

JE'S TAX BULLETIN

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CPP Pensionable Earnings Ceiling for 2008 up to \$44,900

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The Canada Revenue Agency announced today that the maximum pensionable earnings under the Canada Pension Plan (CPP) for 2008 will be \$44,900 - up from \$43,700 in 2007. The new ceiling was calculated according to a CPP legislated formula that takes into account the growth in average weekly wages and salaries in Canada.

Contributors who earn more than \$44,900 in 2008 are not required or permitted to make additional contributions to the CPP.

The basic exemption amount for 2008 remains \$3,500. Individuals who earn less than that amount do not need to contribute to the CPP.

The employee and employer contribution rates for 2008 will remain unchanged at 4.95%, and the self-employed contribution rate will remain unchanged at 9.9%.

The maximum employer and employee contribution to the plan for 2008 will be \$2,049.30, and the maximum self-employed contribution will be \$4,098.60. The maximums in 2007 were \$1,989.90 and \$3,979.80.