

Tax Tip

Week of December 20, 2010

CPP and EI Rates for 2011

Canada Pension Plan

For 2011, the rate for CPP remains unchanged at 4.95% of pensionable earnings. Therefore the maximum CPP contribution is \$2,217. The self-employed CPP contribution rate will remain unchanged at 9.9% and the maximum self-employed contribution will be \$4,434.

The basic exemption amount for 2011 remains \$3,500.

Employment Insurance

The EI premiums, excluding the province of Quebec for 2011 will remain at 1.78% of insurable earnings. The maximum premium for employees will be \$736. The annual maximum insurable earnings will increase to \$44,200. In Quebec, the maximum premium is \$687.

CPP Payments for 2011

The government released the following chart that indicates the maximum payouts for CPP in 2011:

Retirement pension at age 65	\$ 960
Disability pension	\$1,153
Survivor's pension under age 65	\$ 529
Survivor's pension age 65 and over	\$ 576
Death benefit	\$2,500