



2025 Canadian Payroll & Employment Standards Guide

Your Comprehensive Reference for Payroll Compliance & Employment Legislation in Canada

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01

Payroll and Labour Management Overview

This guide summarizes the national and provincial/territorial minimum employment standards across Canada as of 2025. It covers essential payroll administrative topics, including minimum wage, statutory holiday entitlements, overtime, vacation, leave, contribution rates, and other key rules. Since wage rates and employment standards are updated frequently, and each jurisdiction may have unique requirements or forthcoming changes, always consult federal and provincial authorities to verify you have the most current information.

02

Standards by Jurisdiction – 2025

This table [Table 1] provides a comparative overview of key payroll and employment standards across Canadian jurisdictions as of 2025. It highlights differences in minimum wage rates, reporting pay requirements, overtime eligibility criteria, statutory holiday work rules, vacation pay percentages, and vacation entitlement durations. By displaying these metrics side-by-side, the table helps employers and payroll professionals understand and comply with the diverse provincial, territorial, and federal labour regulations that impact wage calculations and employee benefits.

JURISDICTION	MINIMUM WAGE	REPORTING PAY**	OVERTIME CRITERIA	STAT HOLIDAYS (WORK RULE)	VACATION PAY	VACATION ENTITLEMENT
Federal *	\$17.75	3 hrs at regular wage	>8 hr/day or 40 hr/week (1.5x)	1.5x time for hours worked, plus either statutory holiday pay or an 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
Alberta	\$13.00–\$15.00	Greater of 3 hrs at min wage or actual hours worked	>8 hr/day or 44 hr/week (1.5x)	1.5x for hours worked plus general holiday pay, or regular pay for hours plus a paid day off later	4% <5 yrs 6% ≥5 yrs	2 wks <5 yrs 3 wks ≥5 yrs
British Columbia	\$17.85	2 hrs minimum (4 if scheduled >8 hrs)	>8 hr/day or 40 hr/week (1.5x) 2x after 12 hr/day	1.5x for the first 12 hrs, 2x thereafter, plus the average day's pay	4% <5 yrs 6% ≥5 yrs	2 wks <5 yrs 3 wks ≥5 yrs
Manitoba	\$15.80 \$16.00 from Oct 1	3 hrs at regular wage	>8 hr/day or 40 hr/week (1.5x)	1.5x overtime plus regular pay	4% <5 yrs 6% ≥5 yrs	2 wks <5 yrs 3 wks ≥5 yrs
New Brunswick	\$15.65	Greater of 3 hrs at min wage or min OT rate or reg. wage	>44 hr/week (min OT rate)	1.5x for hours worked plus the regular day's pay	4% <8 yrs 6% ≥8 yrs	2 wks <8 yrs 3 wks ≥8 yrs
Newfoundland & Labrador	\$16.00	3 hrs at regular wage	>40 hr/week (min OT \$23.40/hr)	2x pay or a future paid day off within 30 days, or an extra vacation day	4% <15 yrs 6% ≥15 yrs	2 wks <15 yrs 3 wks ≥15 yrs
Northwest Territories	\$16.70	4 hrs at regular wage	>8 hr/day or 40 hr/week (1.5x)	1.5x for hours worked plus the average day's pay or an additional paid day off	4% <6 yrs 6% ≥6 yrs	2 wks <6 yrs 3 wks ≥6 yrs
Nova Scotia	\$15.70 \$16.50 from Oct 1	3 hrs at regular wage	>48 hr/week (1.5x)	1.5x for hours worked plus the regular day's pay	4% <7 yrs 6% ≥7 yrs	2 wks <8 yrs 3 wks ≥8 yrs
Nunavut	\$19.00	4 hrs at regular wage	>8 hr/day or 40 hr/week (1.5x)	1.5x plus regular wage or an additional paid day off	4% <6 yrs 6% ≥6 yrs	2 wks <6 yrs 3 wks ≥6 yrs
Ontario	\$16.20–\$17.20 \$16.60–\$17.60 from Oct 1	3 hrs at regular wage	>44 hr/week (1.5x)	1.5x time plus public holiday pay, or reg. pay plus a future paid day off	4% <5 yrs 6% ≥5 yrs	2 wks <5 yrs 3 wks ≥5 yrs

JURISDICTION	MINIMUM WAGE	REPORTING PAY**	OVERTIME CRITERIA	STAT HOLIDAYS (WORK RULE)	VACATION PAY	VACATION ENTITLEMENT
Prince Edward Island	\$16.00 \$16.50 from Oct 1	3 hrs at regular wage	>48 hr/week (1.5x)	1.5x for hours worked plus the regular day's pay	4% <8 yrs 6% ≥8 yrs	2 wks <8 yrs 3 wks ≥8 yrs
Québec	\$12.90–\$16.10	3 hrs at regular wage	>40 hr/week (1.5x)	Regular pay for hours worked, plus statutory entitlement or paid day off	4% <3 yrs 6% ≥3 yrs	1 day/mo <1yr 2 wks 1–3 yrs 3 wks ≥3 yrs
Saskatchewan	\$15.00	3 hrs at regular wage	>8/10 hr/day or 40 hr/week (1.5x)	1.5x for hours worked plus general holiday pay	5.77% <10 yrs 7.69% ≥10 yrs	3 wks <10 yrs 4 wks ≥10 yrs
Yukon	\$17.94	2 hrs at regular wage or OT wage	>8 hr/day or 40 hr/week (1.5x)	OT rate for hours worked plus general holiday pay, or reg. rate plus an 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

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 2025, providing a clear view to support workforce planning and payroll management.

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 2025, the maximum pensionable earnings limit is set at \$71,300, with a second additional ceiling (CPP2) at \$81,200 on which additional contributions apply. This Table [Table 3] outlines which earnings and benefits are subject to pension contributions, enabling employers to calculate mandatory payroll deductions accurately.

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 ¹	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	

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

¹ 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 2025 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

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
Maternity Leave (weeks)	16	17	17	17	17	17	16	17	17	17	18	19	17
Parental Leave (weeks)	62	62	63	62	63	61	61-77	61	61/63	62	65	59/71	61
Compassionate Care Leave (weeks)	27	27	28	28	28	27	28	27	28	28	26	28	27
Critical Illness - Child (weeks)	36	36	37	37	37	N/A	37	N/A	37	37	16-104	37	37
Critical Illness - Adult (weeks)	16	16	17	16	17	N/A	16	N/A	17	16	16-27	17	17

LEAVE TYPE	AB	BC	MB	NB	NL	NT	NS	NU	ON	PE	QC	SK	YK
Bereavement Leave (days)	3	3	5	5	3	N/A	5	N/A	2	3	5 (2 paid)	5	3-7
Domestic / Sexual Violence	10 days paid	10 days paid + 15 weeks unpaid	10 days + 17 weeks	10 days paid +16 weeks unpaid	10 days paid +15 weeks	10 days paid	10 days up to 5 days paid +16 weeks unpaid	10 days paid	10 days paid + 15 weeks unpaid	10 days paid	26 weeks	10 days paid	10 days paid +15 weeks
Family Responsibility Leave (days)	5	5	3	3	7	N/A	3	N/A	3	3	10	N/A	N/A
Reservist Leave	Duration	20 days	Duration	Duration	15 days	Duration	24 months	Duration	Duration	Duration	Duration	Duration	Duration

Table 5

07

Canada & Québec Pension Plan (CPP/QPP) 2025

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.

CPP

COMPONENT	AMOUNT (CAD)
Annual Max Pensionable Earnings (CPP)	\$71,300.00
Annual Max Pensionable Earnings (CPP2)	\$81,200.00
Annual Basic Exemption	\$3,500.00
Max Contributory Earnings (CPP)	\$67,800.00
Max Contributory Earnings (CPP2)	\$9,900.00
Employee/Employer Rate (CPP)	5.95%
Employee/Employer Rate (CPP2)	4.00%
Max Employee/Employer Contribution (CPP)	\$4,034.10
Max Employee/Employer Contribution (CPP2)	\$396.00
Self-employed Contribution Rate (CPP)	11.90%
Self-employed Contribution Rate (CPP2)	8.00%

Table 6

QPP

COMPONENT	AMOUNT (CAD)
Annual Max Pensionable Earnings (QPP)	\$71,300.00
Annual Max Pensionable Earnings (QPP2)	\$81,200.00
Annual Basic Exemption	\$3,500.00
Max Contributory Earnings (QPP)	\$67,800.00
Max Contributory Earnings (QPP2)	\$9,900.00
Employee/Employer Rate (QPP)	6.40%
Employee/Employer Rate (QPP2)	4.00%
Max Employee/Employer Contribution (QPP)	\$4,339.20
Max Employee/Employer Contribution (QPP2)	\$396.00
Self-employed Contribution Rate (QPP)	12.80%
Self-employed Contribution Rate (QPP2)	8.00%
Max Self-employed Contribution (QPP)	\$9,470.40
Max Self-employed Contribution (QPP2)	\$376.00

Table 7

08

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

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 2025, the maximum insurable earnings have increased to \$65,700, with an employee premium rate of \$1.64 per \$100 of insurable earnings. EI weekly benefit rates have also risen, and the maximum annual EI premium for employees is now \$1,077.48. 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. The Table [Table 8] demonstrates the details.

EMPLOYMENT INSURANCE PLAN & RATE	EI FEDERAL	QUEBEC EI	QPIP (QUEBEC)
Annual Max Insurable Earnings	\$65,700	\$65,700	\$98,000
Employee Contribution Rate	1.64%	1.31%	0.494%
Employer Contribution Rate	2.296%	1.834%	0.692%
Self-employed Contribution	N/A	N/A	N/A
Max Annual Employee Contribution	\$1,077.48	\$1,077.48	\$484.12
Max Annual Employer Contribution	\$1,508.47	\$1,204.94	\$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 [Table 9] describes types of earnings considered assessable that vary by jurisdiction and may include wages, bonuses, allowances, and certain benefits, with annual maximums (such as \$117,000 in Ontario or \$121,500 in BC for 2025) set by local boards for premium calculations.

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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

EARNINGS TYPE	AB	BC	MB	NB	NL	NT	NS	NU	ON	PE	QC	SK	YK
Commissions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Director's fees	✗	✓	✓	✓	✓	✗	✓	✗	✓	✗	✗	✓	✓
Awards/gifts (cash/kind)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Long-term disability (employer paid)	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Maternity leave	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓	✓	✓
Salary/wages/overtime pay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Severance pay/retiring allowance	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Shift premium	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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 [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.

PROVINCE/TERRITORY	WORKERS' COMPENSATION BOARD NAME	ANNUAL FILING DEADLINE*	MAX ASSESSABLE EARNINGS (2025)
Alberta	WCB Alberta	Feb 28, 2026	\$106,400
British Columbia	WorkSafeBC	Mar 1-15, 2026	\$121,500
Manitoba	WCB Manitoba	Feb 28, 2026	\$167,050
New Brunswick	WorkSafeNB	Feb 28, 2026	\$84,200
Newfoundland & Labrador	WorkplaceNL	Feb 28, 2026	\$79,345
Northwest Territories	WSCC	Feb 28, 2026	\$112,600
Nova Scotia	WCB Nova Scotia	Feb 28, 2026	\$76,300
Nunavut	WSCC	Feb 28, 2026	\$113,900
Ontario	WSIB	Last day of March, 2026	\$117,000
Prince Edward Island	WCB PEI	Feb 28, 2026	\$82,900
Québec	CNESST	Before March 15, 2026	\$98,000
Saskatchewan	WCB Saskatchewan	Feb 28, 2026	\$104,531
Yukon	YWCHSB	Last day of February, 2026	\$104,975

* Please visit the appropriate workers' compensation websites for other frequencies and filing deadlines.

Table 10

11

Notice of Termination

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 [Table 11] describes the details around the Notice of Termination.

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 indicates provinces without data or that differ significantly. Grouping is based on similar notice periods; Ontario stands out for the maximum years. Employers can provide pay instead of notice.

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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 2025.

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.

13

Tax Credits by Province/Territory (2025)

Tax credits in Canada for 2025 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] describes the details.

JURISDICTION	BASIC PERSONAL AMOUNT (CAD)
Federal	\$16,129
Alberta	\$22,323
British Columbia	\$12,932
Manitoba	\$15,969
New Brunswick	\$13,396
Newfoundland & Labrador	\$11,067
Northwest Territories	\$17,842
Nova Scotia	\$11,744

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JURISDICTION	BASIC PERSONAL AMOUNT (CAD)
Nunavut	\$19,274
Ontario	\$12,747
Prince Edward Island	\$14,250
Québec	\$18,571
Saskatchewan	\$18,991
Yukon	\$16,129

Table 13

Lump Sum Tax Rates

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 [Table 14] describes 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 lower than the 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)
Under \$5,000	5% (QC) / 10% (Others)	14% (QC)	10% to 30% (varies)
\$5,001 - \$15,000	10% (QC) / 20% (Others)	19% (QC)	10% to 30% (varies)
Over \$15,001	15% (QC) / 30% (Others)	19% (QC)	10% to 30% (varies)

Table 14

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Chart of Insurability

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 is updated annually to reflect changes in maximum insurable earnings and premium rates - \$65,700 and 1.64% in 2025, so 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.

EARNINGS TAX	EI INSURABLE
Salary and wages	✓
Commissions (regular/irregular)	✓
Bonuses (all types)	✓
Non-cash taxable benefits	✓

EARNINGS TAX	EI INSURABLE
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	✓
Retro pay	✓
Retirement leave credits	✗
SUB plan benefit	✗
WCB top-up	✗
Sick leave (paid by employer)	✓

EARNINGS TAX	EI INSURABLE
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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