

Maximum pensionable earnings for 2009

Ottawa, November 3, 2008... The Canada Revenue Agency announced today that the maximum pensionable earnings under the Canada Pension Plan (CPP) for 2009 will be \$46,300—up from \$44,900 in 2008. The new maximum pensionable earnings amount was calculated according to a CPP legislated formula that takes into account the growth in average weekly wages and salaries in Canada.

Contributors who will earn more than **\$46,300** in 2009 will not be required or permitted to make additional contributions to the CPP.

The basic exemption amount for 2009 remains \$3,500. Individuals who earn less than that amount do not need to contribute to the CPP.

The employee and employer contribution rates for 2009 will remain unchanged at 4.95%, (**\$2291**) and the self-employed contribution rate will remain unchanged at 9.9%.

Employment Insurance

EI Deductions effective January 1, 2009

Employee and employer contributions to Employment Insurance (EI) are based on all eligible earnings beginning with the first pay each January. Contributions cease during the calendar year once the maximum contributions are reached. For those employees who earned more than \$41,100.00 in the calendar year 2008, the maximum contributions would probably have been reached prior to the December pay period.

For 2009, EI contributions begin January 1 on all eligible earnings, and will continue throughout the year until the maximum contribution levels are reached. The new rates and maximums are provided below.

- Maximum Annual Insurable Earnings - **\$42,300.00**
- Premium/Contribution Rate (employee) - 1.73%
- Annual Maximum Premium (employee) EI - **\$731.79**