

# Taxation Notice

## ComVida Payroll

December 2025

The following paragraphs are summarized and available from form T4127(E) Rev. 26 (25/12), *Payroll Deductions Formulas for Computer Programs, 122nd Edition*, <https://www.canada.ca/en/revenue-agency/services/forms-publications/payroll/t4127-payroll-deductions-formulas/t4127-jan.html>.

**NOTE: The Canada Revenue Agency uses the *cheque date* and NOT the pay period end date to determine when the new rates apply.**

E.g., If your pay period end date is Dec 26<sup>th</sup> and your cheques are dated Jan 2<sup>nd</sup>, 2026, you must install this tax update prior to running Calculate Period for the pay period ending Dec 26<sup>th</sup>, 2025.

### FEDERAL TAX RATES AND BRACKETS

Federal tax rates are unchanged, while the Basic Personal Amount and Income Thresholds (tax brackets) are indexed by an increase of 2.0%.

### CPP & EI

CPP contributions remain at 5.95% for both the employee and employer with the maximum contributory earnings of \$74,600 and a maximum contribution for the year of \$4,230.45.

Second additional CPP Contribution of 4.0% on income in excess of \$74,600 to a maximum of \$85,000 for a maximum contribution of \$416.00. This CPP2 amount is calculated separately once the employee has reached the basic and first additional CPP.

EI is 1.63% with maximum insurable earnings indexed to \$68,900 and a maximum annual premium of \$1,123.07 for the employee.

### PROVINCIAL AND TERRITORIAL RATES AND BRACKETS

There are tax changes as a result of provincial and territorial budgets. The changes are summarized in the table below.

Province	Basic Personal Amount*	Income Thresholds (Tax Brackets)	Tax Rate
Alberta	Indexed by an increase of 2.0%	Indexed by an increase of 2.0%	Lowest tax bracket decreased to 8%.

Province	Basic Personal Amount*	Income Thresholds (Tax Brackets)	Tax Rate
British Columbia	Indexed by an increase of 2.2%	Indexed by an increase of 2.2%	n/c
Manitoba	BPAMB of 15,780	Non-indexed tax brackets 1. 47,000 2. 100,000 3. >100,000	n/c
New Brunswick	Indexed by an increase of 2.0%	Indexed by an increase of 2.0%	n/c
Newfoundland & Labrador	Indexed by an increase of 1.1%	Indexed by an increase of 1.1%	n/c
NW Territories	Indexed by an increase of 2.0%	Indexed by an increase of 2.0%	n/c
Nova Scotia	BPANS has been removed. Indexed by an increase of 1.6%.	Indexed by an increase of 1.6%	n/c
Nunavut	Indexed by an increase of 2.0%	Indexed by an increase of 2.0%	n/c
Ontario	Indexed by an increase of 1.9%	Indexed by an increase of 1.9%	n/c
Prince Edward Island	Increased to 15,000	n/c	n/c
Saskatchewan	Indexed by an increase of 2.0%	Indexed by an increase of 2.0%	n/c
Yukon	Indexed by an increase of 2.0%	Indexed by an increase of 2.0%	n/c

\* **Personal Amounts:** ComVida Payroll will automatically apply changes to the Basic Personal Amount for each employee when the **CLAIM** and **PRVCLAIM** numbers are set to zero. For employees claiming **other than Basic (Claim Code 1)**, you must manually adjust their claim amounts to reflect the indexed rates for 2026.

**Disclaimer:** This information is provided for your convenience only. For official changes to Payroll calculations please contact your local CRA office, or access their web site at <https://www.canada.ca/en/services/taxes.html>.