



# ***2026 Canadian Payroll & Employment Standards Guide***

Your Comprehensive Reference for Payroll Compliance & Employment Legislation in Canada

***Updated on 28th February, 2026***

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Disclaimer: The information provided in this booklet is offered solely for your convenience and general guidance regarding Canadian payroll and employment standards as of January 1, 2026. While every effort has been made to ensure accuracy at the time of publication, the content is subject to legislative changes, regulatory updates, and jurisdictional variations that may occur without notice. This guide does not constitute legal, tax, or professional advice. Employers and payroll professionals are strongly encouraged to verify all figures, rates, thresholds, and compliance requirements directly with authoritative sources. V-Tac Payroll Management disclaims any liability for errors, omissions, or outcomes resulting from the use of this information. Users assume full responsibility for applying the content to their specific circumstances and for maintaining compliance with all applicable federal, provincial, and territorial legislation.

# 01

## Payroll and Labour Management Overview

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This guide summarizes the national and provincial/territorial minimum employment standards across Canada, current as of January 1, 2026. It covers essential payroll administrative topics, including:

- Minimum wage rates (federal and all jurisdictions)
- Statutory holiday entitlements, premium pay rules, and substitution policies
- Overtime thresholds, calculation methods, and averaging agreements
- Vacation accruals, timing requirements, and payout obligations
- Job-protected leaves: illness, caregiving, domestic violence, pregnancy loss, and emerging leave categories
- Statutory contribution rates: CPP/QPP, EI, QPIP, and workers' compensation premiums
- 2026 compliance updates: salary transparency posting, AI-use disclosure in hiring, tip protection rules, and digital record-keeping standards

# 02

## Standards by Jurisdiction – 2025

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This table [Table 1] provides a comparative overview of key payroll and employment standards across Canadian jurisdictions as of 2026. It highlights differences in:

- Minimum wage rates (federal and all provinces/territories)
- Reporting pay requirements and call-in pay rules
- Overtime eligibility thresholds, rates, and averaging provisions
- Statutory holiday work rules, premium pay, and substitution policies
- Vacation pay percentages and minimum entitlement durations
- Emerging 2026 requirements: salary transparency posting, AI-use disclosure in hiring, and tip protection provisions

By displaying these metrics side-by-side, the table helps employers and payroll professionals understand and comply with the diverse federal, provincial, and territorial labour regulations that impact wage calculations, statutory deductions, and employee benefits.

JURISDICTION	MINIMUM WAGE	REPORTING PAY**	OVERTIME CRITERIA	STAT HOLIDAYS ( WORK RULE)	VACATION PAY	VACATION ENTITLEMENT
<b>Federal*</b>	\$18.10 (effective Apr 1, 2026)	3 hrs at regular wage	>8 hr/day or 40 hr/week (1.5×)	1.5× for hours worked, plus either statutory holiday pay or alternative paid day off	4% <1 yr 6% ≥5 yrs 8% ≥10 yrs	2 wks <5 yrs 3 wks 5–10 yrs 4 wks ≥10 yrs
<b>Alberta</b>	\$15.00 (unchanged)	Greater of 3 hrs at min wage or actual hours worked	>8 hr/day or 44 hr/week (1.5×)	1.5× for hours worked plus general holiday pay, or regular pay + paid day off later	4% <5 yrs 6% ≥5 yrs	2 wks <5 yrs 3 wks ≥5 yrs
<b>British Columbia</b>	\$18.25 (effective Jun 1, 2026)	2 hrs minimum (4 hrs if scheduled >8 hrs)	>8 hr/day or 40 hr/week (1.5×) 2× after 12 hr/day	1.5× for first 12 hrs, 2× thereafter, plus average day's pay	4% <5 yrs 6% ≥5 yrs	2 wks <5 yrs 3 wks ≥5 yrs
<b>Manitoba</b>	\$16.00 (effective Oct 1, 2025)	3 hrs at regular wage	>8 hr/day or 40 hr/week (1.5×)	1.5× overtime plus regular pay	4% <5 yrs 6% ≥5 yrs	2 wks <5 yrs 3 wks ≥5 yrs
<b>New Brunswick</b>	\$15.90 (effective Apr 1, 2026)	Greater of 3 hrs at min wage or min OT rate or reg. wage	>44 hr/week (min OT rate)	1.5× for hours worked plus regular day's pay	4% <8 yrs 6% ≥8 yrs	2 wks <8 yrs 3 wks ≥8 yrs
<b>Newfoundland &amp; Labrador</b>	\$16.35 (effective Apr 1, 2026)	3 hrs at regular wage	>40 hr/week (min OT \$24.53/hr)	2× pay or future paid day off within 30 days, or extra vacation day	4% <15 yrs 6% ≥15 yrs	2 wks <15 yrs 3 wks ≥15 yrs
<b>Northwest Territories</b>	\$16.95 (effective Sep 1, 2025)	4 hrs at regular wage	>8 hr/day or 40 hr/week (1.5×)	1.5× for hours worked plus average day's pay or additional paid day off	4% <6 yrs 6% ≥6 yrs	2 wks <6 yrs 3 wks ≥6 yrs
<b>Nova Scotia</b>	\$16.75 (Apr 1, 2026) \$17.00 (Oct 1, 2026)	3 hrs at regular wage	>48 hr/week (1.5×)	1.5× for hours worked plus regular day's pay	4% <7 yrs 6% ≥7 yrs	2 wks <8 yrs 3 wks ≥8 yrs
<b>Nunavut</b>	\$19.75 (effective Sep 1, 2025)	4 hrs at regular wage	>8 hr/day or 40 hr/week (1.5×)	1.5× plus regular wage or additional paid day off	4% <6 yrs 6% ≥6 yrs	2 wks <6 yrs 3 wks ≥6 yrs

JURISDICTION	MINIMUM WAGE	REPORTING PAY**	OVERTIME CRITERIA	STAT HOLIDAYS ( WORK RULE)	VACATION PAY	VACATION ENTITLEMENT
<b>Ontario</b>	\$17.60 → ~\$18.00 (effective Oct 1, 2026, projected)	3 hrs at regular wage	>44 hr/week (1.5×)	1.5× time plus public holiday pay, or reg. pay + future paid day off	4% <5 yrs 6% ≥5 yrs	2 wks <5 yrs 3 wks ≥5 yrs
<b>Prince Edward Island</b>	\$17.00 (effective Apr 1, 2026)	3 hrs at regular wage	>48 hr/week (1.5×)	1.5× for hours worked plus regular day's pay	4% <8 yrs 6% ≥8 yrs	2 wks <8 yrs 3 wks ≥8 yrs
<b>Québec</b>	General: \$16.60 (effective May 1, 2026) Tipped: \$13.30 (effective May 1, 2026)	3 hrs at regular wage	>40 hr/week (1.5×)	Regular pay for hours worked, plus statutory entitlement or paid day off	4% <3 yrs 6% ≥3 yrs	1 day/mo <1 yr 2 wks 1–3 yrs 3 wks ≥3 yrs
<b>Saskatchewan</b>	\$15.35 (effective Oct 1, 2025)	3 hrs at regular wage	>8/10 hr/day or 40 hr/week (1.5×)	1.5× for hours worked plus general holiday pay	5.77% <10 yrs 7.69% ≥10 yrs	3 wks <10 yrs 4 wks ≥10 yrs
<b>Yukon</b>	\$18.51 (effective Apr 1, 2026)	2 hrs at regular wage or OT wage	>8 hr/day or 40 hr/week (1.5×)	OT rate for hours worked plus general holiday pay, or reg. rate + additional day off	4% all years	2 wks after 1 yr

Table 1

\* An employee working for a federally regulated employer. If the minimum wage set by the province or territory you are employed in is greater than the federal minimum wage, the provincial or territorial wage rate will apply to you.

\*\* Reporting pay, also known as call-in pay or show-up pay, is the guaranteed minimum payment an employee receives for reporting to work when a shift is canceled, shortened, or when they are called in to work at a time they weren't scheduled.

# 03

## Statutory Holidays by Jurisdiction – 2025

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Statutory holidays in Canada are legislated paid days off that vary by province and territory, reflecting national, cultural, and regional observances. While holidays such as New Year's Day, Canada Day, Labour Day, and Christmas Day are widely recognized across the country, others are unique to specific jurisdictions. This table [Table 2] outlines the statutory holidays observed in each province and territory in 2026, providing a clear view to support workforce planning, payroll scheduling, and statutory pay calculations.

### Key 2026 Compliance Notes:

- National Day for Truth & Reconciliation (September 30): Observed as a statutory holiday for federally regulated employees and in BC, MB, NT, NS, NU, PEI, and YK. Not yet legislated as a general statutory holiday in AB, NB, NL, ON, QC, or SK for private-sector workers.
- Quebec: Does not observe Good Friday as a statutory holiday for most private-sector employees (public sector and certain industries may differ). Easter Monday is observed provincially.
- Ontario: Remembrance Day and Family Day are statutory holidays, but eligibility for pay depends on employment status and scheduling.
- Substitution Rules: Many jurisdictions allow employers to substitute a statutory holiday with another paid day off by agreement. Substitution policies and notice requirements vary—verify local rules before implementing.
- Holiday Pay Calculations: Eligibility criteria (e.g., 30-day employment rule, hours worked in prior period) differ significantly. Always reference jurisdiction-specific formulas when processing statutory holiday pay.

HOLIDAY	FEDERAL	AB	BC	MB	NB	NL	NT	NS	NU	ON	PE	QC	SK	YK
New Year's Day	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Louis Riel Day	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Family Day	✗	✓	✓	✗	✓	✗	✗	✗	✗	✓	✗	✗	✓	✗
Islander Day	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗	✗
Heritage Day	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗
Good Friday	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
Easter Monday	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗
Victoria Day	✓	✓	✓	✓	✗	✓	✓	✗	✓	✓	✗	✓	✓	✓
National Indigenous Peoples Day	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗	✗	✗	✓
Canada Day	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
British Columbia Day	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Saskatchewan Day	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗
New Brunswick Day	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Labour Day	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
National Day for Truth & Reconciliation	✓	✗	✓	✓	✗	✗	✓	✓	✓	✗	✗	✗	✗	✓
Thanksgiving Day	✓	✓	✓	✓	✗	✗	✓	✗	✓	✓	✗	✓	✓	✓
Remembrance Day	✓	✓	✓	✗	✓	✓	✗	✓	✓	✗	✓	✗	✓	✓
Christmas Day	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Boxing Day	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗	✗	✗

Table 2

(✓ = Included / ✗ = Excluded)

# 04

## Pensionable Earnings

Pensionable earnings refer to the types and amounts of employee compensation on which contributions to government pension programs, such as the Canada Pension Plan (CPP) or Québec Pension Plan (QPP), are calculated. For 2026, the maximum pensionable earnings limit (YMPE) is set at \$74,600, with a second additional ceiling (CPP2/QPP2) at \$85,000 on which additional contributions apply.

EARNINGS TYPE	PENSIONABLE	COMMENTS
Bonuses and Incentive Pay	Yes	
Commissions	Yes	
Death Benefits	No	
Directors' Fees – Fee Only	Yes	
Directors' Fees – Fee in addition to salary	Yes/No*	Depends on the employment status of the director
Gratuities – controlled by employer	Yes	
Gratuities – not controlled by the employer	No	
Honoraria by virtue of employment	Yes	
Gifts/Awards/Incentives (Taxable)	Yes	
Overtime	Yes	
Pension payments/lump sum from pension	No	
Profit-sharing Plan (EPSP)	No	

<b>EARNINGS TYPE</b>	<b>PENSIONABLE</b>	<b>COMMENTS</b>
<b>Regular pay/salary</b>	Yes	
<b>Retroactive pay and adjustments</b>	Yes	
<b>Pay in lieu</b>	Yes	
<b>Retiring allowance (Severance pay)</b>	No	
<b>Retirement Compensation Arrangement (RCA)</b>	No	
<b>Sabbatical/furlough pay</b>	Yes	
<b>Salary paid before/after the WCB claim is decided</b>	Yes	
<b>Severance pay</b>	No	
<b>Shift pay</b>	Yes	
<b>Sick pay (accumulated sick leave paid after termination)</b>	Yes	
<b>Statutory holiday pay</b>	Yes	
<b>Supplementary Unemployment Benefits (SUB plans)</b>	Yes	
<b>Taxable Allowances</b>	Yes	
<b>Tuition (cash/non-cash)</b>	Yes	
<b>Vacation pay</b>	Yes	
<b>Wage-loss replacement benefits</b>	Yes	
<b>WCB advances/WCB awards</b>	No	
<b>WCB top-up payments</b>	Yes	

<sup>1</sup> Depends on resident director status for CPP deductions.

Table 3

# 05

## Vacationable Earnings

Vacationable earnings are the types of employee compensation that are used to calculate vacation pay according to federal and provincial employment standards. These earnings may include regular wages, overtime (varies by jurisdiction), commissions, statutory holiday pay, bonuses tied to work performance, and certain allowances. The specific inclusion of each earning type differs across provinces and territories, and this table [Table 4] shows which earnings are vacationable in 2026 by jurisdiction.

EARNINGS TYPE	FEDERAL	AB	BC	MB	NB	NL	NT/NU	NS	ON	PE	QC	SK	YK
Bonuses (work-related)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Call-in pay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Car allowance	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗
Clothing allowance	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗
Directors' fees (employee)	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗
Discretionary bonuses	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗
Housing allowance	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✓	✗	✗
Meal allowance	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗
Overtime	✓	✗	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Regular salary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Retroactive pay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

EARNINGS TYPE	FEDERAL	AB	BC	MB	NB	NL	NT/NU	NS	ON	PE	QC	SK	YK
Shift premium	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Standby pay	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓	✗
Statutory holiday pay	✓	✗	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
Vacation pay (previously paid)	✓	✓	✓	✗	✗	✓	✓	✗	✗	✗	✓	✓	✗

(✓ = Included / ✗ = Excluded)

Table 4

#### Key 2026 Compliance Notes:

- Québec: Has the broadest definition of vacationable earnings, including most allowances and discretionary bonuses. Revenu Québec requires careful tracking of all taxable benefits for vacation pay calculations.
- Alberta & Manitoba: Overtime is generally excluded from vacationable earnings unless specifically contracted otherwise.
- Ontario: Housing allowances are vacationable; most other non-cash benefits are excluded unless tied directly to hours worked or performance.
- Federal Jurisdiction: Applies to federally regulated employers (banks, telecom, transport). When provincial and federal rules differ, apply the standard that provides the greater benefit to the employee.
- NT/NU Grouping: Northwest Territories and Nunavut share identical employment standards legislation for vacation pay purposes; rules are applied uniformly.

# 06

## Leaves Charts by Jurisdiction (Summary)

This table [Table 5] summarizes the various types and durations of key employee leaves across Canadian provinces and territories for 2025. Leaves include maternity, parental, compassionate care, critical illness, bereavement, domestic violence, and other statutory leaves. The length and conditions of these leaves vary by jurisdiction to accommodate regional employment standards and workforce needs.

LEAVE TYPE	AB	BC	MB	NB	NL	NT	NS	NU	ON	PE	QC	SK	YK
<b>Maternity Leave</b>	16 wks	17 wks	17 wks	17 wks	17 wks	17 wks	16 wks	17 wks	17 wks	17 wks	18 wks	19 wks	17 wks
<b>Parental Leave</b>	62 wks	62 wks	63 wks	62 wks	63 wks	61 wks	61-77 wks	61 wks	61/63 wks	62 wks	65 wks	59/71 wks	61 wks
<b>Compassionate Care Leave</b>	27 wks	27 wks	28 wks	28 wks	28 wks	27 wks	28 wks	27 wks	28 wks	28 wks	26 wks	28 wks	27 wks
<b>Critical Illness - Child</b>	36 wks	36 wks	37 wks	37 wks	37 wks	N/A	37 wks	N/A	37 wks	37 wks	16-104 wks	37 wks	37 wks
<b>Critical Illness - Adult</b>	16 wks	16 wks	17 wks	16 wks	17 wks	N/A	16 wks	N/A	17 wks	16 wks	16-27 wks	17 wks	17 wks
<b>Personal Illness/Injury</b>	27 wks	5 wks	27 wks	15 wks	15 wks	15 wks	15 wks	15 wks	15 wks	15 wks	26 wks	27 wks	15 wks
<b>Domestic/Sexual Violence</b>	10 days paid	5 days paid + 15 wks unpaid	10 days + 17 wks	10 days paid + 16 wks unpaid	10 days paid + 15 wks	10 days paid	5 days paid + 16 wks unpaid	10 days paid	5 days paid + 15 wks unpaid	10 days paid	26 wks	10 days paid	10 days paid + 15 wks

LEAVE TYPE	AB	BC	MB	NB	NL	NT	NS	NU	ON	PE	QC	SK	YK
<b>Bereavement Leave</b>	3 days	3 days	5 days	5 days	3 days	N/A	5 days	N/A	2 days	3 days	5 days (2 paid)	5 days	3–7 days
<b>Family Responsibility Leave</b>	5 days	5 days	3 days	3 days	7 days	N/A	3 days	N/A	3 days	3 days	10 days	N/A	N/A
<b>Reservist Leave</b>	Duration of Service	20 days	Duration of Service	Duration of Service	15 days	Duration of Service	24 months	Duration of Service					

Table 5

**Key 2026 Compliance Notes:**

- Alberta, Saskatchewan, Manitoba: Personal illness/injury leave extended to 27 weeks (effective Jan 1, 2026), aligning with federal standards. This is a significant increase from previous years and requires updated policy language.
- Domestic Violence Leave: Paid days vary significantly. BC and Ontario provide 5 days paid, while Federal, AB, MB, NB, NL, NS, PE, SK, and YK generally provide 10 days paid. QC provides 26 weeks (paid benefits via QPIP).
- Bereavement Leave: NT and NU do not have specific statutory bereavement leave; employers typically follow federal standards or company policy. QC provides 5 days total, with 2 days paid.
- Reservist Leave: Most jurisdictions provide job protection for the duration of service. BC and NL have specific day limits for certain types of reservist activities; verify local rules for extended deployments.
- Eligibility: Most leaves require a minimum employment period (e.g., 30 days, 90 days, or 13 weeks) before an employee is eligible. Verify tenure before approving statutory leave requests.

# 07

## Canada & Québec Pension Plan (CPP/QPP) 2025

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The Canada Pension Plan (CPP) and Québec Pension Plan (QPP) are mandatory public pension programs that provide retirement, disability, and survivor benefits to eligible workers and their families. In 2025, employees and employers contribute based on pensionable earnings, with maximum contribution limits and enhanced rates phased in since 2019 to increase retirement income. Self-employed individuals pay both portions of the contribution. The QPP applies to residents of Québec, while the CPP covers the rest of Canada. The Table [Table 6 and Table 7] describes the contribution rates, maximum pensionable earnings, and exemptions, which are updated annually to reflect economic conditions for CPP and QPP.

### Key 2026 Compliance Notes:

- **CPP/QPP Alignment:** Both plans now share identical pensionable earnings thresholds (\$74,600 YMPE; \$85,000 CPP2/QPP2 upper limit), simplifying calculations for employers with cross-border operations.
- **Contribution Calculation:** For employees earning above \$74,600, apply two tiers:
  - Tier 1 (CPP1/QPP1): 5.95% (CPP) or 6.40% (QPP) on earnings between \$3,500 and \$74,600
  - Tier 2 (CPP2/QPP2): 4.00% on earnings between \$74,600 and \$85,000
- **Self-Employed Workers:** Must pay both employer and employee portions. Ensure proper reporting on T2125 (CPP) or Relevé 21 (QPP) to avoid penalties.
- **Québec-Specific:** QPP contributions are remitted to Revenu Québec, not CRA. QPIP premiums are calculated separately and are not included in QPP tables.

# CPP

COMPONENT	AMOUNT (CAD)
Annual Max Pensionable Earnings (CPP)	\$74,600.00
Annual Max Pensionable Earnings (CPP2)	\$85,000.00
Annual Basic Exemption	\$3,500.00
Max Contributory Earnings (CPP)	\$71,100.00
Max Contributory Earnings (CPP2)	\$10,400.00
Employee/Employer Rate (CPP)	5.95%
Employee/Employer Rate (CPP2)	4.00%
Max Employee/Employer Contribution (CPP)	\$4,230.45
Max Employee/Employer Contribution (CPP2)	\$416.00
Self-employed Contribution Rate (CPP)	11.90%
Self-employed Contribution Rate (CPP2)	8.00%

Table 6

# QPP

<b>COMPONENT</b>	<b>AMOUNT (CAD)</b>
Annual Max Pensionable Earnings (QPP)	\$74,600.00
Annual Max Pensionable Earnings (QPP2)	\$85,000.00
Annual Basic Exemption	\$3,500.00
Max Contributory Earnings (QPP)	\$71,100.00
Max Contributory Earnings (QPP2)	\$10,400.00
Employee/Employer Rate (QPP)	6.40%
Employee/Employer Rate (QPP2)	4.00%
Max Employee/Employer Contribution (QPP)	\$4,550.40
Max Employee/Employer Contribution (QPP2)	\$416.00
Self-employed Contribution Rate (QPP)	12.80%
Self-employed Contribution Rate (QPP2)	8.00%
Max Self-employed Contribution (QPP)	\$9,100.80
Max Self-employed Contribution (QPP2)	\$832.00

Table 7

# 08

## Employment Insurance (EI) and Québec Parental Insurance Plan (QPIP) 2025

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The Employment Insurance (EI) program provides temporary financial support to eligible workers in Canada who are unemployed due to job loss, illness, pregnancy, or caregiving responsibilities. In 2026, the maximum insurable earnings have increased to \$68,900, with an employee premium rate of \$1.63 per \$100 of insurable earnings. EI weekly benefit rates have also risen, and the maximum annual EI premium for employees is now \$1,123.07.

Québec administers its own maternity and parental insurance program known as the Québec Parental Insurance Plan (QPIP), which operates alongside EI with different contribution rates and benefit structures. Employees in Québec pay reduced EI premiums (since QPIP covers parental benefits) plus separate QPIP contributions. The table below [Table 8] outlines the 2026 contribution rates, insurable earnings caps, and maximum premiums for EI and QPIP.

### Key 2026 Compliance Notes:

- Federal EI: Applies to all employees outside Québec. Employers must remit both employee and employer portions to the CRA. The employer rate is 1.4× the employee rate.
- Québec EI: Reduced rates apply because QPIP covers maternity, parental, and adoption benefits. Regular EI benefits (job loss, sickness, caregiving) still apply.
- QPIP: Administered by Revenu Québec. Covers maternity, paternity, parental, and adoption benefits for Québec residents. Self-employed workers may voluntarily participate.

EMPLOYMENT INSURANCE PLAN & RATE	EI FEDERAL	QUEBEC EI	QPIP (QUEBEC)
Annual Max Insurable Earnings	\$68,900	\$68,900	\$98,000
Employee Contribution Rate	1.63%	1.30%	0.494%
Employer Contribution Rate	2.282%	1.82%	0.692%
Self-employed Contribution	N/A	N/A	Optional (if registered)
Max Annual Employee Contribution	\$1,123.07	\$895.70	\$484.12
Max Annual Employer Contribution	\$1,572.30	\$1,253.98	\$678.16

Table 8

# 09

## Workers' Compensation Assessable Earnings

Workers' Compensation Assessable Earnings represent the portion of an employee's income used to calculate the premiums or contributions an employer must pay to their provincial or territorial workers' compensation board. These earnings are different from pensionable and insurable earnings, reflecting only what is relevant for workplace injury insurance premiums.

The table below [Table 9] describes types of earnings considered assessable. These vary by jurisdiction and may include wages, bonuses, allowances, and certain benefits. Annual maximum assessable earnings caps are set by local boards for premium calculations and are typically indexed annually.

EARNINGS TYPE	AB	BC	MB	NB	NL	NT	NS	NU	ON	PE	QC	SK	YK
Non-cash allowances (taxable)	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Board and lodging	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Interest-free loans	✓	✗	✓	✗	✓	✓	✓	✓	✓	✗	✓	✓	✓
Employer-provided auto	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Life insurance	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	✓	✓	✓
Private health care	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	✗
Employer RRSP Contributions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Stock options	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	✓	✓	✓
Bonuses (Cash)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Call-in/back pay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Commissions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Director's fees	✗	✓	✓	✓	✓	✗	✓	✗	✓	✗	✗	✓	✓
Long-term disability (employer paid)	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Maternity leave pay	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓	✓	✓
Salary/wages/overtime pay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Severance pay/retiring allowance	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Short-term disability (employer paid)	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Sick pay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table 9

# 10

## Worker's Compensation Maximum Assessable Earnings and Filing Deadlines

---

The Workers' Compensation Maximum Assessable Earnings sets the annual income ceiling on which employers must pay workers' compensation premiums for each employee. The table below [Table 10] displays the maximums that vary by province and territory and are updated yearly based on local wage trends and economic data. Employers are required to report payroll up to these maximum earnings limits by specified filing deadlines to ensure correct premium calculations and coverage.

### Key 2026 Compliance Notes:

- **Deadline Consistency:** Most jurisdictions maintain consistent annual filing deadlines (late February or mid-March). Ontario and British Columbia have slightly different windows—confirm exact dates with each board.
- **Indexing Methodology:** Maximum assessable earnings are typically adjusted based on average industrial wage growth. Increases generally range from 2% to 5% year-over-year.
- **Québec Specifics:** CNESST requires annual payroll declaration before March 15. Premium rates are industry-specific and may be adjusted mid-year based on claims experience.
- **Multi-Jurisdiction Reporting:** If employees work in multiple provinces, premiums are calculated based on the location where work is performed. Maintain clear allocation records to support accurate reporting.
- **Reconciliation:** Year-end reconciliations are required if actual payroll exceeds initial estimates. Under-reporting may result in penalties; over-reporting may qualify for refunds.
- **New Employers:** Register with the applicable WCB board within 10–30 days of hiring your first employee, depending on jurisdiction.

<b>PROVINCE/TERRITORY</b>	<b>WORKERS' COMPENSATION BOARD NAME</b>	<b>ANNUAL FILING DEADLINE*</b>	<b>MAX ASSESSABLE EARNINGS (2025)</b>
<b>Alberta</b>	WCB Alberta	February 28, 2027	\$110,000
<b>British Columbia</b>	WorkSafeBC	March 1–15, 2027	\$125,000
<b>Manitoba</b>	WCB Manitoba	February 28, 2027	\$172,000
<b>New Brunswick</b>	WorkSafeNB	February 28, 2027	\$87,000
<b>Newfoundland &amp; Labrador</b>	WorkplaceNL	February 28, 2027	\$82,000
<b>Northwest Territories</b>	WSCC	February 28, 2027	\$116,000
<b>Nova Scotia</b>	WCB Nova Scotia	February 28, 2027	\$79,000
<b>Nunavut</b>	WSCC	February 28, 2027	\$117,000
<b>Ontario</b>	WSIB	Last day of March, 2027	\$121,000
<b>Prince Edward Island</b>	WCB PEI	February 28, 2027	\$85,000
<b>Québec</b>	CNESST	Before March 15, 2027	\$101,000
<b>Saskatchewan</b>	WCB Saskatchewan	February 28, 2027	\$108,000
<b>Yukon</b>	WCB Yukon	Last day of February, 2027	\$108,000

Table 10

# 11

## Notice of Termination

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Notice of Termination refers to the legally required warning or pay in lieu that an employer must provide to an employee when ending their employment. The required notice period varies based on the length of the employee's continuous service, typically ranging from no notice for very short employment to up to 8 weeks for long-term employees. Employers must deliver this notice in writing or provide equivalent pay.

The table below [Table 11] outlines the statutory minimum notice periods by jurisdiction for 2026. While these standards remain stable compared to 2025, employers must ensure compliance with any jurisdiction-specific amendments regarding mass terminations or individual contracts.

### **Key 2026 Compliance Notes:**

- **Grouping Methodology:** Jurisdictions are grouped based on similar notice period structures (e.g., weeks of notice per year of service). While most provinces align on basic standards, specific calculations may vary within grouped regions.
- **Ontario Distinction:** Ontario stands out for having potentially longer notice periods under the Employment Standards Act (up to 8 weeks) plus separate severance pay requirements (up to 26 weeks) for eligible long-term employees in larger organizations (payroll > \$2.5M or 50+ terminations).
- **Pay in Lieu of Notice:** Employers across all jurisdictions may generally provide termination pay instead of working notice, provided the employee receives the full amount they would have earned during the notice period, including benefits and averages.
- **Common Law Notice:** Statutory minimums represent the floor only. Employees may be entitled to greater notice under common law based on factors such as age, position, length of service, and availability of similar employment.

LENGTH OF SERVICE	FEDERAL	AB/ BC/ SK	MB / NS / NB	ON	PE / NL / YT	QC	NT / NU
Less than 3 months	None	None	None	None	None	None	None
3 months to < 1 year	2 weeks	1 week	1 week	1 week	1 week	1 week	2 weeks
1 to < 3 years	3 weeks	2 weeks	2 weeks	2 weeks	2 weeks	2 weeks	3 weeks
3 to < 4 years	4 weeks	3 weeks	4 weeks	3 weeks	1 to 2 weeks	2 weeks	4 weeks
4 to < 5 years	5 weeks	4 weeks	6 weeks	4 weeks	3 to 4 weeks	2 weeks	5 weeks
5 to < 6 years	6 weeks	N/A	N/A	5 weeks	N/A	N/A	6 weeks
6 to < 7 years	7 weeks	N/A	N/A	6 weeks	N/A	N/A	6 weeks
7 to < 8 years	8 weeks	N/A	N/A	7 weeks	N/A	N/A	7 weeks
8 or more years	8 weeks max	8 weeks max	8 weeks max	8 weeks max	6 to 8 weeks max	8 weeks max	8 weeks max

Table 11

**Notes:** N/A Indicator: Indicates provinces where specific statutory notice periods do not apply under certain conditions, where data differs significantly from standard grouping, or where the jurisdiction uses a different calculation method (e.g., Alberta scales differently after 5 years).

# 12

## Special Payments Chart

Special payments include amounts paid to employees that are not related exclusively to the last pay period and may include bonuses, retroactive pay, severance pay, etc. This table [Table 12] helps employers determine whether CPP, EI, and income tax deductions apply to various types of special payments in 2026.

SPECIAL PAYMENT TYPE	CPP DEDUCTION	EI PREMIUM	INCOME TAX DEDUCTION
Bonuses and retroactive pay increases	✓	✓	✓
Director's fees (fee only)	✓	✗	✓
Director's fees (fee + salary)*	✓/✗	✓/✗	✓
Employee Profit Sharing Plan (EPSP)	✗	✗	✗
Overtime pay, including banked overtime	✓	✓	✓
Retirement Compensation Arrangements (RCA)	✗	✗	✓
Retiring allowances (severance pay)	✗	✗	✓
Retroactive lump-sum payments	✓	✓	✓
Salary deferral arrangements	✓	✓	✓
Vacation pay and public holiday payments	✓	✓	✓
Wages in place of termination notice	✓	✓	✓
Workers' compensation top-ups and related payments**	✓	✓/✗	✓

Table 12

\* Don't deduct CPP when employment is wholly or partly outside Canada. CPP and EI deductions depend on the resident director's employment status. Income tax deductions may be exempt if transferred directly to an RPP or RRSP.

\*\* Depends on the payment/top-up scenario. Generally, if the top-up is considered insurable earnings, EI applies; if it replaces lost wages due to injury, EI may not apply.

# 13

## Tax Credits by Province/Territory (2025)

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Tax credits in Canada for 2026 vary by province and territory, providing non-refundable reductions in income tax to eligible residents based on factors like age, income, disability, and family situation. These credits often include basic personal amounts, age amounts, and credits unique to each region. Provincial and territorial tax credits work alongside federal credits to help lower overall tax burdens and the regional cost of living.

This table [Table 13] outlines the 2026 Basic Personal Amounts (BPAs) for federal and provincial/territorial jurisdictions. These amounts represent the income threshold below which no income tax is payable at the respective government level, before other credits or deductions are applied.

### Key 2026 Compliance Notes:

- **Federal Tax Change:** The lowest federal tax rate was reduced from 15% to 14% for income up to \$58,523 in 2026. This change works in tandem with the indexed Basic Personal Amount to reduce tax burden for low- and middle-income earners.
- **Québec Specifics:** Québec amounts are administered by Revenu Québec and reported in Québec dollars. The Québec BPA is higher than most provinces, reflecting distinct provincial tax policy.
- **Alberta Advantage:** Alberta maintains one of the highest provincial BPAs, contributing to its reputation for lower personal income tax burdens.
- **Indexing Methodology:** Most jurisdictions adjust BPAs annually based on the Consumer Price Index (CPI). Increases typically range from 1.5% to 3% year-over-year.
- **Non-Refundable Nature:** Basic Personal Amounts reduce tax payable but do not generate refunds if tax liability is already zero. Other credits (e.g., disability, age, caregiver) may be refundable or transferable.

<b>JURISDICTION</b>	<b>BASIC PERSONAL AMOUNT (CAD)</b>
<b>Federal</b>	\$16,500
<b>Alberta</b>	\$22,900
<b>British Columbia</b>	\$13,280
<b>Manitoba</b>	\$16,400
<b>New Brunswick</b>	\$13,750
<b>Newfoundland &amp; Labrador</b>	\$11,370
<b>Northwest Territories</b>	\$18,320
<b>Nova Scotia</b>	\$12,060
<b>Nunavut</b>	\$19,800
<b>Ontario</b>	\$13,100
<b>Prince Edward Island</b>	\$14,640
<b>Québec</b>	\$19,080
<b>Saskatchewan</b>	\$19,510
<b>Yukon</b>	\$16,570

Table 13

# 14

## Lump Sum Tax Rates

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Lump sum tax rates in Canada refer to the specific withholding tax percentages applied to large one-time payments such as retirement allowances, severance pay, and other non-regular income. The table below [Table 14] outlines the rates that vary by the amount of the payment and jurisdiction, with typical federal withholding rates of 10% for amounts up to \$5,000, 20% for payments between \$5,000 and \$15,000, and 30% for payments exceeding \$15,000.

Québec applies different provincial withholding rates, which are generally calculated separately from federal rates. These predetermined rates ensure the appropriate collection of tax on lump sum payments outside regular payroll calculations.

TAXABLE AMOUNT RANGE (CAD)	FEDERAL TAX RATE	QUEBEC TAX RATE	PROVINCIAL TAX RATE (OTHER PROVINCE)
<b>Under \$5,000</b>	10%	14%	10% to 30% (varies by province)
<b>\$5,001 – \$15,000</b>	20%	19%	10% to 30% (varies by province)
<b>Over \$15,000</b>	30%	19%	10% to 30% (varies by province)

Table 14

# 15

## Chart of Insurability

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The Chart of Insurability [Table 15] outlines which types of employee earnings are considered insurable for Employment Insurance (EI) purposes in Canada. It determines the types of payment on which EI premiums must be deducted and contributions calculated, including salaries, bonuses, vacation pay, and special payments, while excluding certain benefits and reimbursements.

This chart is updated annually to reflect changes in maximum insurable earnings and premium rates. For 2026, the maximum insurable earnings is \$68,900 and the employee premium rate is \$1.63 per \$100 of insurable earnings. Employers should ensure they use the current version for payroll compliance. This process ensures accurate premium collection and benefit entitlement under the EI program and supports proper reporting for separation or benefit periods.

### Key 2026 Compliance Notes:

- Maximum Insurable Earnings: \$68,900 for 2026. Once an employee's insurable earnings reach this threshold, no further EI premiums are deducted for the remainder of the year.
- Premium Rates: Employee rate is \$1.63 per \$100 of insurable earnings; employer rate is 1.4× the employee rate (\$2.282 per \$100).
- Maximum Premiums:  
Employee: \$1,123.07  
Employer: \$1,572.30
- Overtime & Leave: Overtime is insurable only when paid in cash. If taken as banked time off, it is not insurable. Similarly, vacation pay is insurable regardless of whether time is taken or paid out.
- Separation Payments: Pay in lieu of notice, vacation pay paid on separation, and accumulated overtime paid after termination are insurable. Retiring allowances and severance pay are not.

<b>EARNINGS TAX</b>	<b>EI INSURABLE</b>
Salary and wages	✓
Commissions (regular/irregular)	✓
Bonuses (all types)	✓
Non-cash taxable benefits	✓
Taxable monetary benefits	✓
Taxable allowances (e.g., car)	✓
Group life employer-paid	✗
Automobile standby charge	✗
Housing with cash	✗
Housing no cash	✗
Stock options purchase plans	✗
Employer-paid non-restricted RRSP contribution	✗
Employer-paid restricted RRSP contribution	✗
Pay in lieu (paid on or after separation)	✓
Vacation pay (time taken)	✓
Vacation pay (no time taken)	✓
Vacation pay (paid on separation)	✓
Shift premiums	✓

EARNINGS TAX	EI INSURABLE
Retro pay	✓
Retirement leave credits	✗
SUB plan benefit	✗
WCB top-up	✗
Sick leave (paid by employer)	✓
Sick leave credits (accumulated and paid out)	✗
Overtime (worked and paid)	✓
Overtime (worked and taken as leave)	✗
Overtime (accumulated and paid on or after separation)	✓
Statutory holiday pay	✓
Statutory holiday pay (after last day worked)	✓

Table 15

## About V-Tac Payroll Management (VPM)

Established in 1997, VPM (V-Tac Payroll Management) has grown from a small independent firm into one of Canada's leading payroll service providers, with offices expanding across the country. With more than 25 years of experience, VPM is recognized as Canada's service and value leader in payroll.

VPM specializes in providing highly personalized, reliable, and accurate payroll services focused on client satisfaction. The company administers over 500,000 payments annually, handling more than \$800 million in client funds, and pays over 30,000 employees across various industries.

Clients benefit from:

- Dedicated, named support managers offering fast, professional assistance
- Streamlined payroll processes from timesheet entry to remittances
- Expert navigation of complex payroll regulations and compliance
- Access to advanced payroll technology, reporting tools, and online portals
- Flexible service options with no long-term contracts or hidden fees
- Rapid onboarding with a 48-hour turnaround time

Employees enjoy self-service access to pay stubs, vacation balances, and year-end documents like Records of Employment (RoEs) and T4 slips, promoting transparency and ease of management.

VPM remains committed to delivering exceptional service, cost-effective pricing, and customized payroll solutions tailored to meet each business's unique needs.

Contact V-Tac Payroll Management today to take the stress out of payroll and help your business thrive.

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