

2024 EI and CPP contributions, and Federal/Provincial TD1 forms

What is this about?

Your Canada Pension Plan (CPP) and Employment Insurance (EI) contributions and income tax deductions for 2024.

What do I need to do?

Read the overview below to understand how your CPP and EI contributions affect your pay, and to determine whether you should complete a new TD1 form for 2024. In general, unless your situation has recently changed, you likely will not need to take any action regarding the TD1 form.

Please direct inquiries to payroll@ontariotechu.ca

Upon receiving your initial pay for January 2024, you may notice your net pay is lower than it was at the end of 2023. This is because of how Canada Pension Plan (CPP) and Employment Insurance (EI) contributions are deducted from your pay.

How CPP and EI contributions work

Most Ontario Tech University employees have CPP and EI contributions deducted from their earnings. Each year, the Government of Canada sets maximum CPP and EI contribution amounts. These contributions are deducted from your pay throughout the year until the respective maximums are reached, after which the deductions stop for the remainder of the year. Contributions to CPP and EI recommence each January 1.

CPP contribution changes for 2024

- CPP premiums are rising.
- The 2024 yearly additional maximum pensionable earnings (YAMPE) is \$68,500.
- A second YAMPE tier has been introduced for amounts earned between \$68,500 and \$73,200.

How it breaks down:

- The premium on the first \$3,500 of income is \$0.
- On the amount earned between \$3,500 and the first YAPME tier of \$68,500, the CPP premium is 5.95 per cent, which equals \$3,867.50 (collected monthly until that maximum is reached).
- Pensionable earnings greater than \$68,500 will be subject to a four per cent CPP contribution (on the additional amount) until they reach the second YAMPE tier of \$73,200. The additional deduction will not kick in until a person has earned \$68,501. There will be a separate CPP code on pay statements for this new additional four per cent deduction.

	2024 YAMPE: \$68,500	NEW: Additional YAMPE tier: \$73,200
Basic CPP exemption (applied only to first \$68,500)	\$3,500	N/A
Contributory earnings	\$65,000	\$4,700 (difference between the two tiers)
Contributory rate	5.95%	4%
Maximum contribution (contributory earnings multiplied by contributory rate)	\$3,867.50	\$188 (\$4,700 x 4%)

EI rates for 2024

The maximum insurable earnings threshold for employment insurance is \$63,200. The employee premium rate on this amount is 1.66 per cent and the maximum premium deduction for 2024 is \$1,049.12.

CPP and EI maximum contributions apply to each job an employee holds with different employers. If you leave one employer during the year to start work with another employer, the new employer also has to deduct CPP contributions without considering what you paid during your previous employment (even if you contributed the maximum amount in your last job).

Canada Revenue Agency (CRA) will credit or refund any CPP and EI overpayments to employees when they file their income tax and benefit return.

Opting out of CPP contributions

If you are **at least 65 years old**, you can elect to stop contributing to CPP by following these steps:

1. Complete the [CPT30 Election to Stop Contributing to the Canada Pension Plan, or Revocation of a Prior Election](#) form.
2. Provide a copy of the completed form to the Ontario Tech Payroll department.

Your CPP contribution will stop on the first day of the month after you give the Payroll department the form.

Do I need to complete new Federal and Provincial Personal Tax Credit Return forms?

Federal (TD1) and Provincial (TD1ON) Personal Tax Credits Return forms are used to determine the amount of income tax to be deducted from your pay.

You do not have to complete a new TD1 every year if you are claiming the basic personal amount, unless there is a change to your federal or provincial personal tax credit amounts. If there is no change, then no action is required by you regarding the TD1 form(s).

What do I need to do for the 2024 taxation year?

You may wish to complete a new [Federal TD1](#) and [Provincial TD1ON](#) form if you:

- Are a new hire (this includes international students on the university's payroll).
- Claimed anything more than the basic personal amount in the previous calendar year (such as caregiver allowance, age amount, pension income, tuition, etc.; the allowances for these items change every year).
- Want to change amounts from previous amounts claimed.
- Wish to increase the amount of income tax deducted at source.
- Are experiencing changes in your personal situation (e.g. birth of a child, marriage, dependant claim, tuition, etc.)