• Disabled with or without dependent children	\$793.34	\$815.47			
Spouse between 45 and 54 years of age	\$793.34	\$815.47			
Spouse between 55 and 64 years of age	\$793.34	\$815.47			
Spouse 65 years of age or older	\$576.00	\$592.00			
Orphan (per child until 18 years of age)	\$69.38	\$224.62			

Quebec Pension Plan website:
www.rrq.gouv.qc.ca/en/programmes/regime_rentes/

Canada Pension Plan website:
www.hrsdc.gc.ca/en/isp/cpp/cpptoc.shtml



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2. Employment Insurance

To be eligible for health, maternity or parental benefits under the *Employment Insurance Act*, an employee must have accumulated 600 insurable hours in the 52-week period preceding the claim. Health and 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 65 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.

Since January 1, 2006, Quebec employees have had access to the Quebec 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	2011	2012	Benefits	2011	2012
Maximum annual insurable earnings	\$44,200	\$45,900	Basic benefit rate (% of average insurable earnings)	55%	55%
Employee contribution rate per \$100 of gross insurable earnings			Maximum weekly amount	\$468.00	\$485.48
- Outside Quebec	\$1.78	\$1.83	Last weeks of salary	26 weeks	26 weeks
- Quebec	\$1.41	\$1.47	Waiting period	2 weeks	2 weeks
Maximum annual employee contribution			Maximum duration of health benefits	15 weeks	15 weeks
- Outside Quebec	\$786.76	\$839.97	Tax status of benefits	Taxable	Taxable
- Quebec	\$632.22	\$674.73			
Employer contribution rate per \$100 of gross* insurable earnings					
- Outside Quebec	\$2.49	\$2.56			
- Quebec	\$1.97	\$2.06			
Maximum annual employer contribution					
- Outside Quebec	\$1,101.46	\$1,175.96			
- Quebec	\$872.51	\$944.62			

*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.

Employment Insurance website:

<http://www.hrsdc.gc.ca/eng/employment/ei/index.shtml>

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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, but can also reimburse certain medical costs. These benefits are not taxable.



Province	Maximum assessable earnings 2011	Maximum assessable earnings 2012	Disability benefits	Website
British Columbia	\$71,700	\$73,700	90% of net income	www.worksafebc.com
Alberta	\$82,800	\$86,700	90% of net income	www.wcb.ab.ca
Saskatchewan	\$55,000	\$55,000	90% of net income	www.wcb.sask.com
Manitoba	\$96,000	\$104,000	90% of net average income for the first 24 weeks, 80% thereafter	www.wcb.mb.ca
Ontario	\$79,600	\$81,700	85% of net income	www.wsib.on.ca
Quebec	\$64,000	\$66,000	90% of net income	www.csst.qc.ca/en/all_english_content.htm
New Brunswick	\$56,700	\$58,100	85% of net income	www.whscc.nb.ca
Nova Scotia	\$52,000	\$53,900	75% of net income for the first 26 weeks, 85% thereafter	www.wcb.ns.ca
Prince Edward Island	\$47,800	\$49,300	80% of net income for the first 38 weeks, 85% thereafter	www.wcb.pe.ca
Newfoundland and Labrador	\$51,595	\$52,885	80% of net income	www.whscc.nf.ca
Northwest Territories and Nunavut	\$82,720	\$82,720	90% of net income	www.wcb.nt.ca
Yukon	\$77,920	\$80,024	75% of gross income	www.wcb.yk.ca

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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 coverages provided are constantly being reviewed and revised. This section outlines the main changes that were made to Quebec's health insurance plan in 2011.

- **Quebec**

Participation in Quebec's government-sponsored prescription drug plan is mandatory for all residents who are not covered under a private group insurance plan. On July 1, 2011, the following changes were made to the plan's contribution requirements:

	Before July 1, 2011	As of July 1, 2011
Monthly deductible	\$16.00	\$16.00
Co-insurance	32%	32%
Maximum annual contribution	\$963	\$963
Annual premium	\$600	\$563

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

	2011	2012
Income replacement benefit (as a % of net salary)	90%	90%
Gross maximum insurable amount	\$64,000	\$66,000

For your information, below is a list of provincial health insurance website addresses.

British Columbia
www.gov.bc.ca/health

Alberta
www.health.gov.ab.ca

Saskatchewan
www.health.gov.sk.ca

Manitoba
www.gov.mb.ca/health

Ontario
www.health.gov.on.ca

Quebec
www.msss.gouv.qc.ca/en/
New Brunswick
www.gnb.ca/0051/index-e.asp

Nova Scotia
www.gov.ns.ca/health

Prince Edward Island
www.gov.pe.ca/health

Newfoundland and Labrador
www.health.gov.nl.ca/health

Nunavut
www.gov.nu.ca/health
Northwest Territories
www.gov.nt.ca/agendas/health/index.html
Yukon
www.hss.gov.yk.ca

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