Payroll Deductions

Eligible employees can expect to have some or all of the following deductions taken from their biweekly pay:

- Statutory Deductions - Income Tax, CPP, EI (all pay periods) (more information below)
- Pension (all pay periods)
- Group Life Insurance (second pay period)
- Long Term Disability (all pay periods)
- Employee Paid Health premiums (Extended Health or UHIP) (first pay period)
- Dental premiums (second pay period)
- Union/Association Fees (union specific)
- Parking Fees (second pay period)
- Canada Savings Plan (all pay periods)
- Charitable donations (all pay periods)

Statutory Deductions

Your employment income is subject to income tax, Canada Pension Plan, and Employment Insurance deductions.

Income Tax

Income tax will be deducted from your employment income based on the total claim amounts stated on the Federal and Provincial TD1 Forms - Personal Tax Credit Return.

Please complete the TD1 Forms if you want to make any of the following changes:

- claim an amount other than the Basic Personal Exemption amounts
  - 2016 Federal Basic Personal Amount $ 11,474
  - 2016 Provincial Basic Personal Amount $ 10,011
- change your current claim to the Basic Personal Exemption
- request Additional Tax deductions – Federal Form TD1 - this amount stays the same until you fill out a new Form TD1.

You do not have to complete a new TD1 every year unless there is a change to your federal or provincial personal tax credit amounts.

The University will remit the income tax deductions to the Canada Revenue Agency through payroll remittances.

- [2016 TD1 Federal Personal Tax Credit Return](#)
- [2016 Worksheet for Federal TD1](#)
- [2016 TD1 Ontario Personal Tax Credit Return](#)
- [2016 Worksheet for Ontario TD1](#)

Canada Pension Plan (CPP)

Canada Pension Plan (CPP) contributions are deducted from your employment income if you are 18 years or older, but younger than 70, are in pensionable employment during the year; and do not receive a CPP or QPP retirement or disability pension. These deductions are remitted to the Canada
Revenue Agency, along with the University’s share of contributions, through payroll remittances.

The CPP provides basic benefits when you, a contributor to the plan, become disabled or retires. In the event of your death, the plan provides benefits to your survivors. For more information on CPP, please visit the Service Canada webpages on CPP [5].

**2016 CPP Rates**

Annual Maximum Pensionable Earnings

Basic Exemption

Contribution Rate

Maximum Annual Employee Contribution

**CPP Changes Effective January 1, 2012**

Changes to the Canada Pension Plan (CPP) took effect January 1, 2012.

Changes will affect you if you are:

- Aged 60 to 65 and currently receive a CPP retirement pension
- Aged 65 to 70 and currently receive a CPP retirement pension

You will **not** be affected if you are currently 70 years of age or older.

To find out more about the changes and how they could affect you, please visit the Service Canada website [6].

**Employment Insurance (EI)**

Employment Insurance (EI) premiums are deducted from your insurable earnings. Unlike CCP, there is no age limit for deducting EI premiums. These deductions are remitted to the Canada Revenue Agency, along with the University’s share of premiums, through payroll remittances.

EI provides you with temporary financial assistance while unemployed and looking for work or if you are upgrading your skills. You may receive EI assistance in the following situations: sickness, pregnancy, caring for a newborn or adopted child or caring for a seriously ill family member with a significant risk of death. For more information on Employment Insurance, please visit the Service Canada website [7].

**2016 EI Rates**

Annual Maximum Insurable Earnings

Contribution Rate
Maximum Annual Employee Contribution

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Links