



e2r Alert!

New Year, New CPP Premiums

2022 brings along another increase to Canada Pension Plan premiums contributions. This year, the maximum contributions by employees and employers to CPP is \$3,499.80, compared to last year's \$3,166.00 – a 5.3% increase.

In 2017, the provinces and federal government agreed to enhance the CPP, commencing in 2019 and spanning over seven years. This year's raise in contributions is the largest seen in 3 decades. The formula when determining yearly CPP contributions compares the average weekly earnings made throughout the year until June 30 to the previous 12 months (the yearly maximum pensionable earnings).

The higher than usual increase in this year's contributions can be attributed to the fact that there have been fewer lower paying jobs held in the market in 2021. As a result, your organization may wish, if it has not already done so, advise employees of this CPP obligation to pre-empt questions relating to lower net pay cheques.

If you have any questions regarding the above, please do not hesitate to reach out to speak with an e2r™ Advisor.

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