

Employer mandatory costs (per position)

* Percentage of salary **(required)**

* Please provide a breakdown of the percentage requested: Mandatory costs may include, for example, Employment Insurance premiums, Canada Pension Plan premiums, worker's compensation premiums, vacation pay, statutory holidays, other mandatory provincial/territorial contributions, etc. **(required)**

Employer Mandatory Costs (per position) is asking what percentage the employer contributes to expenses beyond the gross salary paid to the employee, such as CPP, EI, vacation pay, statutory holiday pay, etc. This percentage varies by organization, but it is usually between **10-20%**. For a precise breakdown of these benefits, **check with your organization's accountant, or refer to a paystub from your organization.** Examples of Employer Mandatory Costs include:

- EI (Employment Insurance is a deduction at source from the employee's income of 1.66% in 2018. The employer's contribution is generally 1.4x the amount of the employee's contribution, therefore 2.32%);
- CPP (Canada Pension Plan is a deduction at source from the income paid to the employee, i.e. 4.95% minus an annual exemption of \$3,500 in 2018. The employer's contribution is generally the same as the employee's contribution, i.e. 4.95%);
- Vacation pay (generally two weeks per year, which equals 4% of gross salary);
- Statutory holiday pay;
- Worker's compensation premiums (the rate may vary by province and job class, some organizations are not subject to this assessment);
- And other mandatory provincial/territorial contributions (e.g. in Ontario, this includes the Ontario Employer Health Tax of 1.95% on payroll exceeding \$450,000 per year).

For more information, Employers should consult the Canada Revenue Agency's website. They can also check the provincial/territorial workplace safety standards website and the financial implications for the employer. For the percentage of vacation and other paid holidays, they may consult the provincial or territorial labour standards website. In general, the accounting software used by the organization should make it relatively easy to calculate the mandatory costs of employers.

Useful links:

- **Payroll deductions and contributions.** Information for employers on how to calculate payroll deductions. <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/calculating-deductions.html>
- **Line 9060.** Salaries, wages, and benefits (including employer's contributions). <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/rental-income/completing-form-t776-statement-real-estate-rentals/rental-expenses-you-deduct/line-9060-salaries-wages-benefits-including-employer-s-contributions.html>