



Memo

TO: All Employees and Pensioners
FROM: Kelly Martin, Payroll Manager
RE: 2026 Tax Changes – July 1st update

Following are the rates for federal and provincial income tax along with CPP, EI and pension contribution rates for 2026.

Federal income tax:

The federal tax rates and brackets are as follows:

For income of:	To income of:	Federal Tax Rate
\$0	\$58,523	14%
\$58,523	\$117,045	20.5%
\$117,045	\$181,440	26%
\$181,440	\$258,482	29%
\$258,482		33%

The federal basic personal amount has been increased to \$16,452, up from \$16,129 in 2025.

The Canada Employment Amount has been increased to \$1,501, up from \$1,471 in 2025.

Provincial income tax:

The provincial tax rates and brackets are as follows:

For income of:	To income of:	Provincial Tax Rate
\$0	\$44,678	8.7%
\$44,678	\$89,354	14.5%
\$89,354	\$159,528	15.8%
\$159,528	\$223,340	17.8%
\$223,340	\$285,319	19.8%
\$285,319	\$570,638	20.8%
\$570,638	\$1,141,275	21.3%
\$1,141,275		21.8%

2026 Tax Changes

Effective July 1st, the provincial basic personal amount has been increased to \$15,000, up from \$11,188 for the first half of 2026, and \$11,067 in 2025.

Canada Pension Plan:

For 2026, the Canada Pension Plan yearly maximum pensionable earnings (YMPE) is \$74,600, up from \$71,300 in 2025. The basic exemption remains at \$3,500. The contribution rate is 5.95%. Maximum contributions on the YMPE are \$4,230.45.

As of January 1st, 2024, there are additional CPP contributions on earnings above the YMPE. For 2026, on earnings from \$74,600 to \$85,000, the contribution rate will be 4%. The maximum contributions on the yearly additional maximum pensionable earnings (YAMPE) will be \$416.00.

Therefore, the maximum CPP contribution for 2026 will be \$4,646.45, up from \$4,430.10 in 2025.

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

Employment Insurance:

For 2026, the maximum insurable earnings amount is \$68,900, up from \$65,700 in 2025. The premium rate is 1.63%, for a maximum annual premium of \$1,123.07, up from \$1,077.48 in 2025.

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%. Contributions on the next \$71,100 are at 9.2%, and on earnings above \$74,600, the rate returns to 11%.