BENEFITS LEGISLATION IN CANADA 2013

This document summarizes Canadian legislation affecting benefits plans (except Nunavut and Northwest Territories). Canadian legislation covers a broad range of social and tax measures directly affecting employer-sponsored protection provided to employees.

Revised December 18, 2012

TALENT • HEALTH • RETIREMENT • INVESTMENTS

MARSH & McLENNAN COMPANIES

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I. OLD AGE SECURITY ACT

Payments indexed quarterly to reflect changes in cost of living

1. OLD AGE SECURITY (OAS) PENSION

- From age 65, regardless of means, subject to residence requirements, full monthly pension of $546.07 as at January 1, 2013
- Effective July 1, 2013, voluntary deferral of OAS pension for up to 5 years, adjusted pension to be calculated on an actuarially neutral basis
- Full pension if 40 years of residence in Canada after age 18; otherwise, full pension if at least age 25 on July 1, 1977, lived in Canada on that date (or had lived in Canada before that date, but after age 18), and has lived in Canada for 10 continuous years prior to the OAS pension application (each missing year during the 10-year period may be replaced by 3 years of earlier residence in Canada, provided the person lived in Canada during the whole year before the application)
- Persons not eligible for a full pension: partial pension of 1/40 of full pension per year of residence after age 18, if at least 10 years of residence after age 18
- Special provisions apply to immigrants from countries that have a social security agreement with Canada
- Clawback: OAS pensioners with net income exceeding $70,954 in 2013 must repay 15% of the excess net income up to the full OAS amount; based on the OAS pension as at January 1, 2013, the full OAS pension would be eliminated if the pensioner's net income were $114,640 or above; since July 1, 1996, OAS benefits are reduced at the time of payment to reflect the clawback

2. GUARANTEED INCOME SUPPLEMENT (GIS)

- Subject to income test and residence requirements
- OAS pensioners age 65 or over
- Maximum monthly benefit as at January 1, 2013:
  - $740.44 for single pensioner or for pensioner whose spouse is not receiving OAS pension or the Allowance
  - $490.96 for each spouse when both are receiving OAS pension or for pensioner whose spouse is receiving the Allowance
- Additional income supplements of varying amounts also paid by Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Ontario, Saskatchewan and Yukon

3. ALLOWANCE AND ALLOWANCE FOR THE SURVIVOR

- Subject to income test and residence requirements
- Payable from age 60 to 65 to eligible spouses and surviving spouses of OAS pensioners
- As at January 1, 2013, maximum monthly allowance for spouses is $1,037.03 and maximum allowance for surviving spouses is $1,161.01

Recent Changes

- From April 1, 2023, the age of eligibility for OAS pension and GIS benefits will be gradually increased from 65 to 67, with complete implementation by January 2029. Also, the ages at which the Allowance and the Allowance for the Survivor are provided will gradually increase from 60-64 to 62-66 over the same period
- From July 1, 2013, individuals will have the option to voluntary defer the commencement of their OAS pension for up to 5 years. The adjusted pension will be calculated on an actuarially neutral basis

II. CANADA/QUÉBEC PENSION PLAN

- Year's Maximum Pensionable Earnings (YMPE) are indexed every year in accordance with a wage index under the Québec Pension Plan (QPP) and the Canada Pension Plan (CPP): $51,100 in 2013
- Year's Basic Exemption (YBE) under the QPP and the CPP: $3,500
- Pensions indexed annually based on cost-of-living increases: 1.8% increase, effective January 1, 2013

1. CONTRIBUTIONS

- **Employee contribution rate:**
  - CPP: 4.95% of employment earnings up to YMPE, in excess of YBE (maximum contribution in 2013: $2,356.20)
  - QPP: 5.1% of employment earnings up to YMPE, in excess of YBE (maximum contribution in 2013: $2,427.60)
- **Employer contribution rate:**
  - CPP and QPP: Same rate as for employees
- **Self-employed contribution rate:**
  - CPP: 9.9% of employment earnings up to YMPE, in excess of YBE (maximum contribution in 2013: $4,712.40)
  - QPP: 10.2% of employment earnings up to YMPE, in excess of YBE (maximum contribution in 2013: $4,855.20)
- CPP: contributions are required for every retired person under age 65 who chooses to work (optional for every retired person over age 65); contributions will provide additional pension through the Post-Retirement Benefit (PRB)
- QPP: contribution is required for every retired person who works if earnings exceed the YBE; the contributions for a given year will give entitlement to an additional lifetime pension from January 1 of the following year (Retirement Pension Supplement); the pension will continue to increase on a yearly basis as long as the retired person continues to be employed and to contribute to the QPP
- QPP: in case of phased-in retirement, QPP contributions may be made based on a full salary

2. RETIREMENT BENEFITS

- **Eligibility:**
  - CPP: if at least one valid contribution is made, from age 60
  - QPP: if contributions made for at least one year, from age 65 (60 if a person has substantially ceased working which means that the earnings calculated on an annual basis do not exceed $12,775 in 2013)
- **Monthly benefits:**
  - CPP and QPP: 25% of average monthly pensionable earnings adjusted in relation to average YMPE in the year of retirement and the preceding 4 years; subject to certain restrictions, some months of lowest earnings may be dropped in the calculation of the average pensionable earnings, or replaced by months after age 65
  - CPP and QPP: Maximum monthly pension payable from age 65 in 2013: $1,012.50
- CPP: Pension reduced by 6.48% per year if taken between ages 60 and 65 (maximum of 32.4%); increased by 8.40% per year if taken after age 65 (maximum of 42.0%)

- QPP: Pension reduced by 6% per year if taken between ages 60 and 65 (maximum of 30%); increased by 8.40% per year if taken after age 65 (maximum of 42%)
- QPP: Retirement Pension Supplement
  - Benefits: 0.5% of the earnings on which you contributed during the previous year
  - Maximum monthly retirement pension supplement in 2013: $19.42
- Pensionable earnings may be split equally between parties for benefit and eligibility purposes in case of divorce, separation or declaration of nullity if spouses cohabited for a minimum period
- Spouses may share their pension if they are age 60 or over
- CPP: retirement benefits for disability pension recipients from 1998 are based on the benefit at time of disability indexed to inflation instead of recomputation at retirement
- QPP: retirement benefits for disability pension recipients from 1999 are reduced by 0.5% for each month for which they received a disability pension between ages 60 and 65

3. DEATH BENEFITS

- **Eligibility:** contributions during 1/3 of the deceased's contributory period or 10 years, whichever is less (subject to a minimum of 3 years)
- **Lump-sum payment:** lesser of 6 times deceased's monthly retirement pension and $2,500 (CPP); amount of the contributions (minimum of $500), up to a maximum of $2,500 (QPP)
- **Surviving spouse's monthly benefit:**
  - while spouse is under age 65:
    - CPP: $176.95 + 37.5% of deceased's retirement pension (maximum in 2013: $556.64); unless disabled or has dependent children, spouse under age 45 entitled to reduced benefit, and no benefit if under age 35
    - QPP: fixed monthly amount + 37.5% of deceased's retirement pension (for details, see table on the following page)
  - while spouse is age 65 or over: CPP/QPP, 60% of deceased's retirement pension (maximum in 2013: $607.50)
  - if surviving spouse is also entitled to retirement or disability benefits, combined benefit is subject to various maximum amounts
- **Orphan's monthly benefit:** CPP/QPP, $228.66 per orphan in 2013; payable to dependent children only (under 18 or, for CPP only, under 25 if attending school); for CPP only, orphan may receive double benefits if both parents have died and were eligible contributors

4. DISABILITY BENEFITS

- **Definition of disability:** inability to regularly perform any substantially gainful occupation (under QPP, own occupation if age 60 or over); disability must likely result in death or be of indefinite duration
- **Eligibility:** contributions in disabled's contributory period for:
  - CPP: at least 4 (3 only for contributory period of at least 25 years) of the last 6 years
  - QPP (under age 60): at least 2 of the last 3 years, at least 5 of the last 10 years or for half of the years (minimum of 2 years)
  - QPP (age 60 to 65): at least 4 of the last 6 years
- Monthly benefits payable from the 4th month following month of disability
- **Contributor's monthly benefit:** $453.52 (CPP) or $453.49 (QPP) + 75% of contributor's retirement pension (maximum in 2013: CPP, $1,212.90; QPP, $1,212.87)
- **Children's benefit:** same as orphan's benefit (CPP); $72.60 (QPP)

Surviving Spouse's Benefit under QPP

Age of Spouse	Fixed Monthly Amount*	Maximum in 2013
45 to 65 or disabled	$453.49	$833.18
Non-disabled under 45 with dependent child	$421.07	$800.76
Non-disabled under 45 without dependent child	$116.14	$495.83

* 37.5% of deceased's retirement pension is added to this amount

Recent Changes

- Canada Pension Plan: effective January 1, 2013, changes to adjustments for early and late CPP take-up
- Quebec Pension Plan: effective January 1, 2013, increase in contribution rate for employees, employers and self-employed, changes to adjustments for late QPP take-up and certain changes concerning death and disability

Anticipated Changes

- Quebec Pension Plan: effective January 1, 2014, changes to adjustments for early QPP take-up coming into force; plus, several other changes coming into force, such as the possibility of receiving a pension from age 60 with no reduction in working time and disability coverage for retirees

III. PRIVATE PENSION PLANS

Registered pension plans are complex employee benefit programs that are governed by provincial and federal pension legislation with respect to minimum benefits and by the federal *Income Tax Act* with respect to maximum benefits. This section provides an overview of the provincial and federal pension legislation with respect to minimum benefits.

Please note that Yukon falls under federal pension legislation and Prince-Edward Island has tabled pension legislation in the provincial assembly in November 2012, which has not yet been adopted.

ELIGIBILITY **Employees who belong to the class of employees for whom the plan is provided may join the plan upon completion of the following conditions**		
Jurisdictions	**Full-time Employees**	**Part-time Employees**
Alberta and British Columbia	■ 24 months of continuous service and ■ earnings of 35% of YMPE in each of 2 consecutive calendar years preceding membership	■ 24 months of continuous service and ■ earnings of 35% of YMPE in each of 2 consecutive calendar years preceding membership
Federal, New Brunswick, Newfoundland and Labrador	■ 24 months of continuous service	■ 24 months of continuous service and ■ earnings of 35% of YMPE in each of 2 consecutive calendar years preceding membership
Manitoba	■ mandatory membership after 2 years of continuous service	■ mandatory membership after 2 consecutive years of continuous service if employee meets threshold specified by plan in each of 2 consecutive calendar years preceding membership (threshold can be based on earnings only, to maximum of 35% of YMPE; hours only, to maximum of 700 hours; or meeting either earnings test (maximum of 35% of YMPE) or hours test (maximum of 700) for two consecutive calendar years)
Nova Scotia, Ontario and Saskatchewan	■ 24 months of continuous service as a full-time employee	■ 24 months of continuous service and ■ earnings of 35% of YMPE in each of 2 consecutive calendar years preceding membership or ■ 700 hours of employment in each of 2 consecutive calendar years preceding membership
Québec	■ earnings of 35% of YMPE or ■ 700 hours of employment in calendar year preceding membership	■ earnings of 35% of YMPE or ■ 700 hours of employment in calendar year preceding membership

After a certain period of time, members are entitled to employer's contributions which must be used to provide for a pension at retirement (i.e. cannot be withdrawn in cash).

VESTING AND LOCKING-IN		
Jurisdictions	**Benefits accrued between effective date and reform date**[1]	**Benefits accrued after reform date**
Alberta	■ 10 years of service or participation and ■ age 45	■ before 2000: 5 years of service ■ after 1999: 2 years of participation
British Columbia	■ vesting after 2 years of participation for all benefits ■ locking-in after 2 years of participation for benefits after effective date	■ 2 years of participation
Federal	■ immediate vesting ■ 2 years of participation for locking-in	■ immediate vesting ■ 2 years of participation for locking-in
Nova Scotia and Newfoundland and Labrador	■ 10 years of service or participation and ■ age 45	■ 2 years of participation
Manitoba, Ontario[2] and Québec	■ immediate vesting and locking-in	■ immediate vesting and locking-in
New Brunswick	■ lesser of: - 5 years of service, and - 2 years of participation after 2000	■ 2 years of participation
Saskatchewan[3]	■ one year of service or participation, and ■ age plus years of service or participation equal 45	■ 2 years of service

1. See the table at the end of this section for the effective date and the reform date for each jurisdiction.
2. For membership termination on or after July 1, 2012.
3. For Saskatchewan, the reform date in this case is January 1, 1994.

The employee contributions must not pay more than 50% of the value of the benefits or accrued pension under the plan.

MINIMUM EMPLOYER CONTRIBUTION – 50% RULE		
Jurisdictions	**Vested benefits accrued between effective date and reform date[1]**	**Vested benefits accrued after reform date**
Alberta, Manitoba, Nova Scotia, Ontario[2] and Newfoundland and Labrador	N\A	■ employers must provide for at least 50% of the value of benefits at termination, retirement or death ■ excess employee contributions may be refunded
British Columbia, New Brunswick and Saskatchewan	■ employers must provide for at least 50% (or such other percentage as is provided under the plan in New Brunswick) of the value of benefits at termination or retirement (or death in British Columbia) ■ excess employee contributions may be refunded	■ employers must provide for at least 50% of the value of benefits at termination, retirement or death ■ excess employee contributions may be refunded
Federal	■ employers must provide for at least 50% of the value of benefits at termination, retirement or death ■ not applicable if plan provides indexation at prescribed rate during deferral period ■ excess employee contributions may not be refunded and must provide for an additional pension	■ employers must provide for at least 50% of the value of benefits at termination, retirement or death ■ not applicable if plan provides indexation at prescribed rate during deferral period ■ excess employee contributions may not be refunded and must provide for an additional pension
Québec	N/A	■ employers must provide for at least 50% of the value of benefits at termination, retirement or death ■ excess employee contributions may not be refunded and must provide for an additional pension

1. See the table at the end of this section for the effective date and the reform date for each jurisdiction.
2. For Ontario, the reform date in this case is January 1, 1987.

Transferability of commuted value upon termination of employment must be offered up to eligibility for early retirement in all jurisdictions.

PORTABILITY OF COMMUTED VALUE

Jurisdictions	Applicable conditions and restrictions
All Jurisdictions	■ portability of commuted value upon termination of employment must be offered up to eligibility for early retirement ■ commuted value may be transferred on a locked-in basis to a prescribed retirement savings arrangement
Alberta	■ portability of commuted value must be offered up to retirement for defined contribution plan ■ from age 50, 50% of commuted value may be transferred on a non-locked-in basis, at member's option and subject to certain conditions
British Columbia and Québec	■ portability of commuted value must be offered up to retirement for defined contribution plan
Manitoba	■ portability of commuted value must be offered up to retirement for defined contribution plan ■ from age 55, 50% of commuted value may be transferred on a non-locked-in basis, if plan permits and subject to certain conditions
Ontario	■ portability of non locked-in commuted value to an RRSP or RRIF must be offered
Saskatchewan	■ from age 55, 100% of commuted value may be transferred on a non-locked-in basis, if plan permits transfer from that age

CASH AVAILABILITY UPON TERMINATION OF EMPLOYMENT As an exception to the locking-in rule, the commuted value of benefits may be refunded to the plan member if such value is under the prescribed threshold or to non-residents (may be subject to specific plan provision requirements)			
	Small Benefit		Non-resident
Jurisdictions	**Benefits accrued between effective date and reform date[1]**	**For all benefits accrued: refund of 100% of commuted value**	**For all benefits accrued: refund of 100% of commuted value under prescribed conditions**
Alberta and Manitoba	■ refund of up to 25% of commuted value of pension	■ if annual pension does not exceed 4% of YMPE or if commuted value does not exceed 20% of YMPE (or is less than 20% of YMPE in Manitoba)	■ Alberta: if allowed under the plan ■ Manitoba: if allowed under the plan and if pension not commenced
British Columbia	■ no specific rules	■ if annual pension less than 10% of YMPE or if commuted value does not exceed 20% of YMPE	■ if allowed under the plan and if pension not commenced
Federal	■ no specific rules	■ if commuted value less than 20% of YMPE, if allowed under the plan	■ if allowed under the plan
New Brunswick	■ no specific rules	■ if commuted value less than 40% of adjusted YMPE	■ allowed
Newfoundland and Labrador	■ no specific rules	■ if annual pension less than 4% of YMPE or if commuted value less than 10% of YMPE	N/A
Nova Scotia	■ refund of up to 25% of commuted value of pension	■ if annual pension is not more than 4% of YMPE or if commuted value less than 10% of YMPE	N/A
Ontario	■ Refund of up to 25% of commuted value of pension[2]	■ if annual pension is not more than 4% of YMPE or if commuted value less than 20% of YMPE	N/A
Québec	■ no specific rules	■ if commuted value less than 20% of YMPE	■ allowed
Saskatchewan[3]	■ refund of up to 50% of member contributions with interest	■ if annual pension does not exceed 4% of YMPE or if commuted value does not exceed 20% of YMPE	N/A

1. See the table at the end of this section for the effective date and the reform date for each jurisdiction.
2. For Ontario, the reform date in this case is January 1, 1987.
3. For Saskatchewan, the reform date in this case is January 1, 1994.

PRE-RETIREMENT DEATH BENEFITS		
Jurisdictions	**For service after reform date[1]**	**Spousal waiver**
Alberta[3]	■ service after 1999: minimum value equal to 100% of commuted value of benefits ■ service before 2000: – 60% of commuted value of benefits to eligible spouse (or refund of member contributions with interest, if greater) – refund of member contributions with interest if there is no eligible spouse	allowed
British Columbia[4]	■ 60% of commuted value of benefits	allowed
Federal	■ minimum value equal to 100% of commuted value of benefits	allowed
Manitoba[5], Ontario[2] and Québec	■ minimum value equal to 100% of commuted value of benefits	allowed
New Brunswick[4]	■ minimum value equal to 100% of commuted value of benefits	not allowed
Newfoundland & Labrador	■ minimum value equal to 100% of commuted value of benefits ■ if member was eligible for early retirement, spouse receives a lifetime pension equal to 60% of member's early retirement pension	not allowed
Nova Scotia	■ 60% of commuted value of benefits ■ refund of member contributions with interest if there is no eligible spouse	not allowed
Saskatchewan[6]	■ minimum value equal to 100% of commuted value of benefits ■ if member was eligible for early retirement, spouse receives a lifetime pension equal to 60% of member's early retirement pension	allowed

1. See the table at the end of this section for the effective date and the reform date for each jurisdiction.
2. For Ontario, the reform date in this case is January 1, 1987.
3. For Alberta, the reform date for pre-retirement death benefits is December 31, 1999.
4. For British Columbia and New Brunswick, the reform date for the pre-retirement death benefits is the effective date.
5. For Manitoba, pre-retirement death benefits include service before 1985.
6. For Saskatchewan, pre-retirement death benefits include service before 1994.

POST RETIREMENT DEATH BENEFIT	
All jurisdictions – for all years of service	■ upon member's death, spouse receives a pension equal to 60% of member's pension ■ actuarial reduction allowed ■ waiver by spouse allowed ■ termination of spouse's pension on remarriage prohibited

EARLY RETIREMENT

Jurisdictions	Early Retirement Age	Early Retirement Pension
Alberta and Federal	within 10 years of pensionable age	actuarial reduction allowed
British Columbia and Newfoundland and Labrador	from age 55	actuarial reduction allowed
Manitoba, New Brunswick, Nova Scotia, Ontario and Saskatchewan	within 10 years of normal retirement age	actuarial reduction allowed
Québec	within 10 years of normal retirement age	■ actuarial reduction allowed ■ employees retiring within 10 years of normal retirement age may receive a temporary pension from their plan until age 65

PHASED RETIREMENT BENEFITS	
Jurisdictions	**Applicable conditions and restrictions**
Alberta	■ Phased retirement benefits in the form of a pension may be offered under defined benefit plans, subject to certain age criteria and to a maximum of 60% of accrued pension ■ No reduction of pension accrued prior to phased retirement period and member must accrue pension benefits during phased retirement period ■ Plans may allow employees on working-time reduction and who are within 10 years of pensionable age to receive an annual lump sum benefit from their plan to make up for part of pay loss (pension is reduced to take into account amount paid)
British Columbia and Federal	■ Phased retirement benefits in the form of a pension may be offered under defined benefit plans subject to an individual agreement, certain age criteria and to a maximum of 60% of accrued pension ■ No reduction of pension accrued under defined benefit plans prior to phased retirement period and member accrues pension benefits during phased retirement period
Manitoba and New Brunswick	■ Phased retirement benefits in the form of a pension may be offered under defined benefit plans subject to an individual agreement, certain age criteria, reduced work hours and pay and to a maximum of 60% of accrued pension ■ No reduction of pension accrued under defined benefit plans prior to phased retirement period and member accrues pension benefits during phased retirement period
Nova Scotia, Ontario, and Newfoundland and Labrador	Not offered
Québec	■ Phased retirement benefits in the form of a pension may be offered under defined benefit plans subject to an individual agreement, certain age criteria and to a maximum of 60% of accrued pension ■ No reduction of pension accrued under defined benefit plans prior to phased retirement period and member may accrue pension benefits during phased retirement period ■ Defined contribution plans may, subject to certain age criteria, offer phased retirement benefits (other than a pension) funded from the member's defined contribution account, to a maximum of 60% of the prescribed ceiling related to life income funds with pension benefit accrual allowed during phased retirement period ■ Employees on working-time reduction and who are within 10 years of or have reached or exceeded normal retirement age may receive an annual lump sum benefit from their plan to make up for part of pay loss (pension is reduced to take into account amount paid)
Saskatchewan	■ Phased retirement benefits in the form of a pension may be offered under defined benefit plans, subject to certain age criteria and to a maximum of 60% of accrued pension ■ No reduction of pension accrued under defined benefit plans prior to phased retirement period and member must accrue pension benefits during phased retirement period

POSTONED RETIREMENT Postponed retirement applies to a member who remains employed by the same employer			
Jurisdictions	**Benefit Accrual during Postponement Period**	**Payment of Pension during Postponement Period**	**Latest Retirement Date**
Alberta, British Columbia, Federal, New Brunswick, Nova Scotia and Ontario	■ member may continue accrual up to pension plan's maximum service or pension, if pension is not paid	■ if allowed under the plan, pension may be paid while member continues in employment, with no further benefit accrual	latest retirement date is the end of the calendar year in which the member attains age 71
Manitoba	■ member may continue accrual up to pension plan's maximum service or pension, if pension is not paid	■ postponed pension must be the greater of accrued pension and actuarial equivalent of pension payable at normal retirement age ■ if allowed under the plan, pension may be paid while member continues in employment, with no further benefit accrual	
Newfoundland and Labrador	■ plan may provide for pension accrual, adjusted pension corresponding to the actuarial equivalent of pension payable at normal retirement age, or other arrangement if permitted	■ if allowed under the plan, pension may be paid while member continues in employment, with no further benefit accrual	
Québec	■ member may continue accrual up to pension plan's maximum service or pension, if pension is not paid and plan allows it ■ postponed pension must be redetermined	■ partial or whole pension payment may compensate for salary reduction	
Saskatchewan	■ member entitled to pension accrual or to adjusted pension corresponding to the actuarial equivalent of pension payable at normal retirement age	■ if allowed under the plan, pension may be paid while member continues in employment, with no further benefit accrual	

INTEGRATION OF CPP/QPP BENEFITS	
Jurisdictions	**Applicable conditions and restrictions**
Alberta, British Columbia, Manitoba, Nova Scotia, Ontario and Québec	■ limited to 1/35 per year of credited service
Federal	■ no limit
New Brunswick	■ limited to 1/35 per year of credited service from January 1, 1966
Newfoundland and Labrador	■ reduction according to the formula approved by the Superintendent
Saskatchewan	■ limited to 1/35 per year of credited service for employment from January 1, 1966

INTEGRATION OF OAS BENEFITS	
Jurisdictions	**Applicable conditions and restrictions**
Alberta, Nova Scotia and Québec	■ limited to 1/35 per year of credited service before reform date[1]
British Columbia and New Brunswick	■ limited to 1/35 per year of credited service before effective date[1]
Federal	■ no limit
Manitoba	■ limited to 3% for service before January 1, 1984
Newfoundland and Labrador	■ reduction according to the formula approved by the Superintendent for service before December 31, 1996, and no integration permitted for service after that date
Ontario	■ limited to 1/35 per year of credited service before January 1, 1987
Saskatchewan	■ no integration permitted, with exceptions

1. See the table at the end of this section for the effective date and the reform date for each jurisdiction.

SEX DISTINCTIONS	
Jurisdictions	**Applicable conditions and restrictions**
Alberta and Newfoundland and Labrador	no requirements
British Columbia, Federal, Manitoba, New Brunswick, Nova Scotia, Ontario and Saskatchewan	■ prohibited for membership eligibility, member contributions and benefits accrued after: - 1986 in Federal and Ontario - 1987 in Nova Scotia - 1991 in New Brunswick ■ prohibited for membership eligibility, member contributions and benefits accrued for all years of service in British Columbia, Manitoba and Saskatchewan
Québec	■ no requirements other than the prescribed use of sex-distinct mortality tables in benefit value determination

OTHER TOPICS	
Division of pension benefits on marriage breakdown	■ provision in all jurisdictions ■ generally, division limited to 50% (except British Columbia) of pension benefits accrued during marriage or plan membership ■ transferability of pension benefits generally allowed ■ for federally regulated pension plans, provincial rules should apply
Garnishment	■ garnishment of pension benefits permitted in some jurisdictions under certain conditions
Minimum interest rate	■ minimum interest rate on member's contributions in all jurisdictions

Recent Changes

- **New Brunswick:** effective July 1, 2012, phased retirement and shared risk plan design came into effect
- **Ontario:** many changes came into effect in 2012 including rules affecting funding benefit improvements, temporary solvency funding relief and permanent funding measures, partial wind up eliminated, grow in rules extended to involuntary termination of employment, surplus from ongoing plans, immediate vesting and locking in, joint and survivor pension, small pension rule increased threshold (also applies to survivor benefits), transfer of lump sums to RRSP or RRIF, eCommunication rules, and pension division rules on spousal relationship breakdown
- **Québec:** temporary relief measures for pension plans of the private sector were adopted, effective December 31, 2011, for a period of 2 years
- **Federal:** the *Pooled Registered Pension Plans Act* and Regulations (the "PRPP legislation") came into effect on December 14, 2012. PRPPs are designed to facilitate access to pension at a low cost for members and employers. PRPP legislation applies to federally regulated employees with a participating employer and to persons employed or self-employed in Yukon, the Northwest Territories or Nunavut. Employer participation in a PRPP is not mandatory. (No province has yet introduced similar enabling legislation though, in its November 2012 Budget, Quebec announced its intention to table a bill by Spring of 2013.)

Anticipated Changes

- **Alberta:** introduced new pension standards legislation with several significant changes (including vesting, plan design flexibility, funding options, governance requirements and regulatory supervision). Draft regulations are expected to be released in 2013. The effective date of the changes is not known at this time. When fully in force, the revised Act and Regulations are expected to closely resemble those presently being adopted by British Columbia
- **British Columbia:** changes to pension legislation are expected to come into force in 2013 (mainly immediate vesting, new types of flexible plan designs including new target benefit plans, required governance and funding policies, elimination of partial plan terminations, right of the superintendent to apply administrative penalties for non-compliance)
- **Federal:** still awaiting the coming into force of certain provisions already adopted such as: consent of qualifying spouses for portability purposes in case of membership termination; rules of LIF type payments for DC plans, eCommunication rules and responsibility of plan administrators for investment options under a DC plan

Anticipated Changes (cont'd)

- **Nova Scotia:** introduced new pension standards legislation with many material changes (definition of spouse, vesting, pre-retirement death benefit, small benefit) but the effective date is to be determined
- **Ontario:** further changes have been adopted but have yet to be proclaimed in force including rules affecting contribution holidays, permitted amendments (including benefit enhancement), prior notice of amendments, LIF like payments from a DC plan, flexible benefits, asset transfers to other plans, unlocking for financial hardship, phased retirement, target benefits, arbitration on wind-up, possibility to consolidate assets to successor plan, statements for former and retired members, advisory committee and record retention
- Some jurisdictions are expected to adopt the Agreement respecting Multi-Jurisdictional Pension Plans proposed by CAPSA in the near future

Jurisdictions	Effective Date	Reform Date (unless indicated otherwise)
Alberta	January 1, 1967	January 1, 1987
British Columbia	January 1, 1993	---
Federal	October 1, 1967	January 1, 1987
Manitoba	July 1, 1976	January 1, 1985
New Brunswick	December 31, 1991	---
Newfoundland and Labrador	January 1, 1985	January 1, 1997
Nova Scotia	January 1, 1977	January 1, 1988
Ontario	January 1, 1965	January 1, 1988
Québec	January 1, 1966	January 1, 1990
Saskatchewan	January 1, 1969	January 1, 1993

IV. EMPLOYMENT INSURANCE

1. INCOME BENEFITS

- **Maximum yearly insurable earnings:** $47,400 in 2013

- **Benefits in 2013**

Rate of benefits	55% of average insurable earnings (total earnings over last 26 weeks)
Maximum weekly insurable earnings	$912
Maximum weekly benefit	$501

No benefits for employees who quit their job without just cause or are dismissed for misconduct

- **Family income supplement:** up to 80% of the weekly insurable earnings for claimants with dependent children and a net family income below $25,921

- **Allowable earnings:** under a pilot project in effect up to August 1, 2015, claimants of regular, parental or compassionate care benefits are entitled to keep 50 cents of their Employment Insurance (EI) benefits for every dollar they earn, up to 90% of the weekly insurable earnings used to determine their benefit. Any earnings above this threshold will be deducted from EI benefits, dollar for dollar. Alternatively, claimants can choose to revert to the previous pilot project in which case they can earn up to 40% of their weekly benefits (or, if greater, $75) without any deduction from benefits

- **Premium in 2013**

All jurisdictions except Québec:

Employee	■ 1.88% of insurable earnings ■ Maximum annual premium of $891.12
Employer	■ 2.632% of insurable earnings ■ Maximum annual premium of $1,247.57

Québec:

Employee	■ 1.52% of insurable earnings ■ Maximum annual premium of $720.48
Employer	■ 2.128% of insurable earnings ■ Maximum annual premium of $1,008.67

- **Eligibility:**
  - regular benefits: for employees working a minimum number of hours in the last 52 weeks, from 420 to 700 hours, depending on regional unemployment rate; for new entrants and reentrants to labour force, at least 910 hours required; for reentrant parents, special rules apply
  - maternity and parental benefits: all jurisdictions except Québec, 600 hours of insurable employment; Québec, see Section 3
  - sickness and compassionate care benefits: 600 hours of insurable employment

- **Waiting period:** benefits payable after 2 weeks

- **Benefit duration:**
  - maternity and parental benefits for Québec residents: see Section 3
  - regular benefits: payable for up to 45 weeks, depending on number of hours worked in last 52 weeks and regional unemployment rate
  - maternity and sickness benefits: payable for up to 15 weeks
  - parental benefits to take care of a newborn or to adopt a child: payable for up to 35 weeks; may be shared between parents if both eligible
  - compassionate care benefits: payable for up to 6 weeks; may be shared between claimants
  - maternity, sickness, parental and compassionate care benefits subject to a combined maximum of 50 weeks (could be extended up to 71 weeks under special circumstances); if in combination with regular benefits, total benefit period may not exceed 50 weeks
- **Clawback:**
  - if net income for taxation year exceeds 1¼ times maximum yearly insurable earnings ($59,250 in 2013), 30% of the lesser of total benefits paid to claimant and the amount by which net income exceeds $59,250 must be reimbursed
  - no clawback for sickness, maternity, parental and compassionate care benefits, or for claimant who received less than 1 week of layoff benefits in the preceding 10 years
- **Premium reduction:**
  - employers with a qualifying short-term disability plan are eligible for premium reduction; qualifying plans must provide benefits at least as generous as Employment Insurance sickness benefits
  - amount of reduction: for each calendar year, the rates of premium reduction are established based on 4 categories of qualifying plans; for 2013, the reduction ranges from 25¢ to 40¢ per $100 of weekly insurable earnings; 5/12 of reduction must be shared with employees in cash or equivalent benefits
- **Self-employed:**
  - can voluntarily join the EI program and be eligible to receive maternity, parental, sickness and compassionate care benefits
  - pay same premium rate as employees

2. RE-EMPLOYMENT MEASURES

- The federal government has renewed its employment assistance and other job-related programs as part of the Employment Insurance Reform in 2013

3. QUÉBEC PARENTAL INSURANCE PLAN

Benefits paid to all eligible workers—salaried or self-employed—who take maternity leave, paternity leave, parental leave or adoption leave; same-sex spouses may be entitled to benefits under certain conditions

- **Maximum annual insurable earnings:** $67,500 in 2013
- **Benefits**

Maternity benefits	Offered to birth mothers only and may not be shared between both parents
Paternity benefits	Offered to fathers only and may not be shared between both parents
Parental benefits	Full number of weeks of parental benefits may be taken by either parent or shared between them, and benefits may be paid concurrently
Adoption benefits	Full number of weeks of benefits may be taken by either parent or shared between them, and benefits may be paid concurrently

- **Family income supplement:** up to 80% of the weekly insurable earnings for claimants with dependent children and a net family income below $25,921
- **Allowable earnings:** claimants entitled to earn up to 25% of their weekly paternity, parental or adoption benefits without any decrease of their benefits ($50 for those receiving less than $200 of

benefits per week); this rule does not apply to maternity benefits

- **Premium in 2013:**

Employee	■ 0.559% of insurable earnings ■ maximum annual premium of $377.33
Employer	■ 0.782% of insurable earnings ■ maximum annual premium of $527.85
Self-employed worker	■ 0.993% of insurable earnings ■ maximum annual premium of $670.28

- **Eligibility:** parent of a child born or adopted on or after January 1, 2006, residing in Québec at the beginning of the benefit period, earning at least $2,000 of insurable income in the last 52 weeks preceding commencement of benefit payments regardless of the number of hours worked, whose regular weekly income is reduced by at least 40% and being required to pay the premium under the plan

- **Waiting period:** none

- **Benefit duration:** parents have a choice between two benefit payment periods: the basic plan and the special plan; weekly benefits are equal to a percentage (see table below) of the average weekly earnings from last 26 weeks

- The average weekly earnings cannot exceed $1,298.08 in 2013

- The maximum weekly benefit is $973.56 in 2013

Type of Benefits	Basic Plan*	Special Plan*
Maternity benefits	18 weeks at 70%	15 weeks at 75%
Paternity benefits	5 weeks at 70%	3 weeks at 75%
Parental benefits	7 weeks at 70% + 25 weeks at 55%	25 weeks at 75%
Adoption benefits	12 weeks at 70%+ 25 weeks at 55%	28 weeks at 75%

* Option selected by the first parent filing a claim applies to the other parent

Recent Change

- A pilot project in effect up to August 1, 2015 changes the way allowable earnings are deducted when receiving regular, parental or compassionate care benefits under employment insurance

Anticipated Change

- A new employment insurance benefit will provide income support for up to 35 weeks to eligible parents caring for a child (under 18 years of age) with a critical illness. It is expected that the benefit will be available starting in June 2013

V. HUMAN RIGHTS AND EQUITY ISSUES

1. DISCRIMINATION IN EMPLOYMENT

- Grounds for discrimination in employment may vary between jurisdictions, but the main prohibitions are vis-à-vis: age (defined differently in various jurisdictions); sex, sexual orientation; pregnancy; race; national or ethnic origin; religion or creed; marital status; family status; and physical or mental disability
- Many, but not all, jurisdictions also include, as prohibited grounds, political belief or opinion; source of income or social condition and criminal conviction
- Emerging prohibited ground: gender identity (Ontario, Manitoba and Nova Scotia) and gender expression (Ontario and Nova Scotia)
- Mandatory retirement prohibited in all jurisdictions except where there is a *bona fide* occupational requirement and accommodating the employee would impose undue hardship on the employer
- All jurisdictions (except Manitoba): statutory exceptions with respect to insurance and pension plans allowing discrimination on specific grounds

2. AFFIRMATIVE ACTION AND EMPLOYMENT EQUITY

- Adoption of affirmative action programs allowed in all jurisdictions
- Federal: public and private sector employers with 100 employees or more required to implement employment equity measures
- While not legislated, the Federal Contractors Program requires that employers with 100 employees or more bidding on federal contracts of $200,000 or more must certify they will implement employment equity measures
- Québec: public sector employers with 100 employees or more are required to establish an employment equity program
- While not legislated, the Québec Contract Compliance Program requires that employers with 100 employees or more soliciting contracts or subsidies of more than $100,000 must certify they will implement affirmative action programs

3. PAY EQUITY AND EQUAL PAY

- All jurisdictions have legislation requiring equal pay for equal or similar work for women and men (with restrictions in some jurisdictions)
- Some jurisdictions have additional pay equity legislation which has as its purpose, the correction of systemic discrimination in compensation for work performed by employees in predominantly female job classes
- Pay equity legislation applies only to the public sector in Manitoba, New Brunswick, Nova Scotia, and Prince Edward Island
- Government policy requires pay equity in the public service in Newfoundland and Labrador
- Pay equity legislation applies to both the public and private sector in Ontario and Québec

Recent Changes

- **Federal:** elimination of mandatory retirement effective December 12, 2012
- **Manitoba:** prohibition of discrimination and harassment based on gender identity and social disadvantage, effective June14, 2012
- **Nova Scotia:** prohibition of discrimination and harassment based on gender identity and gender expression effective December 6, 2012
- **Ontario:** prohibition of discrimination and harassment on the basis of gender identify or gender expression, and prohibition against harassment for sexual orientation, effective June 19, 2012

VI. PUBLIC HOSPITAL AND MEDICAL CARE

1. HOSPITAL BENEFITS

- Hospital plans vary by jurisdiction, but they all cover, during the active treatment period, room and board to ward level, operating room and anaesthetic facilities, medically necessary in-patient nursing care, drugs (subject to certain exceptions), laboratory and diagnostic services, and certain out-patient services

- Entry fees and/or daily ward charges for chronic-care and nursing homes exist in most jurisdictions

- All jurisdictions cover expenses incurred out of the province or territory to varying degrees

2. MEDICAL CARE, DRUGS, DENTAL CARE AND EYE EXAMINATIONS

Medical care

- Medicare plans essentially cover all medically required services per Canada Health Act rendered by medical practitioners at home, office or hospital; depending on jurisdiction, limited coverage available for paramedic services and prosthetic or durable appliances

- Charges incurred by a person temporarily outside province or territory of residence reimbursed to varying degrees

Drug expenses

(out of hospital, excluding special programs for low-income persons)

- All jurisdictions have a drug formulary

- Alberta: 70% reimbursement for residents age 65 and over; out-of-pocket maximum of $25 per prescription

- British Columbia: family deductible and annual out-of-pocket maximum based on date of birth and net annual family income as per chart below

*Net Annual Family Income	Family Deductible	**Fair PharmaCare Reimbursement (after deductible is reached)	Annual Out-of-Pocket Maximum
For BC residents born in 1940 or later:			
Less than $15,000	None	70% of eligible prescription drug costs	2% of net annual family income
$15,000 to $30,000	2% of net annual family income	70% of eligible prescription drug costs	3% of net annual family income
Over $30,000	3% of net annual family income	70% of eligible prescription drug costs	4% of net annual family income
For BC residents born in 1939 or earlier:			
Less than $33,000	None	75% of eligible prescription drug costs	1.25% of net annual family income
$33,000 to $50,000	1% of net annual family income	75% of eligible prescription drug costs	2% of net annual family income
Over $50,000	2% of net annual family income	75% of eligible prescription drug costs	3% of net annual family income

* Based on line 236 of the income tax return

** Only drugs on the PharmaCare formulary count towards the deductible and out-of-pocket maximum

- Manitoba: residents without private drug insurance coverage, 100% reimbursement after annual family deductible based on adjusted annual family income (i.e., family income reduced by $3,000 for spouse and each dependent child under age 18); to calculate the deductible, the adjusted annual family income is multiplied by the PharmaCare deductible rate; residents identified by CancerCare Manitoba as receiving prescribed outpatient oral cancer and supportive drugs, 100% reimbursement with no deductible

Adjusted Annual Family Income	2012-2013 PharmaCare Deductible Rate
$15,000 or less	2.81%
$15,001 to $21,000	3.99%
$21,001 to $29,000	4.03% - 4.38%
$29,001 to $40,000	4.41%
$40,001 to $47,500	4.79% - 5.01%
$47,501 to $75,000	5.08%
$75,001 and up	6.36%

- Newfoundland and Labrador: comprehensive income-based prescription drug program for residents; program covers costs for eligible drugs when out-of-pocket costs exceed specified percentages of net family annual incomes; coverage available for those with net family annual incomes up to $149,999; private plans remain first payer

- Nova Scotia: Seniors' Pharmacare provides optional coverage for residents age 65 and over; copayment for each prescription of 30% of the prescription cost; annual out-of-pocket maximum of $382; Pharmacare does not reimburse expenses where seniors are covered by a private plan that provides first-dollar drug coverage in another Canadian jurisdiction; seniors with such private coverage are eligible for reimbursement under Pharmacare when private plan costs exceed $806 in a year; Family Pharmacare provides optional coverage for Nova Scotia residents not covered by another public program; participants are required to pay a 20% copayment per prescription as well as a deductible; the annual maximum deductible and copayment are based on family size and annual income

- Ontario: under the Drug Benefit Program, residents age 65 and over, with an income over the threshold ($16,018 for singles, $24,175 for couples) must each pay an annual deductible of $100 before they are eligible for coverage (plus up to $6.11 per prescription); residents age 65 and over with an income below the threshold only have to pay $2 per prescription; for residents under age 65 whose drug costs are not completely covered by private insurance, there is catastrophic coverage with 100% reimbursement after a large deductible varying with family income and size (plus $2 per prescription)

- Prince Edward Island: residents age 65 and over pay the dispensing fee (varies from one pharmacy to another) plus $8.25 toward ingredient costs

- Québec: residents between ages 18 and 64 not eligible for a group insurance plan and residents age 65 and over who do not receive GIS, 68% reimbursement after monthly deductible of $16.25 per adult and 100% reimbursement after monthly out-of-pocket maximum of $82.66 per adult

- Saskatchewan: families whose prescription drug costs exceed 3.4% of adjusted annual family income (income adjusted by deducting $3,500 for each child under age 18) may be eligible for assistance under the special support program; Children's Drug Plan provides coverage for children age 14 and under; maximum patient cost of $20 per prescription for drugs listed on the Saskatchewan formulary; Seniors' Drug Plan provides coverage for residents age 65 and over, subject to income test; maximum patient cost of $20 per prescription for drugs listed on the Saskatchewan formulary

- Yukon: residents who are at least age 65, or age 60 and married to a living Yukon resident who is at least age 65, 100% of lowest priced generic prescription drugs plus certain non-prescription drugs and goods

Dental care

(excluding programs for low-income persons)

- Specific dental and oral surgery in hospital covered in all jurisdictions
- Limited coverage for children in Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Québec
- Limited coverage for children and seniors in Yukon

Eye examinations

(excluding certain special programs for low-income persons and medically required services)

Jurisdictions	Eligibility
Alberta, British Columbia and Manitoba	Residents under age 19, and age 65 and over
Nova Scotia	Residents under age 9, and age 65 and over
Ontario	Residents under age 20, and age 65 and over
Québec	Residents under age 18, and age 65 and over
Saskatchewan	Residents under age 18
Yukon	Residents at least age 65 or 60 and married to a living Yukon resident who is at least age 65

3. OUT-OF-COUNTRY COVERAGE

- Emergency out-of-country coverage limited to a maximum per diem rate in all jurisdictions
- With prior approval, services not available in the province or territory of residence may be covered
- See Section XI for more details

4. CONTRIBUTIONS

Costs supported in some provinces by employer or resident contributions:

- British Columbia: $66.50 single, $120.50 family of 2, $133 family of 3 and over, per month
- Manitoba (for both health care and post-secondary education):

If payroll is ...	Employer contributes ...
More than $2,500,000	2.15% of payroll
Between $1,250,000 and $2,500,000	4.30% on amount in excess of $1,250,000
$1,250,000 or less	0%

- Newfoundland and Labrador: employer with payroll in excess of $1,200,000 contributes 2% tax on payroll in excess of $1,200,000 (for both health care and post-secondary education)
- Nova Scotia: residents age 65 and over pay annual premium of up to $424 for Seniors' Pharmacare Program drug coverage; no premium or fees under the Family Pharmacare Program
- Ontario:
  - employer: 1.95% payroll tax; reduced rates applicable if payroll subject to this tax is less than $400,000. A $400,000 exemption amount is available for eligible employers but must be allocated amongst associated employers
  - individual residents earning more than $20,000 in taxable income pay an Ontario Health Premium to a maximum of $900

- Québec:
  - employer: 4.26% payroll tax; reduced rates applicable if total payroll of the employer and any associated employer worldwide is less than $5,000,000
  - individual residents: 1% of most non-salary taxable income in excess of $14,000 (excluding the portion between $29,000 and $48,670) to a maximum of $1,000
  - residents covered under the Drug Insurance Plan: annual premium of up to $579 per adult
  - adult residents earning income higher than $18,000 pay a health contribution up to a maximum of $1,000

Recent Changes

- **British Columbia:** contributions increased, effective January 1, 2013
- **Manitoba:** PharmaCare deductible table modified, effective April 1, 2012; home cancer drug program effective April 19, 2012 covers 100% of the cost of oral cancer treatment medications with no deductible
- **Québec:** as of January 14, 2013, elimination of the rule whereby the full cost of an innovative drug is reimbursed by the Prescription Drug Insurance Plan for a period of 15 years from the time the drug is entered on the List of Medications; increase of deductible, monthly out-of-pocket maximum and annual premium under Prescription Drug Insurance Plan effective July 1, 2012; new progressive health contribution effective January 1, 2013[1] applies to individuals who reside in Québec, who are at least age 18 by the end of the year and who are not exempt, as per the chart below

Income		Calculation of the Québec health contribution	Québec health contribution
Over	Without exceeding		
0%	$18,000	–	–
$18,000	$20,000	5% of the amount over $18,000	$0.01 to $100
$20,000	$40,000	Fixed amount of $100	$100
$40,000	$42,000	$100 + 5% of the amount over $40,000	$100.01 to $200
$42,000	$130,000	Fixed amount of $200	$200
$130,000	$150,000	$200 + 4% of the amount over $130,000	$200.01 to $1,000
$150,000	–	Fixed amount of $1,000	$1,000

[1] According to the Québec budget tabled on November 20, 2012

VII. FAMILY LEAVES

Note: additional rules, which are not addressed in this publication, may apply to other leaves of absence (such as sick leave, organ donor leave and reservist leave)

1. MATERNITY LEAVE

- All jurisdictions have provisions regarding maternity leave
- **Eligibility:** from 13 to 52 weeks of service, depending on jurisdiction; British Columbia, New Brunswick and Québec: no requirements
- **Duration:** 17 weeks (Alberta: 15 weeks; Québec and Saskatchewan: 18 weeks); if medically required, extension allowed in Québec; up to 6 weeks in British Columbia and Saskatchewan; up to 5 weeks in Prince Edward Island
- All jurisdictions: employee to be reinstated to the same position or a comparable one after maternity leave
- British Columbia, Nova Scotia, Ontario, Québec, Saskatchewan and federal require participation in employer-sponsored benefits to continue during maternity leave, subject to continuation of employee contributions (Nova Scotia and Saskatchewan: employee may be required to pay employer contributions)
- Québec and federal grant leave to a pregnant or breast-feeding woman when preventive reassignment is impossible and working conditions could be dangerous to the mother's or baby's health or, for federal, if the employee provides a medical certificate indicating that she is unable to work because of pregnancy or breast-feeding

2. PATERNITY LEAVE

- Only Québec has provisions regarding paternity leave
- **Eligibility:** no requirements
- **Duration:** 5 weeks; extension allowed if medically required
- Employee to be reinstated to the same position or a comparable one after paternity leave
- Québec requires participation in employer-sponsored benefits to continue during paternity leave, subject to continuation of employee contributions

3. PARENTAL LEAVE

- All jurisdictions have provisions regarding parental leave for birth and adoptive parents
- **Eligibility:** from 13 to 52 weeks of service, depending on jurisdiction; British Columbia, New Brunswick and Québec: no requirements
- **Duration:** Alberta, Manitoba and Yukon, 37 weeks; British Columbia, New Brunswick, Ontario and federal, 35 weeks for birth mother and 37 weeks for birth father and adoptive parents; Newfoundland and Labrador, and Prince Edward Island, 35 weeks for birth parents, 52 weeks for adoptive parents; Nova Scotia, 35 weeks for birth mother, 52 weeks for birth father and adoptive parents; Québec, 52 weeks; Saskatchewan, 34 weeks for birth mother, 37 weeks for birth father and 52 weeks for adoptive parents; if the newborn or adoptive child suffers from health condition, extension allowed in Québec; up to 5 weeks in British Columbia and Prince Edward Island; Yukon: must be completed by first anniversary of date of birth or adoption

- Alberta, New Brunswick, Prince Edward Island, Yukon and federal: when both parents take a leave, the combined total duration of those leaves may not exceed the maximum duration permitted; Yukon: both parents cannot normally take leave concurrently

- **Adopted-child age limit:** New Brunswick, under age 19; other jurisdictions, not specified; federal, based on criteria of the province or territory where parents reside

- All jurisdictions: employee to be reinstated to the same position or a comparable one after parental leave

- British Columbia, Nova Scotia, Ontario, Prince Edward Island, Québec, Saskatchewan and federal require participation in employer-sponsored benefits to continue during leave, subject to continuation of employee contributions (Nova Scotia, Prince Edward Island and Saskatchewan: employee may be required to pay employer contributions; Prince Edward Island: continuing participation does not include pension plans)

- Québec: 5 days leave including 2-day paid leave upon birth or adoption of child for employee with 60 days of service with employer

4. COMPASSIONATE CARE LEAVE

- All jurisdictions (except Alberta) have provisions regarding compassionate care leave

- **Eligibility:** Manitoba and Newfoundland and Labrador, 30 days of service; Nova Scotia, Québec and Saskatchewan, 3 months of service; all jurisdictions (except Québec), medical certificate required confirming the family member's high risk of death within the next 26 weeks

- **Duration:** 8 weeks (British Columbia and Ontario, extension possible up to 8 weeks; Québec, 12 weeks except if child under age 19 with potentially mortal illness, extension allowed up to 104 weeks for parents; Saskatchewan, 12 weeks except if employee also under the EI program, extension allowed up to 16 weeks)

- New Brunswick, Newfoundland and Labrador, Ontario, Prince Edward Island, Yukon and federal: when two or more individuals take a leave in respect of the same family member, the combined total duration may not exceed the maximum duration permitted

- All jurisdictions: employee to be reinstated to the same position or a comparable one after leave (in Yukon, not provided specifically by legislation but position of the authorities is to grant the protection)

- British Columbia, Nova Scotia, Ontario, Prince Edward Island, Québec, Saskatchewan and federal require participation in employer-sponsored benefits to continue during leave, subject to continuation of employee contributions (Nova Scotia, Prince Edward Island and Saskatchewan: employee may be required to pay employer contributions; Prince Edward Island: continuing participation does not include pension plans)

Anticipated Changes

Ontario update: Ontario Bill 30 introduced the family caregiver leave. However, it was not enacted as a result of the prorogation of the legislative assembly and would, therefore, have to be reintroduced

Federal: Bill 44 will allow employees to take a leave of absence without pay when a child is critically ill, dies or disappears as the probable result of a crime. Income replacement benefits would be available under the Employment Insurance (EI) program to take care of a critically ill child. New measures for parents of a murdered or missing child are expected to take effect on January 1, 2013 and those for parents of a critically ill child (including EI benefits) on June 1, 2013

VIII. WORKERS' COMPENSATION

- No-fault guarantee of compensation for work-related injury or disease (exceptions may apply); legislation specifics vary by jurisdiction
- Funded 100% by employers; rating methods vary by jurisdiction
- Provides wage loss, health care, vocational rehabilitation, permanent disability awards and fatality survivor benefits
- **Disability wage loss benefits**

Jurisdictions	Benefits
Alberta, British Columbia, Manitoba, Québec and Saskatchewan	90% of net eligible earnings
New Brunswick and Ontario	85% of net eligible earnings
Newfoundland and Labrador	80% of net eligible earnings
Nova Scotia	75% of net eligible earnings for first 26 weeks, then 85%
Prince Edward Island	80% of net eligible earnings for first 38 weeks, then 85%
Yukon	75% of gross eligible earnings

- **Permanent disability pension or lump-sum awards:** based on the degree of physical or mental impairment and ensuing wage loss; Alberta: based on physical assessment of capacity to work and potential wage loss; all jurisdictions have dual award systems providing both wage loss and non-monetary loss awards
- **Adjustment:** all jurisdictions adjust some or all benefits periodically, some on the basis of CPI-related indexation, others with legislated periodic improvements

Recent Change

- **British Columbia :** effective July 1, 2012, Bill 14, the new mental disorder legislation changes the way mental disorders caused by work are covered

IX. TAX PROVISIONS

1. INCOME TAX

- **Old Age Security Act:** payments not subject to clawback are taxable
- **Canada/Québec Pension Plan (C/QPP):** payments taxable; employer contributions deductible; employee contributions subject to a 15% federal tax credit (at provincial level, the percentage used to calculate the tax credit varies with each province; however, for Québec tax purposes, the C/QPP tax credit is included in the basic personal tax credit)
- **Workers' compensation:** payments essentially non-taxable; employer contributions deductible
- **Employment insurance (EI):** payments taxable; employer contributions deductible; employee contributions subject to a 15% federal tax credit (at provincial level, the percentage used to calculate the tax credit varies with each province; however, for Québec tax purposes, the EI tax credit is included in the basic personal tax credit)
- **Québec parental insurance plan (QPIP):** payments taxable; employer contributions deductible; employee contributions subject to a 15% federal tax credit (for Québec tax purposes, the QPIP tax credit is included in the basic personal tax credit)
- **Health and dental expenses:**
  - government plans: individual's contributions not deductible but taxable to employee if paid by employer (for Québec tax purposes, a tax credit on individual's contribution to the Québec Health Services Fund is included in the basic personal tax credit); employers may deduct contributions; benefits not taxable; Québec prescription drug insurance premium qualifies for the medical expense tax credit
  - private plans: employers may deduct their contributions; employee contributions qualify for the medical expense tax credit; employer contributions and benefits not taxable to employees (for Québec income tax purposes, contributions are taxable to employees and qualify for the medical expense tax credit)
  - lump-sum amount in settlement of future health and dental benefits is taxable, except where payment is in relation to an employer's insolvency that arose prior to 2012
- **Insured disability plans:**
  - benefits paid from plan to which employer contributed are taxable; employee contributions deductible from taxable benefits; employer contributions not taxable to employees
  - lump-sum amount in settlement of future benefits under a group long-term disability policy is not taxable to the employee
  - benefits paid under employee-pay-all plan not taxable
- **Other group sickness and accident insurance plans:** employer contributions are taxable except to the extent that the contributions are attributable to benefits that are payable on a periodic basis and are in respect of a loss of employment income
- **Group life insurance policies:** net employer contributions on total amount of group life insurance and on dependent life insurance considered taxable income for employee; employee contributions in respect of taxable coverage reduce taxable benefit
- **Registered pension plans (RPP):**
  - combined employer-employee contributions to money purchase RPP may not exceed the lesser of 18% of compensation and $24,270, subject to comprehensive limit if employee also participates in defined benefit RPP or DPSP; allowable contributions fully deductible
  - maximum pension benefit under defined benefit RPP: $2,696.67 per year of service

- employee current service contributions to defined benefit RPP may not exceed the lesser of 9% of member's compensation and aggregate of $1,000 and 70% of member's pension adjustment related to the defined benefit provision; allowable RPP contributions fully deductible (except for limits applicable to past service before 1990); employer current and past service contributions to defined benefit RPP, tax deductible without limit, but must be approved by tax authorities

- **Deferred profit-sharing plans (DPSP):**
  - employer contributions may not exceed the lesser of 18% of compensation and $12,135, subject to a comprehensive limit if employee also participates in an RPP; allowable contributions fully deductible; employee contributions are prohibited
  - contributions vest, at the latest, after 2 years of plan membership
  - employer contributions to DPSP on behalf of beneficiary who is significant shareholder (or related person) disallowed
  - registration of a new DPSP is denied if significant shareholder (or related person) is beneficiary

- **Registered retirement savings plans (RRSP):**
  - RRSP deduction limits for 2013:
    a) individuals not participating in an RPP or DPSP in 2012: lesser of 18% of earned income in 2012 and $23,820
    b) members of money purchase RPP and DPSP in 2012: lesser of 18% of earned income in 2012 and $23,820, reduced by pension adjustment (i.e., employer and employee contributions to RPP and employer contributions to DPSP for 2012)
    c) members of defined benefit RPP in 2012: lesser of 18% of earned income in 2012 and $23,820, reduced by pension adjustment (i.e., deemed value of benefits accrued in 2012 under RPP)

    plus any unused RRSP deduction room at the end of 2012
  - the RRSP deduction limit for 2013 is increased by the Pension Adjustment Reversal (PAR) calculated for 2013
  - the RRSP deduction limit is reduced by net Past Service Pension Adjustments (PSPA)
  - unused RRSP deduction room since 1991 may be carried forward indefinitely
  - funds accumulated under RRSP may be withdrawn totally or partially at any time prior to end of year in which individual attains age 71; in addition, over same period, these funds may be used to purchase life annuity or fixed-term annuity to age 90 or transferred to a Registered Retirement Income Fund (RRIF)
  - tax-free transfer of retiring allowance to RRSP limited to $2,000 per year of service prior to 1996, plus $1,500 for each year of service prior to 1989 for which employer contributions to either an RPP or a DPSP have not vested in the employee

- **Registered Retirement Income Funds (RRIF):**
  - Property under a RRIF is derived only as a result of a transfer of funds from another RRIF, an RRSP or an RPP
  - Starting in the year after the year a RRIF is established, a minimum amount has to be paid yearly from the RRIF

- **Tax Free Savings Account (TFSA):**
  - Canadian residents age 18 or older can contribute up to $5,500 to a TFSA in 2013, plus any unused TFSA contribution room at the end of 2012. The contributions are not deductible for income tax purposes
  - TFSA holders can make withdrawals at any time, and the total amount of the withdrawals in a calendar year will be added to the contribution room for the following year
  - Unused contribution room can be carried forward indefinitely

- **Private pension benefits:** federal tax credit of 15% (max. $300) of the first $2,000 of eligible pension income (at provincial level, the amount eligible and the percentage used to calculate the tax credit vary with each province) may be claimed for total of:
  - periodic payments from RPP; and
  - annuity payments out of DPSP, RRSP or RRIF and taxable portion of other annuities, if age 65 or over, or regardless of age if received owing to spouse's death

2. LIFE AND HEALTH INSURANCE PREMIUM TAX

- 2% of net premiums in Yukon and all provinces except:

Newfoundland and Labrador	4%
Nova Scotia	3%
Prince Edward Island	3.5%
Québec	2.3%[1]
Saskatchewan	3%

(also applicable to most self-insured plans in Newfoundland and Labrador, Ontario and Québec)

1. Based on Québec's budget tabled November 20, 2012.

- Group insurance plans, including most self-insured plans, are subject to 8% sales tax on net cost in Ontario and 9% in Québec

  However, administrative charges for self-insured plans are subject to goods and services tax (GST) or harmonized sales tax, which rates vary by province; additionally to the latter, in Québec, administrative charges for self-insured plans are subject to 9.975% sales tax.

- Group disability, critical illness, accidental death and dismemberment and life insurance plans are subject to 7% retail sales tax in Manitoba.

Recent Changes

- Contribution limits for money purchase RPP and DPSP increased to $24,270 and $12,135, respectively; maximum pension benefit per year of service under a defined benefit RPP increased to $2,696.67, and RRSP dollar limit increased to $23,820
- Required changes to the *Income Tax Act* and Regulations to accommodate pooled registered pension plans came into effect on December 14, 2012; the limit on contributions is based on the individual member's registered retirement savings plan's deduction limit for the year
- As of January 1, 2013, Québec's sales tax on administrative charges for self-insured plans, subject to GST, is increased from 9.5% to 9.975% but will apply on charges before GST. Therefore, the effective rate remains the same
- Québec Insurance Premium Tax decreased from 2.55% to 2.30% for the period from January 1, 2013 to March 31, 2019 based on Québec's budget tabled November 20, 2012
- In response to tax-planning schemes and RRSP/RRIF misuses, measures have been adopted to toughen existing anti-avoidance rules, applicable to transactions occurring after March 22, 2011
- Employer contributions to group sickness and insurance plans are taxable if not attributable to benefits that are payable on a periodic basis in respect of a loss of employment (including critical illness and dismemberment insurance, for example). This change is applicable to amounts contributed after March 28, 2012 that are attributable to coverage after 2012
- As of 2013, certain income from a retirement compensation arrangement (e.g. funded SERPs) will be eligible to pension income splitting, up to a certain limit
- Effective July 15, 2012, 7% Manitoba Retail Sales Tax (RST) applies to insurance premiums with respect to group life insurance, disability, critical illness and accidental death and dismemberment. The Manitoba RST does not apply with respect to self-insured plans or premiums for health or dental premiums

X. SASKATCHEWAN PENSION PLAN

- **Voluntary money purchase retirement savings plan:** any person age 18 to 71 may participate; membership is not limited to Saskatchewan residents; annual contributions may not exceed $2,500; contributions are tax-deductible up to the participant's RRSP deduction limit; contributions in excess of the participant's RRSP deduction limit are subject to the RRSP overcontribution rules; no government matching contribution; after six months of plan membership, contributions are locked-in and must remain in the plan until death or retirement; preretirement death benefit equal to 100% of contributions made together with accrued earnings on that amount; member may elect to start receiving retirement benefits at any time from age 55 or transfer funds to a Locked-in Retirement Account (LIRA) or a Registered Retirement Income Fund (RRIF); postretirement death benefit available depending on the form of pension; no minimum guaranteed monthly pension.

XI. PROVINCIAL HEALTH INSURANCE COVERAGE OUTSIDE OF CANADA

This section deals with the continuation of provincial health insurance coverage for Canadian residents who work or travel for work outside Canada. It also deals with eligibility to provincial health insurance coverage for Canadians who come back to Canada and foreigners who come to work to Canada. All provinces recommend that personal insurance coverage be purchased for travel outside of Canada. It is strongly recommended that upon arrival in Canada an individual immediately register with the appropriate provincial health care authorities to obtain coverage as soon as possible. Most provincial health care authorities require to be contacted before an individual leaves the country. All provinces will reimburse only within their respective pre-established rates for emergency coverage outside of Canada.

	Alberta	**British Columbia**	**Manitoba**
	Alberta Health Care Insurance Plan (AHCIP)	Medical Services Plan (MSP)	Manitoba Health Services Insurance Plan (MHSIP)
Provincial Health Insurance Coverage outside of Canada			
Requirements to maintain coverage	An Alberta resident is eligible to maintain coverage if he/she normally resides in Alberta at least 183 days in a 12-month period If leaving for more than 6 months: he/she may apply for an extension of coverage for up to 4 years for absence due to work or business	A British Columbia resident is eligible to maintain coverage if he/she is physically present in BC for at least 6 months in a calendar year If leaving BC for more than 6 months for vacation or work, coverage can be extended for up to 24 months under certain conditions	A Manitoba resident is eligible to maintain coverage if he/she is physically present in Manitoba for at least 6 months in a calendar year If leaving for temporary employment, coverage can be extended for up to 24 months under certain conditions
Provincial health insurance coverage outside of Canada in case of emergency	Coverage for emergency professional services and hospital services at AHCIP rates Professional services include medically required services provided by physicians and certain services provided by dentists, optometrists, chiropractors and podiatrists Hospital services for in-patients and out-patients	Coverage for emergency medical services that are medically required and hospital services that are normally covered by the MSP at its rates Medical services include services provided by a physician or dentist Hospital services include in-patient hospital care, day care surgical services and only out-patient dialysis treatment	Coverage for emergency medical and hospital services resulting from an accident or sudden attack or illness at MHSIP rates under certain conditions Emergency services provided by a physician and emergency hospital services are covered. They include out-patient and in-patient services

	Alberta (cont'd)	**British Columbia (cont'd)**	**Manitoba (cont'd)**
	Alberta Health Care Insurance Plan (AHCIP)	Medical Services Plan (MSP)	Manitoba Health Services Insurance Plan (MHSIP)
Provincial Health Insurance Coverage outside of Canada			
A Canadian without provincial coverage returning from a foreign country after working abroad for his/her employer	Eligible for coverage on the date of arrival provided he/she establishes himself/herself as a resident of Alberta and registers within 3 months of arrival	Eligible for coverage after a waiting period consisting of the balance of the month of arrival plus 2 months	Eligible for coverage on the first day of the third month after arrival in Manitoba
Requirements for health coverage when a non-Canadian comes to Canada to work	A person moving to Alberta from outside Canada may be eligible for coverage on the date of arrival if all requirements are met within three months of arrival. Newcomers to Canada are required to present a copy of their Canada entry document	New residents establishing residence in B.C. are eligible for coverage after completing a waiting period that normally consists of the balance of the month of arrival plus two months	A new resident may be eligible to health coverage with adequate Citizenship and Immigration Canada documents. Permanent residents are eligible on date of arrival or on the date permanent residence is granted. Holders of Work Permit valid for at least 12 months are eligible for coverage on date of issue

	Newfoundland and Labrador	**New Brunswick**	**Nova Scotia**
	Newfoundland and Labrador MedicalCare Plan (MCP)	New Brunswick Medicare (NBM)	Nova Scotia Medical Services Insurance (MSI)
Provincial Health Insurance Coverage outside of Canada			
Requirements to maintain coverage	A Newfoundland and Labrador ("NL") resident is eligible to maintain coverage for up to 12 months for work purposes outside of Canada upon obtaining an out-of-province coverage certificate. The certificate may be renewed each year to provide up to 3 years of out-of-province coverage	A New Brunswick resident is eligible to maintain NBM coverage provided he/she lives in New Brunswick for at least 183 days (consecutive or not) during a 12-month period A request can be made every 3 years to extend coverage for up to 12 months If leaving for a longer period, coverage may be extended for up to 2 years if an application for "mobile worker" or "contract worker" status is granted	A Nova Scotia resident is eligible to maintain coverage if he/she is ordinarily present in Nova Scotia for 183 days a year Coverage may be continued for up to 1 year even though the physical presence requirement is not met: ▪ if the person is a mobile worker (i.e. frequently travels outside of Nova Scotia because of employment) and he/she does not establish residency elsewhere; or ▪ if the person is engaged in an employment outside of Canada that does not exceed 24 months and his/her permanent and primary home is in Nova Scotia

	Newfoundland and Labrador (cont'd)	New Brunswick (cont'd)	Nova Scotia (cont'd)
	Newfoundland and Labrador MedicalCare Plan (MCP)	New Brunswick Medicare (NBM)	Nova Scotia Medical Services Insurance (MSI)
Provincial Health Insurance Coverage outside of Canada			
Provincial health insurance coverage outside of Canada in case of emergency	Coverage for medical services at MCP rates or at rates established by MCP depending on the circumstances Out-of-country hospital services that would have been covered by MCP if provided in NL will be reimbursed at rates determined by MCP Medical services include all services provided by physicians in case of illness requiring medical treatment, and certain surgical dental treatment carried out by a dentist in a hospital	Coverage for emergency medical services at NBM rates or at rates established by NBM depending on the circumstances Hospital in-patient and out-patient emergency services are reimbursed at prescribed rates Medical services include medically required services provided by physicians and certain services provided by dentists and other professionals	Coverage for emergency medical services at MSI rates Emergency hospitalization services and services provided by a physician are covered as a result of an accident or sudden illness
A Canadian without provincial coverage returning from a foreign country after working abroad for his/her employer	Eligible for coverage on the day of arrival provided he/she becomes a resident of NL	Eligible for coverage on the first day of the third month following the month of arrival if he/she is establishing residence in New Brunswick	Eligible for coverage on the first day he/she becomes a permanent resident of Nova Scotia
Requirements for health coverage when a non-Canadian comes to Canada to work	Canadian Citizens, Landed Immigrants, and Foreign Workers must present proof of eligibility under the Plan. Landed Immigrants must present Record of Landing Documents from Immigration Canada. If Landed status was granted in Newfoundland and Labrador, proof of intention to remain in Newfoundland and Labrador may be required. All foreign applicants should be prepared to present a valid foreign passport for identification purposes	If you have moved to New Brunswick, you may be eligible for New Brunswick Medicare coverage on the first day of the third month following the month you have established permanent residence in New Brunswick	Landed immigrants who establish permanent residence in Nova Scotia become eligible on the day they become resident If Work Permit is issued: eligible to apply for MSI upon their arrival in Nova Scotia, provided they will be remaining in Nova Scotia for at least one full year and have signed a declaration. Coverage will begin on the date of arrival in Nova Scotia or the date the Work Permit was issued, whichever is the later date

	Ontario	Prince Edward Island	Québec
	Ontario Health Insurance Plan (OHIP)	PEI Hospital and Medical Services Plans	Régie de l'assurance maladiedu Québec (RAMQ)
Provincial Health Insurance Coverage outside of Canada			
Requirements to maintain coverage	An Ontario resident is eligible to maintain coverage if he/she is physically present in Ontario for 153 days in any 12-month period, and is physically present for 153 days of the first 183 days immediately after establishing his/her primary place of residence in Ontario	A PEI resident must ordinarily be present in PEI for at least 6 months plus 1 day unless a waiver is obtained Under some circumstances, health coverage for emergency or sudden illness may be extended for up to one year. Health PEI should be notified prior to departure	A Québec resident must not spend 183 days or more outside Québec in any calendar year (excluding periods of 21 consecutive days or less) Exceptions may apply in special situations
Provincial health insurance coverage outside of Canada in case of emergency	Coverage for emergency health and hospital services within OHIP rates if provided to an insured person Medically necessary services for an illness or injury that is acute and unexpected, that arises outside Canada and requires immediate treatment, are covered. OHIP only pays very limited amounts for services provided by a physician, hospital or health facility	Coverage for basic health services and emergency or sudden illness at PEI rates only Basic health services include services provided by physicians when medically required and by other practitioners under certain conditions	Coverage for emergency professional services or hospital services resulting from a sudden illness or accident within RAMQ rates provided the same services are covered in Québec Emergency professional services covered are those provided by physicians, dentists, optometrists or pharmacists
A Canadian without provincial coverage returning from a foreign country after working abroad for his/her employer	Eligible for coverage after being a resident for 3 full consecutive months, provided he/she has not stopped being a resident since meeting 3-month waiting period requirement	Eligible for coverage on the first day he/she becomes a permanent resident of PEI provided he/she shows proof of Canadian citizenship	Eligible for coverage after a waiting period of up to 3 months following his/her registration
Requirements for health coverage when a non-Canadian comes to Canada to work	There may be a 3-month waiting period for OHIP coverage. If the person is a newcomer to Ontario, the waiting period begins on the date the person establishes residence in Ontario. The person is also required to be present in Ontario for 153 days of the first 183 days immediately following the date residency is established in Ontario	If establishing permanent residence in PEI may be eligible for provincial health insurance on the first day he/she becomes resident. Citizens of other countries will have their status in Canada confirmed with the Department of Immigration	Persons who take up residence in Québec may be eligible after a waiting period of up to 3 months following registration If a social security agreement is signed between Québec and the non-Canadian's country of origin then the 3-month waiting period may be reduced

	Saskatchewan Saskatchewan Health Benefit (SHB)
Provincial Health Insurance Coverage outside of Canada	
Requirements to maintain coverage	A Saskatchewan resident is eligible to maintain coverage if he/she is physically present in Saskatchewan for a period of at least 6 months each year If leaving for up to 1 year for the purpose of a business engagement or employment, coverage can be maintained during the absence. Under certain conditions, coverage can be maintained if person has obtained a work contract outside of Canada not exceeding 24 months
Provincial health insurance coverage outside of Canada in case of emergency	Coverage for emergency medical or hospital care up to SH pre-set rates Emergency hospital services covered are those provided for emergency medical care from an approved general hospital outside of Canada if the same services would be covered in Saskatchewan Medical services include services provided by a physician or optometrist in case of emergency. Hospital services include in-patient services and out-patient hospital visits
A Canadian without provincial coverage returning from a foreign country after working abroad for his/her employer	When returning after an absence of more than 24 months, may be eligible for coverage upon establishing residence in Saskatchewan within 3 months of arrival to Canada
Requirements for health coverage when a non-Canadian comes to Canada to work	If permanent resident or employed under a work permit, will be eligible on the day that he/she establishes residence in Saskatchewan, provided residence is established before the first day of the third month after having been admitted to Canada

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