

WHAT YOU NEED TO KNOW ABOUT:

The federal government's CPP2 deduction

On Jan. 1, 2024, the Government of Canada introduced a second additional Canada Pension Plan contribution (CPP2) on earnings above the annual maximum pensionable earnings using the CPP2 deduction rates and maximums.

Effective July 1, 2024, for all new WCB injury claims, the federal government's CPP2 deduction will be applied to earnings loss benefits of workers with gross annual wages of \$68,500 or higher.

Workers with existing injury claims will have the CPP2 deduction applied on the anniversary date of their first earnings loss.

- Workers with gross annual wages between \$68,500 and \$73,200 will be deducted four per cent of the amount earned above \$68,500.
- Workers with gross annual wages above \$73,200 will deduct up to a maximum of \$3.61 per week in 2024.

If a worker's gross annual wages in 2024 are...	The weekly CPP2 deduction will be...
Less than \$68,500	\$0
\$69,000	\$0.38
\$70,000	\$1.15
\$71,000	\$1.92
\$72,000	\$2.69
\$73,200 and above	\$3.61 (flat rate)

The Canada Revenue Agency will provide the year's maximum annual pensionable earnings each year on or after Jan. 1.

Section 2(1)(k) of *The Workers' Compensation Act, 2013* (the Act) outlines the earnings loss benefits calculation and deductions. The federal government's CPP2 deduction is the Saskatchewan WCB's fourth probable deduction to workers' earnings loss calculation. Currently, the WCB deducts:

- Employment insurance.
- Income tax.
- Canada Pension Plan (CPP), which is relative to the worker's average weekly wage.
- The federal government's CPP2 deduction as of July 1, 2024 for new injury claims. Workers with existing injury claims will have the CPP2 deduction applied on the anniversary date of their first earnings loss.

Helpful links for more information

CPP contribution rates, maximums and exemptions

canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/calculating-deductions/making-deductions/second-additional-cpp-contribution-rates-maximums.html

For more information on the Canada Pension Plan, visit:

canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/canada-pension-plan-cpp/cpp-enhancement.html



Saskatchewan
Workers'
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