

Memo

TO: All Employees and Pensioners

FROM: Kelly Martin, Payroll Manager

RE: 2025 Tax Changes – July 1st update

Following are the rates for federal and provincial income tax, along with CPP, EI and pension contributions for 2025. Please note that effective July 1st, 2025, the federal tax rate on income up to \$57,375 is reduced from 15% to 14%.

Federal income tax:

The federal tax rates and brackets are as follows:

For income of:	To income of:	Federal Tax Rate
\$0	\$57,375	14%
\$57,345	\$114,750	20.5%
\$114,750	\$177,882	26%
\$177,882	\$253,414	29%
\$253,414		33%

The federal basic personal amount has been increased to \$16,129, up from \$15,705 in 2024.

The Canada Employment Amount has been increased to \$1,471, up from \$1,433 in 2024.

Provincial income tax:

The provincial tax rates and brackets are as follows:

For income of:	To income of:	Provincial Tax Rate
\$0	\$44,192	8.7%
\$44,192	\$88,382	14.5%
\$88,382	\$157,792	15.8%
\$157,792	\$220,910	17.8%
\$220,910	\$282,214	19.8%
\$282,214	\$564,429	20.8%
\$564,429	\$1,128,858	21.3%
\$1,128,858		21.8%

2025 Tax Changes

The provincial basic personal amount has been increased to \$11,067, up from \$10,818 in 2024.

Canada Pension Plan:

For 2025, the Canada Pension Plan yearly maximum pensionable earnings (YMPE) is \$71,300, up from \$68,500 in 2024. The basic exemption remains at \$3,500. The contribution rate is 5.95%. Maximum contributions on the YMPE are \$4,034.10.

As of January 1st, 2024, there are additional CPP contributions on earnings above the YMPE. For 2025, on earnings from \$71,300 to \$81,200, the contribution rate will be 4%. The maximum contributions on the yearly additional maximum pensionable earnings (YAMPE) will be \$396.00.

Therefore, the maximum CPP contribution for 2025 will be \$4,430.10, up from \$4,055.50 in 2024.

The additional contributions are part of the Federal Government's CPP enhancement plan. Further details can be found [here](#).

Employment Insurance:

For 2025, the maximum insurable earnings amount is \$65,700, up from \$63,200 in 2024. The premium rate is 1.64%, for a maximum annual premium of \$1,077.48, up from \$1,049.12 in 2024.

Memorial University Pension Plan

Contributions to the pension plan on the first \$3,500 of earnings in the calendar year are at a rate of 11.4%. Contributions on the next \$67,800 are at 9.6%, and on earnings above \$71,300, the rate returns to 11.4%.