



TAX TARGET™

January 2019

TAX INFORMATION FOR 2019



Here are the deductions at source rates for 2019 and 2018 for Employment Insurance, Quebec Parental Insurance Plan, Quebec Pension Plan (QPP), Canada Pension Plan (CPP), Quebec Health Services Fund and Commission des normes du travail. These rates will help the user plan more efficiently for the current taxation year and help to prepare T4 and Relevé 1 slips for 2018.

	2019	2018
Contribution rate to Employment Insurance (EI) (Quebec)	\$1.25 per \$100.00 of earnings	\$1.30 per \$100.00 of earnings
Employer's portion of EI	1.4 x employee's portion	1.4 x employee's portion
Maximum annual insurable earnings of EI	\$53,100.00	\$51,700.00
Maximum annual premium to EI	\$663.75	\$672.10
Maximum annual employer premium to EI	\$929.25	\$940.94
Contribution rate to Quebec Parental Insurance Plan (QPIP)	\$0.526 per \$100.00 of earnings	\$0.548 per \$100.00 of earnings
Employer's portion of QPIP	\$0.736 per \$100.00 of earnings	\$0.767 per \$100.00 of earnings
Maximum annual insurable earnings of QPIP	\$76,500.00	\$74,000.00
Maximum annual premium to QPIP	\$402.39	\$405.52
Maximum annual employer premium to QPIP	\$563.04	\$567.58
QPP / CPP:	QPP	CPP
Employee's and employer's maximum annual contribution	\$2,991.45	\$2,748.90
Maximum pensionable earnings	\$57,400.00	\$57,400.00
Basic exemption	\$3,500.00	\$3,500.00
Employee's and employer's contribution rate to the QPP	5.55% of pensionable earnings	5.4% of pensionable earnings
Employee's and employer's contribution rate to the CPP	5.1% of pensionable earnings	4.95% of pensionable earnings
Quebec Health Services Fund (HSF) (employers only)	1.70% of total payroll ¹	2.3% of total payroll ¹

¹ **Important:** On August 15, 2018, the Minister of Finance of Quebec announced a new plan to reduce the HSF contribution rate. For small and medium-sized businesses in the primary and manufacturing sectors the rate will vary between 1.25% (total payroll ≤ \$1,000,000) and 4.26% (total payroll ≥ \$6,000,000). For other employers, the HSF contribution rate will vary between 1.70% and 4.26% depending on the **total payroll of the employer, and any associated employer, on a worldwide basis.**

2019

2018

Commission des normes du travail (CNT) (employers only)	0.07% of total payroll	0.07% of total payroll
Maximum annual earnings subject to the CNT	\$76,500.00	\$74,000.00
Employer's maximum contribution to the CNT	\$53.55	\$51.80
All Canadian employees (except Quebec):		
Contribution rate to Employment Insurance (EI)	\$1.62 per \$100.00 of earnings	\$1.66 per \$100.00 of earnings
Employer's portion of EI	1.4 x employee's portion	1.4 x employee's portion
Maximum annual insurable earnings of EI	\$53,100.00	\$51,700.00
Maximum annual premium to EI	\$860.22	\$858.22
Maximum annual employer premium to EI	\$1,204.31	\$1,201.51
Taxable ordinary dividend	115% of actual dividend	116% of actual dividend
Dividend tax credit - Federal	10.3846% of actual dividend	11.6364% of actual dividend
Dividend tax credit - Quebec	6.38% of actual dividend	After March 27, 7.2848% (Before March 28, 8.178%)
Taxable eligible dividend	138% of actual dividend	138% of actual dividend
Eligible dividend tax credit - Federal	20.727% of actual dividend	20.727% of actual dividend
Eligible dividend tax credit - Quebec	16.26% of actual dividend	16.422% of actual dividend

The matters highlighted in this tax memo are presented in broad general terms and, of course, cannot be applied without consideration of all circumstances. The firm will be pleased to discuss with recipients the possible effects of these matters in specific situations.



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