Human Resources Legislative Update

2014 EI Rates Set, Pension and Retirement Savings Limits Announced

Date: November 6, 2013

Further to the federal government's announcement in September, on November 2, 2013, HRSDC published a Resolution providing notice that the 2014 employment insurance ("EI") premium rate for 2014 for residents of all provinces (with the exception of Québec) is maintained at $1.88 per $100 of insurable earnings. The 2014 EI premium rate for Québec residents is increased from $1.52 (2013) to $1.53 per $100 of insurable earnings.

In addition, the Canada Revenue Agency ("CRA") released the "2014 rates for the Money Purchase limit, DPSP limit, Defined Benefit limit, and the 2015 RRSP limit," which are as follows:

- the 2014 annual pension for the year in which a pension commences to be paid under a Defined Benefit pension plan will be limited to $2,770.00 per year of service, an increase from $2,696.67 in 2013.
- The 2014 Money Purchase (Defined Contribution) limit will be increased to $24,930.
- The Registered Retirement Savings Plan ("RRSP") limit will increase to $24,270 in 2014.
- The Deferred Profit Sharing Plans ("DPSP") contribution limit in 2014 is increased to $12,465.

The CRA also announced that for 2014, the Year's Maximum Pensionable Earnings for the Canada Pension Plan ("CPP") shall be $52,500, an increase from $51,100 in 2013. This figure is used as the maximum earnings on which contributions to the CPP are payable and is also used in many pension plans to calculate employee contribution rates.

All current and historical rates are posted on the CRA website.