



Memo

TO: All Employees and Pensioners

FROM: Kelly Martin, Payroll Manager

RE: 2025 Tax Changes

Following are the rates for federal and provincial income tax along with CPP, EI and pension contributions for 2025.

Federal income tax:

The federal tax rates and brackets are as follows:

For income of:	To income of:	Federal Tax Rate
\$0	\$57,375	15%
\$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%

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

2025 Tax Changes

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%.

For More Information

If you have questions about the 2025 tax, CPP, EI or pension rates and brackets, please email MyHR@mun.ca.