

News Release

CPP pensionable earnings ceiling for 2006 up to \$42,100

Ottawa, November 2, 2005... The Canada Revenue Agency announced today that the maximum pensionable earnings under the Canada Pension Plan (CPP) for 2006 will be \$42,100—up from \$41,100 in 2005. 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 \$42,100 in 2006 are not required or permitted to make additional contributions to the CPP.

The basic exemption amount for 2006 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 2006 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 2006 will be \$1,910.70, and the maximum self-employed contribution will be \$3,821.40. The maximums in 2005 were \$1,861.20 and \$3,722.40.

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