



Federal Government Changes EI Maximum

The federal government recently announced an increase in the employment insurance (EI) maximum insurable earnings amount and a corresponding increase in the EI weekly maximum benefit. Effective Jan.1st 2010, maximum insurable earning will increase to \$43,200 per year from \$42,300. Accordingly, the new maximum EI benefit amount will be \$457 per week (\$43,200 at 55 percent, over 52 weeks).

Short-term disability (STD) plans that have a maximum set at the EI maximum, rather than at a specific amount, will automatically increase effective Jan.1.

Changes to the Maximum Insurable Earnings and EI Premiums Rate

	Maximum Insurable Earnings	Premium Rate per \$100 Of Insurable Earnings	Max Annual Contribution		Max EI Benefits Payable to Claimants Per Week
		Employee	Employee	Employer	
2009	42,300	1.73	731.79	1024.51	447
2010	43,200	1.73	747.36	1046.30	457

Over-the-Counter Drugs Reclassified by Health Canada

As of January 1st 2010, many over-the-counter drugs will lose their Drug Identification Numbers (DINS) and will be reclassified as Natural Health Products and identified by a Natural Product number (NPN). As some plans do not cover Natural Health Products, these products will no longer be eligible for coverage under certain plans, even if prescribed by a medical practitioner.

Some products that will no longer be eligible for coverage are:

Vitamins, minerals (such as fluoride, iron, potassium and magnesium), non-prescription smoking cessation products.

There will be no change to coverage for the following items:

Life-sustaining, over-the-counter products such as insulin, diabetic supplies, and nitroglycerin. Injectible vitamins, and smoking cessation products that require a prescription.

NUMBERS TO REMEMBER

RRSP Contributions

2009 Maximum Contribution Limit - is the lesser of 18% of previous year's earnings or \$21,000.

2010 Maximum Contribution Limit - will be the lesser of 18% of previous year's earnings or \$22,000.

Registered Pension Plan (RPP) Contributions

2010 Maximum Contribution Limit - will be the lesser of 18% of current year's earnings of \$22,450.

	2009	2010
YMPE	\$46,300	\$47,200
Money Purchase Limit	\$22,000	\$22,450
RRSP Limit	\$21,000	\$22,000
DPSP Limit	\$11,000	\$11,225
Defined Benefit Limits	\$2,444.44	\$2,494.44

Canada Pension Plan for 2010

The basic exemption amount for 2010 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 2010 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 2010 will be \$2,163.15, and the maximum self-employed contribution will be \$4,326.30. The maximums in 2009 were \$2,118.60 and \$4,237.20.

Your Advisory Team

Individuals and businesses obtain financial advice from an experienced team guided by Mark Stonefish, a Financial Advisor with Manulife Securities Investment Services Inc. and an Insurance Advisor at Soulliere Financial Group. Mark and his team are dedicated to ensuring clients receive comprehensive financial advice and first class service.



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