

LAPP, CPP & EI

Premium Rates

Edmonton

Local Authorities Pension Plan (LAPP)	
Employee Contribution Rate	7.45% on pensionable earnings up to the YMPE
	11.23% on pensionable earnings over the YMPE
Employer Contribution Rate	8.45% on pensionable earnings up to the YMPE
	12.23% on pensionable earnings over the YMPE
Canada Pension Plan	
\$66,600	Year's Maximum Pensionable Earnings (YMPE)
\$3,500	Basic Year's Exemption
\$63,100	Maximum Contributory Earnings
5.95%	Employee/Employer Contribution Rate
\$3,754.45	Maximum Employee/Employer Contribution
Employment Insurance	
\$61,500	Maximum Insurable Earnings
1.63%	Employee Contribution Rate
2.28%	Employer Contribution Rate
\$1,002.45	Annual Maximum Employee Premium
\$1,403.43	Annual Maximum Employer Premium
Notes:	
<ul style="list-style-type: none"> Section 69 of the Federal Employment Insurance Act provides for a premium reduction for 	

employers who provide certain types of benefit programs (e.g. short-term disability and supplemental income plans). Employment Insurance premiums are paid by employers and employees in a ratio of 7/12 and 5/12 respectively. The intention of the Employment Insurance Reduction Program is to reduce premiums for both parties, where paid sick leave is provided to employees who are unable to work because of illness or injury. For administrative purposes, EI legislation reduces only the employer's premiums. Employers are therefore required to return 5/12 of the savings from the premium reduction to employees to whom the reduced rate applies.

In each year the City of Edmonton is granted an EI premium reduction, the employees' portion of the savings will be returned as follows: Temporary, provisional and non-permanent employees Savings allocated to a sick benefit for non-permanent employees (Supplementary Income Replacement Plan) Permanent employees Savings are turned back into the Long Term Disability Plan to assist in reducing the premium paid by permanent employees.

For 2023, the City will receive a premium reduction of 1.163 times the employee premium. Departments are charged according to the full rate (2.21%) rather than the reduced rate. The required employee 5/12ths portion of the savings to fund the SIR Plan and the balance remaining to be used to offset potential rate increases in the Long Term Disability Plan; the employer's 7/12th portion is transferred to corporate programs.

January 2023