

What's new for 2026

TD1 basic tax \$16,452.00

TD1ON basic tax \$12,989.00

Tax brackets for 2026: The new brackets are: zero to \$58,523 of income (15 per cent); above \$58,523 to \$117,045 (20.5 per cent); above \$117,045 to \$181,440 (26 per cent); above \$181,440 to \$258,482 (29 per cent); and anything above that is taxed at 33 per cent.

CPP (QPP) contributions: The yearly maximum pensionable earnings (YMPE) under the Canada Pension Plan (CPP) will be \$74,600 in 2026. The basic exemption amount for 2026 remains at \$3,500. Employee and employer CPP contribution rates for 2026 remain at 5.95%, and the maximum contribution will be \$4,230.45 each – up from \$4,034.10 in 2025.

The 2026 YAMPE is \$85,000 Pensionable earnings between \$74,600 and \$85,000 are subject to CPP2 earnings. Employee and employer CPP2 contribution rate for 2026 remains at 4% and the maximum contribution will be \$416.00 each - up from \$396.00 in 2025.

EI premiums: For 2026 the Employment insurance contribution rate for employees is 1.63% up to a maximum contribution of \$1,123.07 on 2026 maximum insurable earnings of \$68,900.