

2025 EI and CPP contributions, and Federal/Provincial TD1 forms

Upon receiving your initial pay for January 2025, you may notice your net pay is lower than it was at the end of 2024. 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. The Government of Canada sets maximum CPP and EI contribution amounts each year. 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.

Maximum contribution amounts have increased for 2025:

- CPP: \$4,034.10
- CPP2 : \$396.00 (Note: This is the new additional CPP contribution on earnings above the Year's Maximum Pensionable Earnings (YMPE) under the [federal government's CPP enhancement plan](#).)
- EI: \$1,077.48

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 taking into account 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.

Federal and Provincial Personal Tax Credit Returns forms

The 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.

What do I need to do for the 2025 taxation year?

You may wish to complete a new [2025 Federal Personal Tax Credits Return \(TD1\)](#) and [2025 Ontario Personal Tax Credits Return \(TD1ON\)](#) 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. Note: 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 (e.g. birth of a child, marriage, dependant claim, tuition, etc.)

For more information, contact payroll@ontariotechu.ca.