



2025 Bulletin

on Prince Edward Island Social Legislation

beneva

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We are pleased to present the **2025 Beneva Bulletin on Prince Edward Island Social Legislation**, which summarizes the government programs available to citizens. This document provides information on how these programs and group insurance plans work in synergy to improve the well-being of Prince Edward Island citizens.

The programs covered in this bulletin are tools our society has introduced to improve conditions for its members. This document highlights legislation that maintains social acquisitions, programs for maintaining citizens' quality of life, as well as measures for supporting and protecting the dignity of fellow citizens who are experiencing difficulties.

It also reflects the solidarity and humanity that defines our society. These values are particularly relevant for the people at Beneva. As a mutual company, our mission is to improve people's lives by putting them at the heart of our thinking and our actions. In publishing this bulletin, we hope to offer a tool to guide organizations and individuals in making choices that promote their physical and financial health.

NOTES:

We recognize that sex is based on the physical and biological characteristics of a person at birth and that gender is a multi-dimensional concept shaped by various factors such as cultural and behavioural norms and personal identity. Given current social change, this concept is also evolving. We use the term "women" to designate people who identify as women. We also recognize that many health issues covered in this document may apply not only to women but also to transgender people and non-binary persons who were assigned the female sex at birth.

In this bulletin, the word "spouse" refers both to people who are married as well as to those who live together.

The measures and programs presented in this document are the responsibility of the various government bodies that administer them and are subject to change. As a result, certain information contained in the document may change after publication. In the event of a discrepancy, the wording of the laws and regulations takes precedence over the information provided in this bulletin.

If you have any comments about the *Beneva Bulletin on Social Legislation*, please email us at bulletin@beneva.ca.

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FEDERAL PLAN

01. Employment Insurance Act

Employment Insurance provides an income to workers who lose their jobs through no fault of their own or who must take a leave from work for illness, the birth or adoption of a child or to be a caregiver.



Premiums paid by employers and workers

Employment Insurance is financed by premiums paid by employers and workers.

Parameters	2025		2024	
Maximum yearly insurable earnings	\$65,700		\$63,200	
Employees	Canada, except Quebec	Quebec¹	Canada, except Quebec	Quebec¹
Premium rate per \$100 of gross insurable earnings	1.64%	1.31%	1.66%	1.32%
Maximum annual premium	\$1,077.48	\$860.67	\$1,049.12	\$834.24
Employers	Canada, except Quebec	Quebec¹	Canada, except Quebec	Quebec¹
Premium rate per \$100 of gross insurable earnings (1.4 times the employee's premium)	2.296%	1.834%	2.324%	1.848%
Maximum annual premium	\$1,508.47	\$1,204.94	\$1,468.77	\$1,167.94

1. Quebec has its own parental benefits plan. This is why the rates are lower than those in effect elsewhere in Canada.

Regular benefits

To be eligible for regular Employment Insurance benefits, workers must have accumulated the required number of insurable employment hours for a reference period, i.e. between 420 and 700 hours based on the unemployment rate in their area.

They must also:

- Have lost their job through no fault of their own
- Not worked or received earnings for at least 7 consecutive days in the last 52 weeks
- Be able to work each day
- Be actively seeking employment

Note: Different eligibility criteria may apply to certain groups of workers such as farmers, fishers, workers or residents outside Canada and self-employed workers.

Payment amount and calculation of regular benefits

Parameters	Terms
Waiting period before receiving benefits	7 days
Benefits	55% of the average insurable earnings of the 14 to 22 best weeks over the past 52 weeks, based on the regional unemployment rate
Maximum weekly benefits	\$695
Duration	14 to 45 weeks, based on the unemployment rate in the region

Sickness benefits

To be eligible for Employment Insurance sickness benefits, workers must have accumulated 600 insurable hours of work during the reference period.

They must also:

- Be unable to work for medical reasons
- Have experienced a more than 40% reduction of their weekly earnings for at least one week
- Provide a medical certificate

Calculation and payment of sickness benefits

Parameters	Terms
Waiting period before receiving benefits	7 days
Benefits	55% of insurable earnings
Maximum weekly benefits	\$695
Maximum duration	26 weeks



Irene, director of human resources in a manufacturing SME

Age	42
Objective	Attract and retain employees amid a labour shortage
Challenge	Maximize benefits without increasing company costs

In her search for ways to attract and retain employees without raising her company's expenses, Irene comes across the [EI Premium Reduction Program](#). By maximizing the short-term disability plan in place at her SME, she could offer better coverage for her employees while also reducing costs.

The game plan

Curious to learn more, she discusses it with her group benefits advisor. Together, they review the company's current short-term disability coverage.

He suggests adjusting the plan to:

- Offer at least 15 weeks of benefits
- Provide benefits equal to or greater than those provided by Employment Insurance
- Reduce the waiting period to seven days
- Make sure that benefits are paid within eight days of the illness or injury
- Provide coverage to employees within three months of hiring

The result

Irene receives a reduction of \$0.35 for every \$100 of insurable earnings.

The result: substantial savings, enhanced employee coverage, and a more competitive company. Excited, Irene shares these changes with her staff to strengthen their commitment to the company.

Maternity and parental benefits

Maternity and parental benefits provide financial aid to parents who are on leave from work to care for a newborn or a newly adopted child.¹

To qualify for coverage, applicants must:

- Have experienced a drop in earnings of more than 40% for at least one week
- Have accumulated at least 600 insurable hours of work during the reference period

Maternity benefits

Maternity benefits are paid to biological mothers, including surrogate mothers, who cannot work because they are pregnant or have recently given birth.

The benefits cannot be shared between the two parents. The mother receiving maternity benefits may also be entitled to receive parental benefits.

Parental benefits

Parental benefits are paid to the parents of a newborn or newly adopted child. Parents must choose between two options: standard parental benefits or extended parental benefits.

Each parent must submit their own application. Parents sharing benefits must each choose the same option. Once they start receiving parental benefits, they cannot change options. They can receive their benefits at the same time or one after another.

Calculation of parental benefits

Type of benefits	Maximum weeks	Benefit rate	Weekly maximum
Maternity	15 weeks	55%	\$695
Parental			
Standard	40 weeks Can be shared, but one parent cannot receive more than 35 weeks of standard benefits	55%	\$695
Extended	69 weeks Can be shared, but one parent cannot receive more than 61 weeks of extended benefits	33%	\$417

1. Quebec has its own program, the Québec Parental Insurance Plan, that provides maternity, paternity and adoption benefits.

Caregiving benefits

Caregiving benefits provide financial assistance to individuals who must take time away from work to care for or support a close relative who is critically ill or injured or who needs end-of-life care.

To be eligible, the applicant must have accumulated at least 600 insurable hours of work during the reference period.

They must also:

- Be a family member or a person who is considered a family member of this person
- Have experienced a more than 40% reduction of their weekly earnings for at least one week because they are on leave from work to provide care or support to the person
- Provide a medical certificate confirming that the person is seriously ill or injured or in need of end-of-life care

The weeks of benefits may be shared by eligible caregivers. In this situation, they can receive their weeks of benefits at the same time or one after another.

Calculation and payment of caregivers' benefits

Parameters	Terms
Waiting period before receiving benefits	7 days
Benefits	55% of insurable earnings
Maximum weekly benefits	\$695
Maximum duration of benefits ¹	
Family caregiver benefit for children	35 weeks
Family caregiver benefit for adults	15 weeks
Compassionate care benefits	26 weeks

1. Benefits can be paid for up to 52 weeks following the date the person is certified as critically ill or injured or in need of end-of-life care.

Working while on claim

Individuals who earn employment income may continue receiving part of their benefits. For each dollar earned, they may keep \$0.50 of the Employment Insurance benefits up to the earnings threshold. This threshold is defined as 90% of the insurable weekly earnings used to calculate the benefit amount. Each dollar that exceeds this threshold is deducted from the benefits.

For more information:

[Employment Insurance – Working While on Claim](#)

Additional information

[Employment Insurance benefits](#)

FEDERAL PLAN

02. Canada Child Benefit

The Canada Child Benefit (CCB) is paid every month to families who have children under 18. The CCB may include the Child Disability Benefit (CDB), where applicable. These benefits are not taxable.



Eligibility

To be eligible for the CCB, the applicant must:

- Live with a child under age 18
- Be designated as [primarily responsible for the care and upbringing of the child](#)
- Be a [resident of Canada for tax purposes](#)
- Have one of the following statuses or have a spouse with one of the following statuses:
 - Canadian citizen
 - Permanent resident
 - Protected person
 - Temporary resident of Canada for the last 18 months and have a valid permit as of the 19th month
 - Be registered, or entitled to be registered, under the Indian Act

Benefits

Benefits are paid over a 12-month period from July of one year to June of the following year.

The information used to calculate the benefit is:

- The number of children living with the person primarily responsible for their care and upbringing
- The age of the children
- The primary caregiver's marital status
- The adjusted family income indicated on line 236 of the income tax return and to which is added the net income of the spouse, where applicable
- The eligibility of a child for the Child Disability Benefit

Basic Benefit for the period of July 2024 to June 2025

For the period of July 2024 to June 2025, households with a net income under \$36,502 receive the maximum allowance for each child:

- Under age 6: \$7,787 per year (\$648.91 per month)
- Age 6 to 17: \$6,570 per year (\$547.50 per month)

When the adjusted family income exceeds \$36,502, the allowance is reduced in accordance with the terms indicated in the following table.

CCB reduction based on adjusted family income

Number of children	Reduction according to adjusted family income level (% of amount exceeding the established threshold)	
	Between \$36,502 and \$79,087	Over \$79,087
1 child	7%	\$2,981 + 3.2%
2 children	13.5%	\$5,749 + 5.7%
3 children	19%	\$8,091 + 8%
4 children or more	23%	\$9,795 + 9.5%

Child Disability Benefit

The Child Disability Benefit is paid in addition to the CCB.

For the period of July 2024 to June 2025, the basic amount of this benefit is \$3,322 (\$276.83 per month) for each eligible child.

The CDB is reduced when adjusted family net income is greater than \$79,087. The reduction is calculated according to the terms indicated in the table below.

CCB reduction based on family income

Number of eligible children	Adjusted family income above \$79,087 (% of the portion exceeding the established threshold)
1 child	3.2%
2 or more	5.7%

Additional information

[Canada Child Benefit](#)



Yasmina, new mother

Age 29

Objective To make sure she receives the benefits she's entitled to in order to cover her baby's expenses.

Yasmina has just had her first child. She knows she's entitled to benefits and wants to make sure she receives all the amounts she's entitled to, including the Canada Child Benefit (CCB).

Three ways to apply

She looks into the options for when and how to submit a CCB application:

1. [Automated Benefits Applications](#) through her province or territory's vital statistics office
 - On her child's birth registration form, Yasmina can check a box authorizing her province or territory's vital statistics office to communicate the necessary information to the Canada Revenue Agency (CRA).
 - The application must be submitted within 30 days following her child's date of birth.
2. Registering online to access [My Account](#)
 - Yasmina can register for My Account on the CRA website and submit her application.
 - She can track the status of her file in real time.
3. *Canada Child Benefit Application includes federal, provincial, and territorial programs (by mail)*
 - [RC66](#) Canada Child Benefit Application can be used to apply for all federal, provincial, and territorial child benefit programs.
 - This method involves longer delays due to postal processing.

The result

Yasmina chooses the online application, which is quicker and easier to track. A few weeks later, she receives confirmation that her application had been accepted. The CCB is deposited directly into her account.

During her research, Yasmina learned that the CCB is recalculated every July based on the income declared the previous year. To ensure their CCB payments continue without interruption, she and her partner must file their tax returns on time.

03. Occupational Health and Safety Act

The Workers Compensation Board (WCB) of Prince Edward Island provides for an income replacement plan, medical coverage and support to help people get back to work after a work-related injury or illness.



Average premium rate

The public workers' compensation plan for work-related injuries and diseases is financed by annual contributions from employers. Premiums vary depending on the employers' sector of activity.

The 2025 average premium rate is set at \$1.25 per \$100 of assessable payroll. This is the same rate as in 2024.

Annual insurable earnings

The benefit amount is based on the person's gross earnings. This is the income set out in the work contract and includes all forms of remuneration such as bonuses, tips, premiums and overtime.

Gross earnings must be taken into account up to the maximum annual insurable earnings in effect at the time of the injury. The maximum insurable earnings ceiling for 2025 is \$82,900, which is \$4,500 up from 2024.

Benefits paid to workers

The WCB pays various types of benefits to workers who can't work due to work-related injury or illness.

Wage-loss benefits

The WCB pays loss-of-earnings benefits to workers who are unable to perform their job due to a work-related injury. They start on the day the injury occurs. Injured workers are entitled to benefits equal to 90% of their annual net earnings, up to a maximum insurable amount of \$78,400. Benefits for work-related injuries prior to 2023 are equal to 85% of the worker's income at the time of the accident.

Long-term wage-loss benefits

If, after completing rehabilitation, workers are unable to earn as much as they earned before their injury, they may be entitled to Long-term Disability (LTD) benefits. A medical assessment must confirm that the impairment was caused by the work injury.

Benefits are equal to 90% of the difference between the worker's pre-accident earnings and the worker's post-rehabilitation earnings, up to the maximum annual insurable earnings.

Because extended wage-loss benefits compensate for a long-term or permanent loss of earning capacity, they are reviewed or adjusted in the following circumstances:

- 36 months after the effective date of the benefit, and again 24 months later
- Annually on July 1 to reflect cost of living increases, if any
- Following a measurable change in the degree of impairment
- At any time, if it is determined that benefits were based on a false statement

Benefits end in any of the following situations:

- The loss of earnings ends
- The worker turns 65
- The worker dies

Permanent impairment awards

If a work-related injury causes a permanent functional impairment, the injured worker may qualify for a lump-sum benefit. It is paid in addition to the wage-loss benefit.

The dollar value of impairment awards is based on the percentage of total body impairment. It is equal to 1% of the maximum insurable annual earnings in effect on the date of the injury for each 1% of total impairment.

Example

If a worker has a 5% total impairment for an injury that occurred in 2025, the impairment award would be calculated as follows:
 $5\% \times \$78,400 = \$3,920$.

The minimum award is \$500 and the maximum corresponds to the maximum annual insurable earnings in effect on the date of the injury.

Death benefits

Benefits may be available to the dependent spouse and children of a worker who dies as the result of a work-related accident.

Death benefits

Type of benefits	Amount
Burial expenses	Up to \$15,000
Lump-sum payment	40% of the maximum annual insurable earnings in effect at the time of the accident

Survivor's benefits

Recipient	Payment amount and terms
Surviving spouse	<ul style="list-style-type: none">• 40% of the maximum annual insurable earnings in effect at the time of the accident• 70% of the wage-loss benefits that would have been payable to the worker, less 59% of any Canada Pension Plan (CPP) survivor benefits <p>Benefits are payable until one of the following situations, whichever is the later date:</p> <ul style="list-style-type: none">- The spouse dies- The spouse turns 65- The deceased worker would have turned 65
Dependent spouse	100% of the wage-loss benefits that would have been payable to the deceased worker as monthly benefits
Dependent children	<p>Monthly payments of up to 10% of wage-loss benefits that would have been payable to the deceased worker until the child turns 18, or 22 if enrolled in an educational institution</p> <p>The total payment for all dependent children may not exceed 30% of the wage-loss benefits that would have been payable to the worker.</p>



A CLOSER LOOK AT GROUP INSURANCE

Work-related injury:
What about disability insurance?

When a person sustains a work injury and the employer provides a disability insurance plan, who pays the indemnities: the WCB or the private plan? It could be both. First the WCB assesses the claim. It pays the indemnities set out in law. The private plan may supplement the basic coverage.

In other words, the WCB is the first payor and the private insurance company is the second payor. The insurer calculates benefits taking into account the amounts paid by the public plan. This is called "coordination of benefits." It reflects a central principle of insurance: Combined benefits should not exceed the amount of income the person earned before disability. Coordination also applies to other benefits such as those for rehabilitation treatments or drugs that may be covered by a group insurance plan.

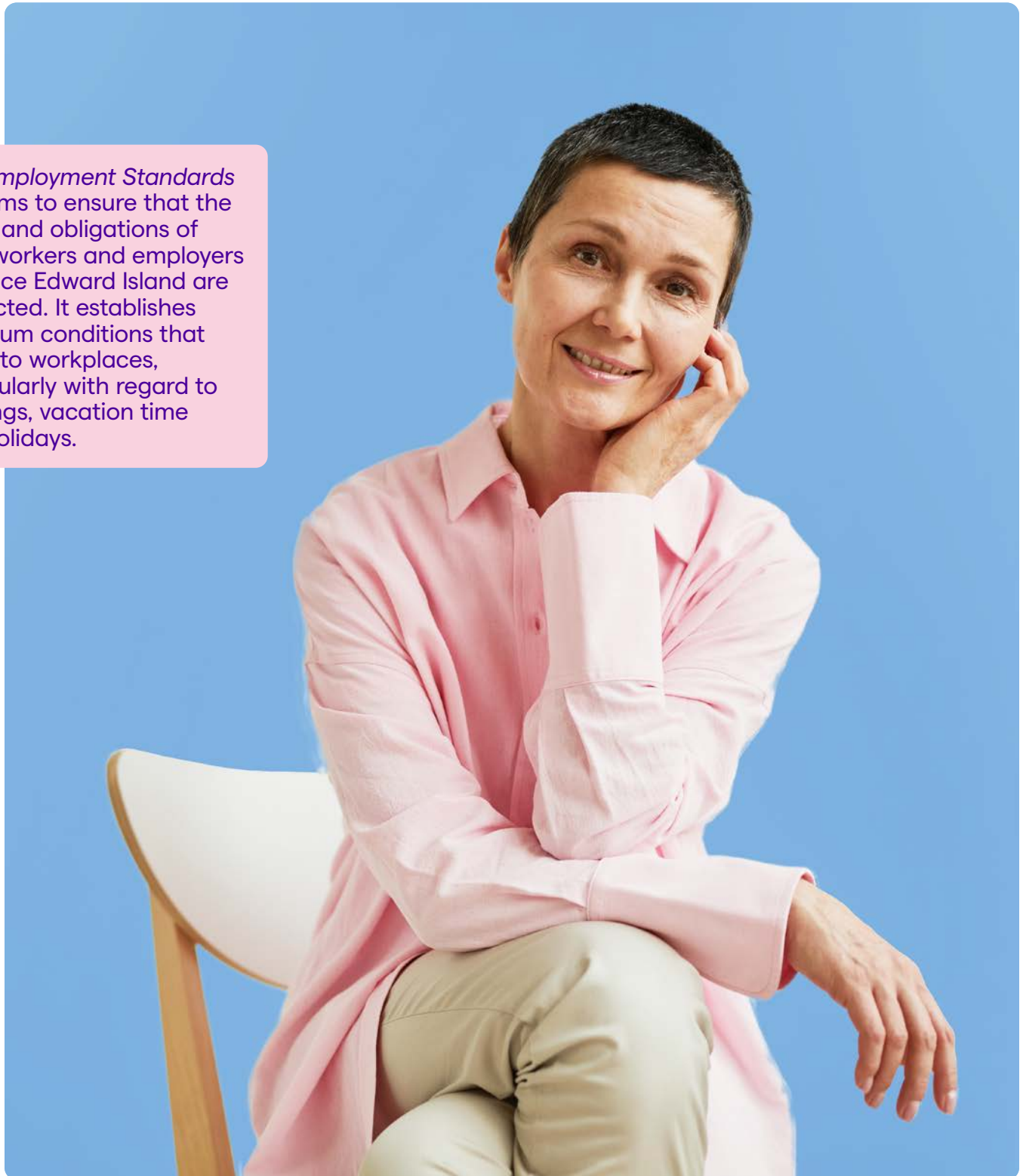
Additional information

[Workers Compensation Board of PEI](#)

PROVINCIAL PLAN

04. Employment Standards Act

The *Employment Standards Act* aims to ensure that the rights and obligations of both workers and employers in Prince Edward Island are respected. It establishes minimum conditions that apply to workplaces, particularly with regard to earnings, vacation time and holidays.



Absences

Workers are entitled to certain leaves from work without jeopardizing their employment. The following table gives an overview of allowable leaves, maximum length and entitlement conditions. Unless otherwise indicated, these are unpaid leaves.

Job-protected leaves

Leave	Maximum length	Eligibility
Family leave	3 days per 12-month period	Worked at least 6 consecutive months for the same employer
Sick leave	3 days per 12-month period	<p>Worked at least 3 consecutive months for the same employer</p> <p>The employer may request a medical certificate for a leave of 3 days or more</p> <p>Paid leaves:</p> <p>After 12 months of employment: 1 day</p> <p>After 24 months of employment: 2 days</p> <p>After 36 months of employment: 3 days</p>
Bereavement leave	1 day paid leave 2 unpaid days	<p>The leave must begin no later than the day of the funeral</p> <p>Employees who experience a prenatal pregnancy loss or stillbirth are entitled to bereavement leave</p>
Compassionate care leave	Up to 28 weeks	<p>Provide a medical certificate that states the family member has a serious medical condition and is at risk of death within 28 weeks</p> <p>Leave can be divided into several periods of at least 1 week over the 28-week period</p>
Domestic violence, intimate partner violence or sexual violence leave	Per 12-month period: <ul style="list-style-type: none"> • 3 days paid leave • 7 days unpaid leave 	<p>Employees with 3 consecutive months of service</p> <p>An employee can use this leave intermittently (on an as-needed basis) or all at once</p>
Critical illness leave (child)	37 weeks within a 52-month period Leave ends on the last day of the week during which the child dies, up to a maximum of 37 weeks	<p>Worked at least 3 consecutive months for the same employer</p> <p>Leave can be taken in several periods of at least 1 week</p> <p>Give written notice of leave as soon as possible and a medical certificate indicating the start date and anticipated duration of the leave</p>
Leave for crime-related disappearance or death of a child	<ul style="list-style-type: none"> • Disappearance: 52 weeks • Child is found alive: The leave ends 14 days after the day the child is found • Child is found dead: The leave is extended to 104 weeks 	<p>Worked at least 3 consecutive months for the same employer</p> <p>Provide written notice of leave indicating the start date and anticipated duration of the leave</p> <p>The employer may request reasonable proof of leave entitlement</p>
Maternity leave	17 consecutive weeks	<p>Worked for the same employer any 20 weeks in the 52 weeks prior to the start of the leave</p> <p>Leave must begin no earlier than 13 weeks before the expected delivery date</p> <p>Advise employer 4 months prior to the expected delivery date or as soon as the pregnancy is confirmed</p> <p>Provide a medical certificate confirming pregnancy and the expected delivery date</p>
Parental or adoption leave	62 consecutive weeks	<p>Leave may be taken by either parent or shared between the parents</p> <p>The combined maternity and parental leaves cannot exceed 78 weeks.</p>

Note: The Act provides for other job-protected leaves, including reservists and court leave.

Annual vacation

The number of vacation weeks and vacation pay are based on seniority.

- **Less than 8 years of service:** 2 weeks of vacation and 4% of gross earnings
- **8 years of service or more:** 3 weeks of vacation and 6% of gross earnings

Minimum wage

Effective October 1, 2024, the current minimum hourly rate is \$16. The next modification is scheduled for October 1, 2025.

Standard work week

A standard work week is 48 hours. The standard work week is used to determine at what point workers begin to do overtime, in which case the regular hourly rate must be increased by 50% (time-and-a-half). Some exceptions are provided for under the law.

Paid holidays

Most employees are legally entitled to take public holidays off work and be paid public holiday pay. An employee who works on a holiday and who qualifies to be paid holiday pay is entitled to receive:

- A regular day's pay + one and one-half times the employee's regular rate of wages for the number of hours worked on that holiday; or
- The regular rate of wages for the number of hours worked on that day + another day off on a date agreed upon by the employer and employee before the employee's next paid vacation

If the holiday falls on the employee's regular day off, the employer must give the employee a different day off with pay.

Additional information

[Employment Standards](#)

05. Victims of Crime Act

Prince Edward Island offers a compensation program for victims of crime, administered under the *Victims of Crime Act*. This program provides financial support to victims and their families to help cover expenses resulting from hardship caused by a crime.



Eligibility

To be eligible for compensation, a person must:

- Have been injured, or have lost a loved one, due to a crime that occurred in Prince Edward Island
- Submit an application within one year of the incident (exceptions may apply)
- Have experienced financial loss, or physical or psychological harm as a direct result of the crime
- Not have been involved in criminal activity at the time the offence occurred

Compensation

This program operates as a payor of last resort, providing compensation only when no other assistance is available to cover the victim's losses.

Compensation may include:

- Medical expenses related to the injury or trauma
- Loss of income due to temporary or permanent inability to work
- Financial support for family members of a deceased victim
- Compensation for pain and suffering
- Financial assistance to meet the needs of a child who was born as a result of sexual assault
- Financial assistance for grief or emotional distress following the death of a victim.

The amount of compensation and the conditions for reimbursement are assessed on a case-by-case basis and are subject to the maximum limits established by regulation.

Maximum compensation amounts for victims of crime

Type of compensation	Conditions and details	Maximum amounts
Compensation for injury or death of a victim	Claims processed quickly for limited expenses (e.g., minor medical treatment, one-time costs)	\$25,000
Total compensation per incident	Includes loss of income, medical expenses, psychological harm, etc.	\$50,000
Small claim compensation	Maximum amount available to all victims involved in the same incident	\$2,500

Additional information

[Victim Services](#)

FEDERAL PLAN

06. Old Age Security Act

The Old Age Security plan is an essential piece of Canada's public pension system. It provides citizens with a basic income when they reach retirement age.



Eligibility

The *Old Age Security Act* includes four benefits aimed at specific segments of the population, based on financial and conjugal situations. Entitlement is based on the eligibility conditions indicated below.

Type of benefits	Eligibility
Old Age Security Pension 	<ul style="list-style-type: none"> • Be age 65 or older • Be a Canadian citizen or have legal resident status when the application for the pension is approved • Must have resided in Canada for at least 10 years since age 18 Other criteria apply to eligible individuals who reside outside of Canada.
Guaranteed Income Supplement (GIS) Provides additional income to low-income seniors living in Canada	<ul style="list-style-type: none"> • Receive the OAS pension • Be a Canadian citizen or have legal resident status • Live in Canada • Have an income below the maximum annual income threshold for GIS (see the table on the next page)
Allowance Offered to low-income seniors	<ul style="list-style-type: none"> • Must be the spouse of a person who receives the GIS • Must be age 60 to 64 • Be a Canadian citizen or have legal resident status • Must have lived in Canada for at least 10 years since age 18 • Report a combined (for the couple) annual income below the maximum annual income threshold for the Allowance
Allowance for the Survivor Additional income for low-income seniors	<ul style="list-style-type: none"> • Had a spouse who has died, and has not remarried or lived in a common-law union within 12 months since the death • Must be age 60 to 64 • Be a Canadian citizen or have legal resident status • Must have resided in Canada for at least 10 years since age 18 • Report an annual income below the maximum annual income threshold for the Allowance for the Survivor

Payment amounts

Old Age Security payments are revised on a quarterly basis (January, April, July and October) to reflect the cost-of-living increase as determined by the Consumer Price Index.

Maximum payments and income thresholds – January to March 2025

Situation	Maximum amount ¹	Income level cut-off ²	Income level cut-off for top-ups
Old Age Security pension (OAS)^{3, 4}			
Age 65 to 74	\$727.67	\$148,451	n/a
Age 75 or over	\$800.44	\$154,196	n/a
Guaranteed Income Supplement (GIS)			
Single, widowed or divorced	\$1,086.88	\$22,056	\$10,112
Spouse/common-law partner of someone who:			
Does not receive the OAS pension	\$1,086.88	\$52,848	\$20,224
Receives the OAS pension	\$654.23	\$29,136	\$8,608
Receives the Allowance	\$654.23	\$40,800	\$8,608
Allowance⁴	\$1,381.90	\$40,800	\$8,608
Allowance for the Survivor	\$1,647.34	\$29,712	\$10,112

1. The maximum amount includes top-ups to the Guaranteed Income Supplement and Allowances.

2. The income level cut-offs do not include the OAS pension, the first \$5,000 of employment or self-employment income and 50% of employment or self-employment income between \$5,000 and \$15,000.

3. The OAS pension repayment range in 2025 is for net world income, from \$93,454 to \$151,668 including OAS, for individuals age 65 to 74. For those age 75 and over, the upper threshold is \$157,490.

4. Individuals can defer receiving the OAS pension beyond age 65 in exchange for a higher pension. The monthly OAS pension is increased by 0.6% for every month it is delayed up to a maximum of 36% at age 70.

Additional information

[Public pensions](#)

FEDERAL PLAN

07. Canada Pension Plan

The Canada Pension Plan (CPP) retirement pension is a taxable monthly benefit that provides partial income replacement upon retirement. Those who qualify receive the CPP retirement pension for the rest of their lives.



Eligibility

For entitlement to benefits from the CPP, applicants must:

- Be at least 60 years old
- Have made at least one valid contribution to the CPP

Contributions

Every person over the age of 18 who works in Canada and earns more than \$3,500 per year must contribute to the CPP. Employees pay half the required contributions and their employer pays the other half. Those who are self-employed pay 100% of the contribution.

At age 70, workers no longer contribute to the CPP, even if they are still working.

The contribution amount is based on employment income. The contribution rate is indexed on January 1 of each year.

2025 CPP contributions

Contributions	
Maximum annual pensionable earnings	\$71,300
Additional maximum annual pensionable earnings (CPP2) ^{NEW}	\$81,200
Basic exemption	\$3,500
Contribution rate	
Employees and employers	5.95%
Self-employed workers	11.90%
Contribution rate – second additional contribution (CPP2)	
Employees and employers	4%
Self-employed workers	8%
Maximum contribution	
Employees and employers	\$4,034.10
Self-employed workers	\$8,068.20
Maximum contribution – second additional contribution (CPP2)	
Employees and employers	\$396
Self-employed workers	\$792



Mei-Lin, financial advisor

Age	36
Annual income	\$75,000
Objectives	<ul style="list-style-type: none"> • Understand the impact of changes to the Canada Pension Plan (CPP) on her contributions and net salary. • Adjust her budget based on the new contributions while advising her clients on these changes.

Since January 1, 2024, the Canada Pension Plan (CPP) has been revised with the introduction of a second earnings ceiling. Mei-Lin recognizes that she'll have to contribute more, but she wants to grasp the full impact on her net salary and be prepared for any financial changes. This will not only help her optimize her personal budget, but also enable her to offer more informed advice to her clients on specific financial decisions.

The game plan

To gain a clearer understanding of the impact of these new rules, Mei-Lin examines the changes that will take effect in 2025.

First earnings ceiling: \$68,500

Mei-Lin continues to contribute at the standard rate on her income up to the previous threshold, with no significant changes compared to previous years.

Second earnings ceiling: \$68,500 to \$73,200

A new 4% contribution applies to earnings between \$68,500 and \$73,200. Since Mei-Lin earns \$75,000, she is impacted and must contribute 4% on an additional \$4,700.

Calculation: 4% of \$4,700 = \$188 in additional contributions for 2025.

Total contributions for 2025

Compared to 2023, Mei-Lin will pay approximately \$300 more in CPP contributions, which includes the standard annual increase as well as the new contribution threshold.

The result

Although the increase is relatively modest, Mei-Lin must adjust her budget to accommodate the additional \$300 in contributions for 2025. She adjusts her finances to account for the \$300 in additional contributions for 2025.

As a financial advisor, she also informs her clients about the upcoming changes and their potential impact on their income. She uses the [Canada Revenue Agency \(CRA\)](#) online tools to track her contributions.

Benefits

The standard age to start collecting CPP benefits is 65. Workers, however, can take a permanently reduced pension as early as age 60.

Contributions entitle workers to the following benefits:

- Retirement pension
- Post-retirement benefit
- Disability benefits
- Survivor benefit

The CPP allows pension splitting for married or common-law couples and credit splitting for divorced or separated couples under certain conditions.

A contributor who wishes to receive benefits must submit an application.

CPP benefits as of January 2025¹


Type of benefits	Maximum monthly amounts		
	Portion based on standard rate	Portion based on earnings	Total
Retirement and post-retirement pensions			
Retirement pension (at age 65)	n/a	\$1,433	\$1,433
Post-retirement pension (at age 65)	n/a	\$47.82	\$47.82
Disability pension			
Disability pension	\$598.49	\$1,074.75	\$1,673.24
Post-retirement disability benefit	\$598.49	n/a	\$598.49
Survivor's pension			
Survivor's pension – under age 65	\$233.50	\$537.38	\$770.88
Survivor's pension – age 65 and over	n/a	\$859.80	\$859.80
Children's benefits			
Children of disabled CPP contributor	\$301.77	n/a	\$301.77
Children of deceased CPP contributor	\$301.77	n/a	\$301.77
Death benefit (one-time payment)			
Combined benefits	\$2,500	n/a	\$2,500
Survivor/Retirement pension (at age 65)	n/a	\$1,449.53	\$1,449.53
Children of CPP contributor	n/a	\$1,683.57	\$1,683.57

1. The amounts shown in this table are maximum amounts for new CPP benefits beginning in January 2024. They are enhanced each month (monthly data available at [Statistics on CPP monthly maximum amounts for new benefits](#)).

Additional information

[Canada Pension Plan](#)

08. Health Insurance



Prince Edward Island's health insurance plan allows citizens to access health care at no charge. A person who presents a valid health insurance card in an establishment that is part of the public health network is entitled to receive covered medical care and basic hospital services.

Eligibility

To qualify for coverage, applicants must:

- Be authorized to live in Canada
- Have a residence on Prince Edward Island and reside there at least six months plus one day per year

It is the responsibility of each individual to register themselves and their dependents who reside in the province. Those covered by the plan receive a personal health number on their PEI Health Card. This card must be presented at each doctor's appointment, when doing a medical test or receiving treatment in a healthcare facility. It must also be presented in pharmacies so that cardholders' prescription drugs are entered in the PEI Drug Information System.



A CLOSER LOOK AT GROUP INSURANCE

Group insurance:
Stand out as an employer

The current labour shortage is causing problems for many employers and there is strong competition to attract and retain talent. Organizations attempt to increase their pool of choice candidates by devising original strategies. Those who offer a comprehensive benefits plan have an edge on the competition. Access to generous health insurance coverage is number one on the list of items likely to tip the scales in their favour.

Job candidates are looking for benefits such as only having to pay a fraction of the fees for physiotherapy, acupuncture or occupational therapy; obtaining medical imaging appointments more rapidly; consulting a psychologist through an employees' assistance program or paying a portion of healthcare costs with a health spending account. Plus a labour force that is healthy is a valuable asset for an employer.

Care and services covered

Care or services	Eligibility
Physician	<p>Care or treatment in a clinic or hospital, including:</p> <ul style="list-style-type: none"> • Emergency care • Out-patient care • Surgery or a diagnostic test • In-patient care further to surgery or for chronic illnesses • Maternity care provided by a physician or midwife • Services provided by a nurse practitioner
Hospital services	<p>Accommodation in a standard ward</p> <p>For a room with one or two beds, the patient must have private insurance</p>
Optometry (vision care)	<p>Kindergarten students, per year</p> <ul style="list-style-type: none"> • 1 eye exam • 1 pair of glasses, if required
Dental care	<p>All children</p> <p>Preventative dental services (screening, fluoride, cleaning, and sealants)</p> <p>Children who are not covered under a private dental insurance plan</p> <ul style="list-style-type: none"> • Basic dental diagnosis and treatment (annual checkup, X-rays, fillings, extractions, root canals, and dentures limited to anterior teeth) • Orthodontic treatment for children born with a cleft palate <p>Adults</p> <ul style="list-style-type: none"> • Certain dental treatments are provided to residents in long-term care facilities
Ostomy supplies	<p>60% to 100% of reimbursable expenses up to \$2,520 per year from July 1 to June 30</p> <p>Coverage percentage based on annual income</p> <p>Details and application</p>
Insulin pumps	<p>60% to 100% coverage, up to the established amounts, per full program year (July 1 to June 30)</p> <p>Coverage percentage and maximum amounts based on annual income</p> <p>Supplies eligible for coverage:</p> <ul style="list-style-type: none"> • Insulin pump from a government-approved vendor: One pump every five years • Infusion sets: 140 per year • Reservoirs: 140 per year • Site inserts: 1 replacement device per year • Skin adhesive wipes: 150 per year • Sterile transparent dressings: 200 per year <p>Details and application</p>
Cancer	<p>Some expenses are reimbursed through the Cancer Financial Assistance Program</p> <p>Details</p>
Home care	<p>Various care or services: nursing, palliative care, dietitian services, physiotherapy, etc.</p> <p>Requests considered on a case-by-case basis</p> <p>Details</p>

Services covered outside Prince Edward Island

If eligible beneficiaries need care or services in other Canadian provinces or territories, they can show their card to be covered for the same services as in Prince Edward Island.

Hospitalization and emergency medical services received outside of Canada are covered up to the amounts for the same services paid by PEI Medicare.



A CLOSER LOOK AT GROUP INSURANCE

Business travel, expatriates, inpatriates, international offices: Specialized products for every situation

The operations of many organizations have an international dimension these days from companies that open offices on another continent to organizations whose employees visit clients or partners around the globe as well as those who hire foreign workers.

In some countries, expenses for obtaining health care greatly exceed those covered by the public health insurance plan in the event of an emergency. Here, many categories of workers from other countries simply don't have access to public plans.

That's why there is an array of products for covering employees in all sorts of situations of international migration, such as:

- Health insurance for inpatriates who are not eligible for their employer's plan or for public plans in Canada
- Travel and trip cancellation insurance, including certain products that include coverage in the event of war or for workers whose occupation involves higher risks
- Insurance plans for expatriates, for Canadian employees who work abroad

These products offer comprehensive and specialized coverage and include a multilingual service available 24/7.

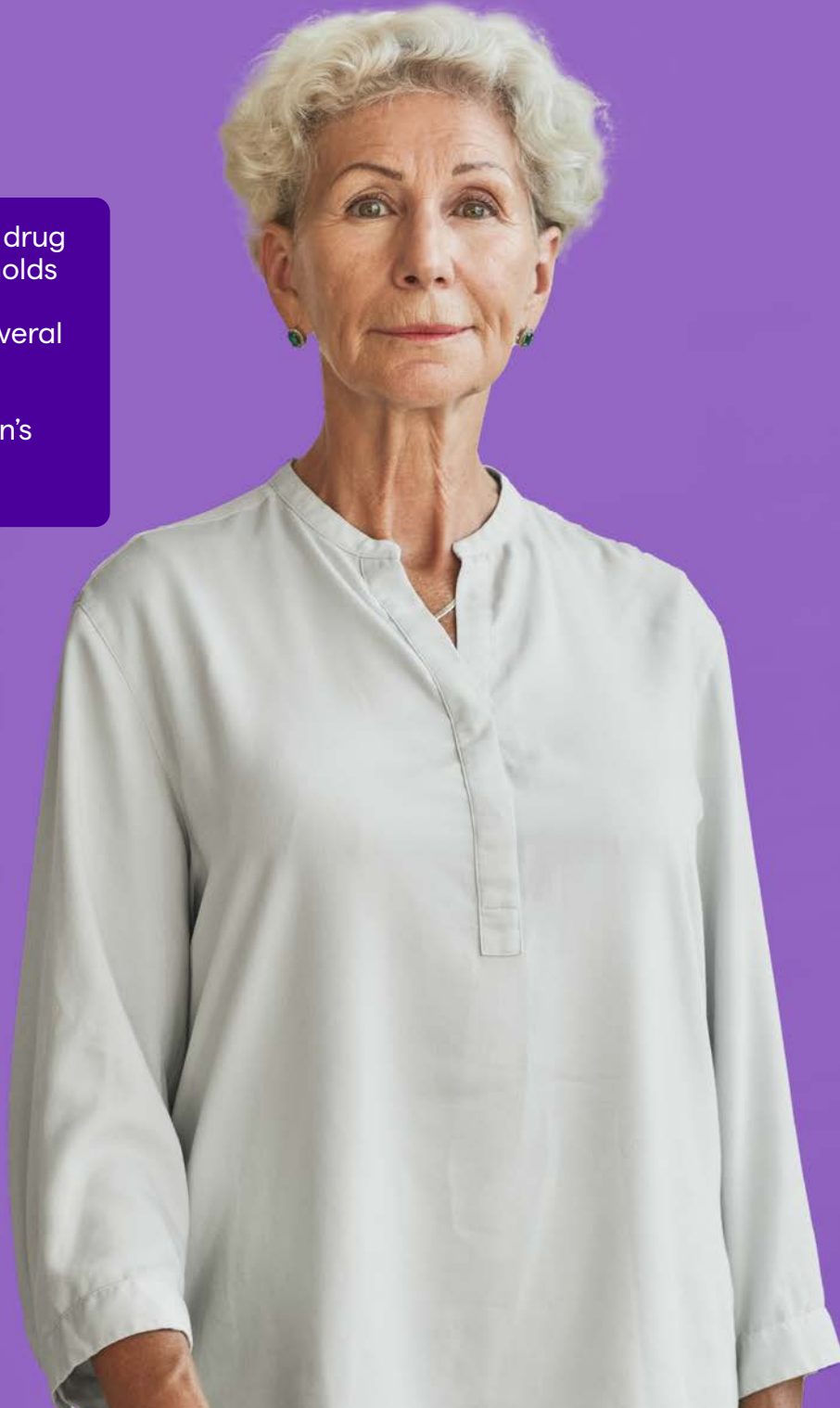
Additional information

[Health PEI](#)

PROVINCIAL PLAN

09. Prescription Drug Insurance

Prince Edward Island's drug programs help households pay for the cost of prescription drugs. Several drug cost assistance programs are offered depending on a person's financial situation or medical condition.



Seniors' Drug Program

This program is for seniors age 65 and over.

It covers prescription medications and medical supplies listed in the [PEI Pharmacare Formulary](#).

For each eligible prescription, seniors pay \$8.25 plus \$7.69 of the pharmacy dispensing fee. Any remaining cost is covered by the program.

Financial Assistance Drug Program

The program supports low-income families by covering the cost of approved prescription medication. The program covers parents and their children under age 19, or under age 25 if full-time students. Beneficiaries must pay the pharmacy dispensing fee. Program eligibility is based on annual family income and household composition.

Eligibility based on income levels and family size

Number of eligible children	Maximum family income
1 child	\$24,800
2 children	\$27,800
3 children	\$30,800
4 children	\$33,800
Each additional child	Add \$3,000 to threshold

High Cost Drug Program

This program assists in purchasing high cost drugs. The coverage percentage is based on annual household income. The copayment paid by households varies according to their household income range. For example, households with an annual household income less than \$14,000 pay a maximum of \$7, while those with an annual household income from \$150,000 to \$160,000 pay up to \$2,825.

Approved medications cover several medical conditions such as:

- Ankylosing spondylitis
- Some types of cancer
- Crohn's disease
- Multiple sclerosis
- Plaque psoriasis
- Psoriatic arthritis
- Pulmonary hypertension
- Rheumatoid arthritis
- Wet age-related macular degeneration

Catastrophic Drug Program

The program provides support to any individual or family whose eligible prescription drug costs are affecting their household's ability to maintain life essentials.

With this program, annual out-of-pocket costs for eligible prescription medications, from July 1 to June 30, are capped so that they do not exceed a set percentage of household income. When this limit is reached, the costs are covered by the Catastrophic Drug Program.

Household contribution based on family income

Annual income	Household contribution (family income %)
\$0 to \$20,000	3%
\$20,001 to \$29,999	3.25%
\$30,000 to \$39,999	3.5%
\$40,000 to \$49,999	3.75%
\$50,000 to \$59,999	4%
\$60,000 to \$69,999	4.25%
\$70,000 to \$79,999	4.5%
\$80,000 to \$89,999	4.75%
\$90,000 to \$99,999	5%
\$100,000 to \$109,999	5.25%
\$110,000 to \$119,999	5.5%
\$120,000 to \$129,999	5.75%
\$130,000 to \$139,999	6%
\$140,000 to \$149,999	6.25%
\$150,000 or over	6.5%

Additional information

[Drug programs](#)

FEDERAL PLAN

10. Dental care

The federal government has introduced a plan to provide all citizens with affordable access to oral care. These programs are designed to help people who are not covered by private insurance.



Eligibility

To qualify for the Canadian Dental Care Plan, applicants must:

- Be a resident of Canada for tax purposes
- Not have access to any private dental care insurance
- Have an adjusted family net income of less than \$90,000
- Have filed an income tax report for the previous year

Care and services covered

The purpose of the covered services and care is to treat dental issues and maintain healthy teeth and gums. Examples include:

- Preventive services, including scaling (cleaning), polishing, sealants and fluoride
- Diagnostic services, including examinations and X-rays
- Restorative services, including fillings
- Endodontic services, including root canal treatments
- Prosthodontic services, including complete dentures and partial removable dentures
- Periodontal services, including deep scaling
- Oral surgery services, including extractions

Reimbursement amounts

The Canadian Dental Care Plan has established the percentage of expenses that will be reimbursed. Some individuals may have to pay a co-payment, which is the percentage of fees that are not covered and must be paid to the dental care service provider. This co-payment is based on adjusted family net income according to the parameters indicated in the table below.

Co-payments based on adjusted family net income

Family income	Portion covered by the Plan ¹	Portion paid by patients
Less than \$70,000	100%	0%
\$70,000 to \$79,999	60%	40%
\$80,000 to \$89,999	40%	60%

1. Care and services are covered up to the maximum established by Canadian Dental Care Plan fees. Any expenses that exceed the plan fees must be assumed by patients.

Additional information

[Dental Care](#)

PROVINCIAL PLAN

11. Provincial Dental Care Program



Low-income residents may be eligible to receive subsidized basic dental treatment under the Provincial Dental Care Program.

Eligibility

To qualify for coverage, applicants must:

- Be residents of Prince Edward Island
- Have an active PEI Health Card
- Meet the income eligibility criteria, or be in receipt of financial assistance from the Department of Social Development and Housing
- Submit an application

Families with dental care insurance must first use this coverage. Health PEI is the last-recourse payor.

Benefit amount

The level of coverage depends on:

- Net family income on your tax return for the preceding year, and
- Family size

Household contribution based on family income

Family size	100%	80%	60%	40%	20%
1 person	\$22,014	\$24,215	\$26,417	\$28,618	\$30,820
2 persons	\$31,132	\$34,245	\$37,358	\$40,472	\$43,585
3 persons	\$38,129	\$41,942	\$45,755	\$49,568	\$53,381
4 persons	\$44,027	\$48,430	\$52,832	\$57,235	\$61,638
5 or more people	\$49,224	\$54,146	\$59,069	\$63,991	\$68,914

Services covered

The Program covers the following services, according to the percentage and limits established by the government:

- Dental examination and diagnosis, including radiographs
- Preventive services: polishing, scaling, pit and fissure sealants, fluoride treatment
- Appliances and mouthguards
- Restorative services and endodontics: fillings and root canal treatments
- Oral surgery: extractions, contouring oral tissues
- Prosthetics

Additional information

[Provincial Dental Care Program](#)

12. Social Assistance



The Government of Prince Edward Island provides financial support to help low-income residents meet their basic needs. It also offers services to encourage them to engage in activities to enter the labour market and achieve social and financial self-sufficiency.

Benefits

The Social Assistance Program helps low-income residents meet their basic needs. It provides help, on a case-by-case basis, with costs for:

- Food
- Shelter
- Health care (eye glasses, medication, basic dental, etc.)

The monthly amount depends on household income and family size. It varies if the person is a homeowner or a tenant.

Other benefits can also be granted to meet specific needs.

Basic benefit based on household composition

Household members	Benefits
Adult	\$511
Children age 0 to 11 years	\$293
Children age 12 to 18 years	\$388

Shelter benefits based on household composition

Family size	Maximum benefit
Recipients, no children	\$875
Recipients, 1 child	\$1,025
Recipients, 2 children	\$1,193
Recipients, 3 children	\$1,266
Recipients, 4 or more children	\$1,317

Earnings exemption

People receiving assistance can earn more income, up to the following annual amounts, without having their benefits reduced.

Exemption based on household composition

Family size	Monthly exemption
Single person	\$250 + 30% of any additional income
Couple	\$400 + 30% of any additional income
Single person or couple with a disability	\$500 + 30% of any additional income

Employment Assistance Services

The program provides coaching and financial assistance to support recipients in their efforts to obtain employment. Examples include:

- Financial help to buy clothes, get a driver's license
- Life-skills training
- Coaching on how to look for a job
- Help developing skills
- Transportation options for getting to work

Additional information

[Social Assistance Program](#)

13. Tax impact of group insurance

Providing a group insurance plan has tax implications for both employers and employees.



Tax deductible expenses for the employer

Insofar as the group insurance plan complies with the provisions of the *Taxation Act* and its regulations, all related costs are tax-deductible for the employer.

Benefits taxable for employees

When the employer assumes the expenses for certain benefits, this contribution, including the sales tax, are considered taxable benefits for employees. These benefits are added to their income and indirectly create tax.

For the employer, these taxable benefits increase the total payroll and, as a result, increase the contributions it must pay to finance various governmental programs such as the WCB, Employment Insurance, etc.

Fiscal impact of coverage included in group insurance plans

Coverage whose premiums are paid by the employer	Benefits taxable for the employee
Life	Yes
Accidental death and dismemberment due to accident or illness	Yes
Critical illness	Yes
Disability insurance	No
Health	No
Dental care	No

Specifics regarding disability insurance

Disability insurance benefits may be taxable or non-taxable, depending on who pays the premium and how it is processed.

Non-taxable benefits

Benefits paid to employees are non-taxable if one of the following conditions is met:

- The employees pay 100% of the premium.
- The employer pays the premium but adds it to the employees' salary as a taxable benefit.

The disability insurance premiums paid by employees are eligible for a deduction on their tax returns.

Taxable benefits

Benefits received will be taxable if the employer pays all or part of the premium without adding it to the taxable salary.

Taxing of disability insurance benefits based on premium payment

Who pays the insurance premium?	Fiscal impact on benefits
Employees pay 100% of the premium	Non-taxable
Employer pays 100% of the premium but adds it to the employees' taxable salary	Non-taxable
Employer pays all or part of the premium without adding it to the taxable salary	Taxable