

## Payroll Taxes in Canada from 1997 to 2007

*This paper describes the changes in the structure of payroll taxes in Canada and the provinces during the period 1997-2007. We report the average payroll tax per employee, the ratio of payroll tax revenues to GDP and to total government revenues, the composition of payroll tax revenues, and the effective payroll tax rate. The stability of the national effective payroll tax rate, as well as payroll taxes as shares of GDP or of government revenues, during the decade masks substantial changes in the composition of payroll taxes and large differences across provinces. C/QPP contributions overtook EI premiums as the largest source of payroll taxes in 1999. Among the provinces, Quebec has the highest effective payroll tax rate and Alberta the lowest. Payroll taxes across countries in 2007 are also compared using OECD data.*

*JEL:H20 H24*

*Keywords: payroll taxes; EI premium; C/QPP premium; workers' compensation premiums; provincial payroll taxes; effective payroll tax rates*

## I. Introduction

Payroll taxes can be defined as levies on businesses commensurate with the size of their payrolls. Furthermore, payroll taxes are usually used to finance social insurance programs and part of a payroll tax may also be levied on employee earnings. These taxes constitute major sources of government revenue in Canada, raising \$78.5 billion in 2007 or 13.6 percent of total federal and provincial revenues. Payroll taxes feature prominently in policy debates, because of their potential adverse impact on wages and employment, as well as on investment and entrepreneurship.<sup>1</sup> Beach, Picot, and Lin (1996) together with the update in Lin (2001) describe the structure and evolution of payroll taxes from 1961 to 1997. This period precedes the acceleration of contribution rate increases associated with the 1998 reforms to the Canada Pension Plan, and the steady declines in Employment Insurance premiums since the mid 1990s in line with the rate setting procedure prescribed by the *Employment Insurance Act* of 1996. Hence, it seems opportune to examine the trends in payroll taxes for the subsequent decade.

This paper uses the same methodology as the previous authors to characterize, for Canada and the provinces over the period 1997-2007, the average payroll tax per employee, the ratios of payroll taxes to GDP and to federal and provincial government revenues, the effective payroll tax rates, and the composition of payroll taxes. We also compare payroll taxes across countries in 2007 using OECD data.

We find that Canada/Quebec Pension Plan contributions (C/QPP) have replaced Employment Insurance (EI) premiums as the largest component of payroll taxes since 1999, and in 2007 C/QPP premiums account for 53 percent of total payroll taxes in Canada, compared to only 23 percent for EI premiums. This development reflects the very rapid growth in the C/QPP contributions during the period 1997 to 2003 and the continuous decline in the EI component. The

<sup>1</sup>See Kesselman (1994) for a discussion of the economic issues.

changes in C/QPP contributions and EI premiums have, however, been approximately offsetting, resulting in stable ratios of payroll taxes as a percentage of GDP and payroll taxes as a share of federal and provincial government revenues throughout the period 1997-2007. The overall effective payroll tax rate has been about \$12 for every \$100 of wages and salaries in each year. These trends are in contrast to Lin's (2001) findings for trends in the pre-1998 period, where payroll taxes increased substantially and almost continuously between 1980 and 1997 and EI premiums were the largest component except in 1980. In fact, over the decade 1988-1997 the national effective payroll tax rate increased by 3.34 percentage points and averaged 11.03 percent. Over the more recent decade of 1998-2007 the national effective payroll tax rate decreased by 0.67 percentage points and averaged 12.00 percent. Finally, despite the overall stability in payroll tax financial ratios, there has been a marked increase in (inflation-adjusted) average payroll taxes per employee in Canada since 1997. This must reflect increases in productivity, which reduced the growth in the workforce relative to increases in GDP.

Section 2 describes the statutory payroll tax rates from 1997 to 2007. Section 3 explains the data sources used for our calculations of the effective payroll tax rates and for the other descriptive ratios. Section 4 reports our findings on the payroll tax trends in Canada and in each province. Section 5 provides an international comparison for the year 2007. Section 6 summarizes and concludes. An appendix provides our data and the descriptive ratios for each year and province. We provide the data for the extended period of 1980-2007 to facilitate researchers.<sup>2</sup> The appendix also gives the CANSIM table numbers for variables used in the analysis.

<sup>2</sup>For the pre-1998 years our data is identical with Lin (2001), with a few exceptions attributable to revisions of the data by Statistics Canada.

## II. Statutory Payroll Tax Rates

There are currently eight payroll taxes in Canada (as we have defined them) and these have existed throughout our period of investigation. They are the Employment Insurance (EI) premiums and the Canada/Quebec Pension Plan (C/QPP) contributions both charged by the federal government; the Workers' Compensation (WC) premiums levied by all the provinces and territories and administered by Workers' Compensation Boards; the Health and Education (H/E) taxes in Newfoundland and Labrador, Quebec, Ontario, and Manitoba; and the employer contributions to vocational training in Quebec. The federal taxes are levied on both employers and employees, while all of the other taxes are levied only on employers. Finally, the Northwest Territories and Nunavut refer to their taxes on employment earnings as payroll taxes, but for our purposes these taxes resemble personal income taxes.<sup>3</sup> As in Lin (2001), we include only the 10 provinces, excluding the territories, in our totals for Canada.

Tables 1 and 2 summarize the EI and CPP contribution rates and the maximum contribution amounts from 1997 to 2008. These rates have changed substantially over the period, as total EI premium rates fell every year and total CPP contribution rates rose each year from 1997 until 2003. Table 3 provides the 2007 payroll tax rates levied by the provinces. These rates remained almost the same since 1997, although the thresholds at which the various rates apply have occasionally been changed.

## III. Data Sources

The supplementary labour income (SLI) database of Statistics Canada provides the data on employer EI premiums and C/QPP contributions. The employee portions and the total EI and C/QPP payroll taxes are calculated by applying the

<sup>3</sup>The intent of the NWT and Nunavut tax is to collect revenues on the earnings of non-residents.

TABLE 1—EI CONTRIBUTION RATES AND THE MAXIMUM CONTRIBUTION AMOUNTS (CURRENT DOLLARS)

Year	EI premiums per \$100 of insurable earnings			Maximum annual contribution		
	Employee	Employer	Total	Employee	Employer	Total
1997	2.9	4.06	6.96	1131	1583	2714
1998	2.7	3.78	6.48	1053	1474	2527
1999	2.55	3.57	6.12	995	1392	2387
2000	2.4	3.36	5.76	936	1310	2246
2001	2.25	3.15	5.4	878	1229	2107
2002	2.2	3.08	5.28	858	1201	2059
2003	2.1	2.94	5.04	819	1147	1966
2004	1.98	2.77	4.75	772	1081	1853
2005	1.95	2.73	4.68	761	1065	1826
2006	1.87	2.62	4.49	729	1021	1750
2007	1.8	2.52	4.32	720	1008	1728
2008	1.73	2.42	4.15	711	995	1706

TABLE 2—CPP CONTRIBUTION RATES AND THE MAXIMUM CONTRIBUTION AMOUNTS (CURRENT DOLLARS)

Year	CPP rate on pensionable earnings			Maximum annual contribution		
	Employee	Employer	Total	Employee	Employer	Total
1997	2.925	2.925	5.85	969	969	1938
1998	3.2	3.2	6.4	1068.8	1068.8	2137.6
1999	3.5	3.5	7	1186.5	1186.5	2373
2000	3.9	3.9	7.8	1329.9	1329.9	2659.8
2001	4.3	4.3	8.6	1496.4	1496.4	2992.8
2002	4.7	4.7	9.4	1673.2	1673.2	3346.4
2003	4.95	4.95	9.9	1801.8	1801.8	3603.6
2004	4.95	4.95	9.9	1831.5	1831.5	3663
2005	4.95	4.95	9.9	1861.2	1861.2	3722.4
2006	4.95	4.95	9.9	1910.7	1910.7	3821.4
2007	4.95	4.95	9.9	1989.9	1989.9	3979.8
2008	4.95	4.95	9.9	2049.3	2049.3	4098.6

TABLE 3—PROVINCIAL HEALTH AND EDUCATION PAYROLL TAXES IN 2007 (AND 2008)

Province (Name of Tax)	Tax Rate (Base: Payroll)	Structure
Newfoundland (Health and Post-Secondary Education Tax)	2%	payroll >\$1 million
Quebec (Health Services Fund)	4.26%	payroll > \$5 million
	2.7% to 4.6% <sup>a</sup>	\$1 million <payroll ≤ \$5 million
	2.7%	payroll ≤ \$1 million
Manitoba (Health and Post-Secondary Education Tax Levy)	2.15% <sup>b</sup>	payroll > \$2.5 million
	4.3% <sup>c</sup>	\$1.25 million ≤ payroll ≤ \$2.5 million
Ontario (Employer Health Tax)	1.95% <sup>d</sup>	payroll > \$400,000
Quebec (Employer Contributions to Vocational Training)	1%	payroll > \$1 million

<sup>a</sup>The rate was 4.26% on payrolls regardless of size in 1997.

<sup>b</sup>The rate was 2.25% in 1997.

<sup>c</sup>The first \$1.25 million of the payroll is exempt. The rate was 4.5% in 1997.

<sup>d</sup>The rate ranged between 0.98% and 1.95% in 1997, depending on payroll size.

fixed ratios of employer-to-employee taxes implied by legislation.<sup>4</sup> Data on workers' compensation premiums are also provided by the SLI. Provincial accounts are the source of data on Health/ Post-Secondary Education Tax for Quebec, Manitoba, Ontario and Newfoundland.

The CANSIM database of Statistics Canada provides the data on Gross Domestic Product, Federal and Provincial government revenues, the GDP implicit price index, wages and salaries of employees, and the total number of full-time employees for each province and Canada as a whole.

<sup>4</sup>Employer EI premium are equal to 1.4 times employee EI premiums and employer C/QPP contributions are equal to the employee C/QPP contributions in every year, as reflected in tables 1 and 2.

#### IV. Trends in Recent Years

This section reports the payroll tax trends from 1997 to 2007 for Canada and for each province.

##### A. Average Payroll Taxes per Employee

Figure 1 shows that there has been a large increase in the national average payroll tax per employee from \$3,487 in 1997 to \$5,685 in 2007 (expressed in 2007 dollars). The tax per employee remains highest in Quebec, at \$6,913 per employee in 2007; the lowest is in Saskatchewan, at \$4,390 per employee. The increases in payroll taxes per employee primarily reflect changes in the denominator of the ratio. That is, as will be clear in a moment, the growth in the number of employees in Canada is lower than the growth in GDP, presumably reflecting increases in productivity.

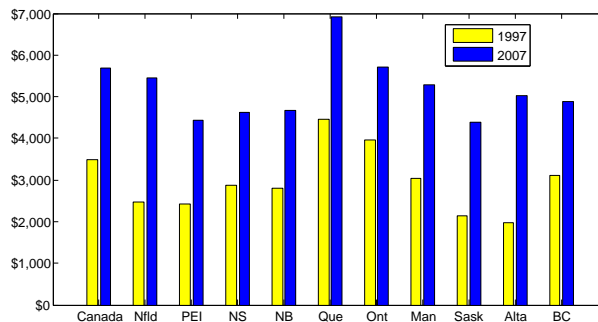


FIGURE 1. AVERAGE PAYROLL TAXES PER EMPLOYEE (2007 DOLLARS)

##### B. Payroll Taxes as Percentage of GDP

Despite the rapid growth in payroll taxes per employee, Figure 2 shows that payroll taxes as a proportion of GDP decreased slightly for Canada between 1997 and 2007, and only Prince Edward Island and New Brunswick experienced increases. In 2007, total payroll taxes equalled 5.1 percent of GDP for Canada.

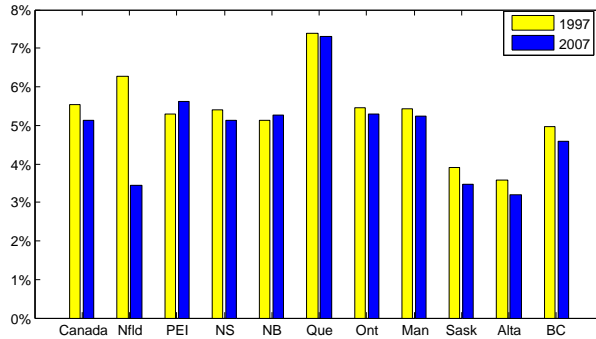


FIGURE 2. PAYROLL TAXES AS A PERCENTAGE OF GDP

### C. Payroll Taxes as Share of Government Revenues

As illustrated in Figure 3, payroll taxes account for 13.6 percent of total government revenues in Canada in 2007, down slightly from 14.0 percent in 1997. There are significant differences across provinces. In 2007, revenues collected from payroll taxes accounted for 27.1 percent of government revenues in Ontario and 25.3 percent in Quebec, compared to the low of 14.2 percent in Newfoundland. From 1997 to 2007, payroll taxes became slightly more important revenue sources in Prince Edward Island, New Brunswick and Alberta, but became relatively less important in the other provinces.<sup>5</sup>

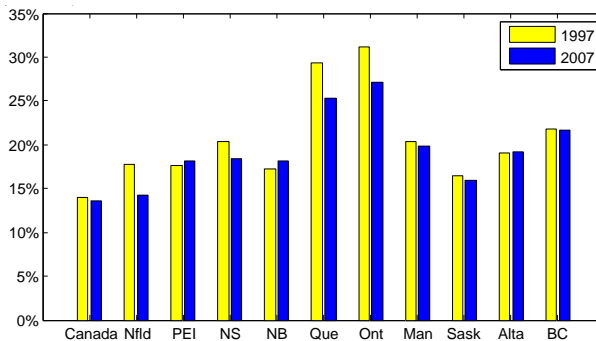


FIGURE 3. PAYROLL TAXES AS A SHARE OF GOVERNMENT REVENUE

<sup>5</sup>For each province, provincial government revenue is used as the denominator, while for Canada as a whole, combined federal and provincial revenue is used as the denominator.



#### D. The Effective Payroll Tax Rate

The effective payroll tax rate is the ratio of total payroll taxes to the tax base, which is composed of the full range of federally taxable personal earnings such as wages, salaries, overtime compensation, vacation pay, commissions, performance bonuses, and fringe benefits except employers' contributions to employees' private pension plans. For the country as a whole, the total effective payroll tax rate was 11.41 percent in 2007 compared to 12.26 percent in 1997. Broadly speaking the national effective payroll tax rate has been quite stable around 12 percent over the period 1997-2007. This contrasts with a large increase in the national effective tax rate in the three previous decades, as reported in Lin (2001). Decompositions of effective payroll tax rates across components as well as across provinces are provided below.

#### DIFFERENTIALS ACROSS COMPONENTS

Figure 4 illustrates clearly the dramatic change in the composition of the federal payroll tax structure. The EI effective tax rate decreased steadily from 4.98 percent in 1997 to 2.58 percent in 2007; the C/QPP effective rate increased from 3.92 percent in 1997 to 6.26 percent in 2003, before falling gradually to reach 6.02 percent in 2007. The H/E/Training tax is the third largest component of payroll taxes (overtaking WC in 1996) at 1.48 percent in 2007.

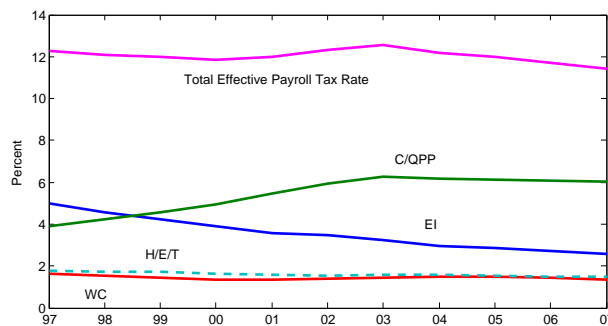


FIGURE 4. EFFECTIVE PAYROLL TAX RATE BY COMPONENT

Figure 5 shows the distribution of payroll taxes across the sources in 2007. C/QPP accounts for 53 percent of total payroll tax revenues (and hence the national effective tax rate) in 2007, with EI, H/E/T and WC accounting for 23 percent, 13 percent and 12 percent respectively.

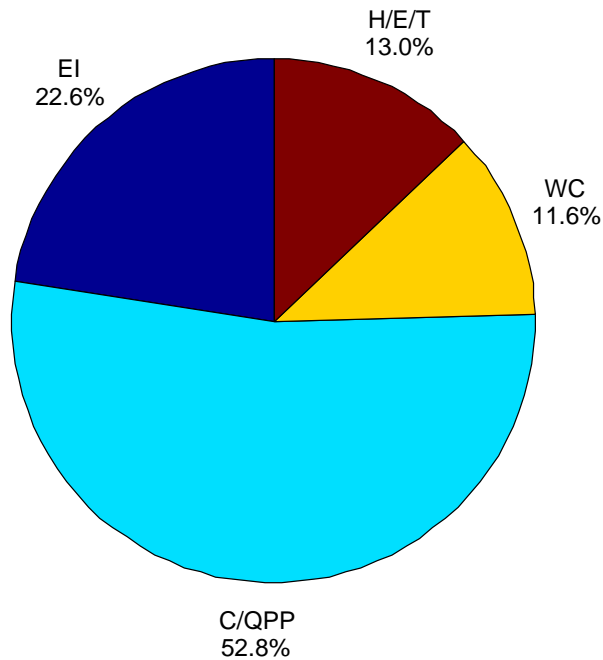


FIGURE 5. DISTRIBUTION OF PAYROLL TAXES AMONG COMPONENTS

#### DIFFERENTIALS AMONG PROVINCES

Figure 6 depicts the overall effective tax rate in each province from 1997 to 2007. Quebec has experienced the highest effective payroll tax rate among the 10 provinces in Canada, with the tax rate over 15 percent each year. In 2007, the second highest tax rate was in Newfoundland at 12.84 percent, followed by Prince Edward Island at 12.65 percent and Manitoba at 11.82 percent. Ever since 1997, Alberta has been the province with the lowest effective payroll tax rate, at 7.66 percent of wages and salaries in 2007.

From 1997 to 2007, New Brunswick experienced the largest growth in the effec-

tive payroll tax rate, which increased by 5.5 percent; next is Prince Edward Island with an increase of 2.6 percent. Alberta has the largest decrease at 11.4 percent, with the remaining provinces decreasing at rates ranging from 2.8 percent to 7.0 percent.

#### *E. International Comparisons of Payroll Taxes*

Tax structures vary considerably across countries. According to OECD data, Canada relies comparatively little on payroll taxes as a source of government revenue. Table 4 shows that in 2007 Canada ranked 25 out of 30 OECD countries in descending order of importance of payroll taxes as a percentage of total tax revenues. Among the G7 countries, France, Germany, and Japan had the highest ratio of payroll taxes to total tax revenues in 2007, at 39.8 percent, 36.6 percent, and 36.4 percent, respectively, compared to 16.4 percent in Canada and an OECD median rate of about 29 percent. Among the 28 countries that use payroll taxes and for which data is available in 1997, only 12 out of 28 had an increase in the share of payroll taxes in total tax revenues between 1997 and 2007, with Canada among them. As a proportion of GDP in 2007 payroll taxes in Canada were 5.5 percent, 23rd on the list in Table 5. Among the G7 countries, France and Germany had the highest ratio of payroll taxes to GDP in 2007, at 17.3 percent and 13.2 percent, respectively, while the rate in Japan was somewhat lower, at 10.3 percent.

### **V. Conclusion**

Payroll taxes per employee in 2007 are much greater than they were in 1997 (in constant 2007 dollars) for Canada as a whole. But payroll taxes as a percentage of GDP declined steadily but slightly after 2003 to reach 5.1 percent in 2007, compared to 5.5 percent in 1997. Similarly, payroll taxes as a share of federal and provincial government revenues trended downward gently after 2003 and are lower in 2007 than in 1997. Broadly speaking, however, the national effective payroll tax

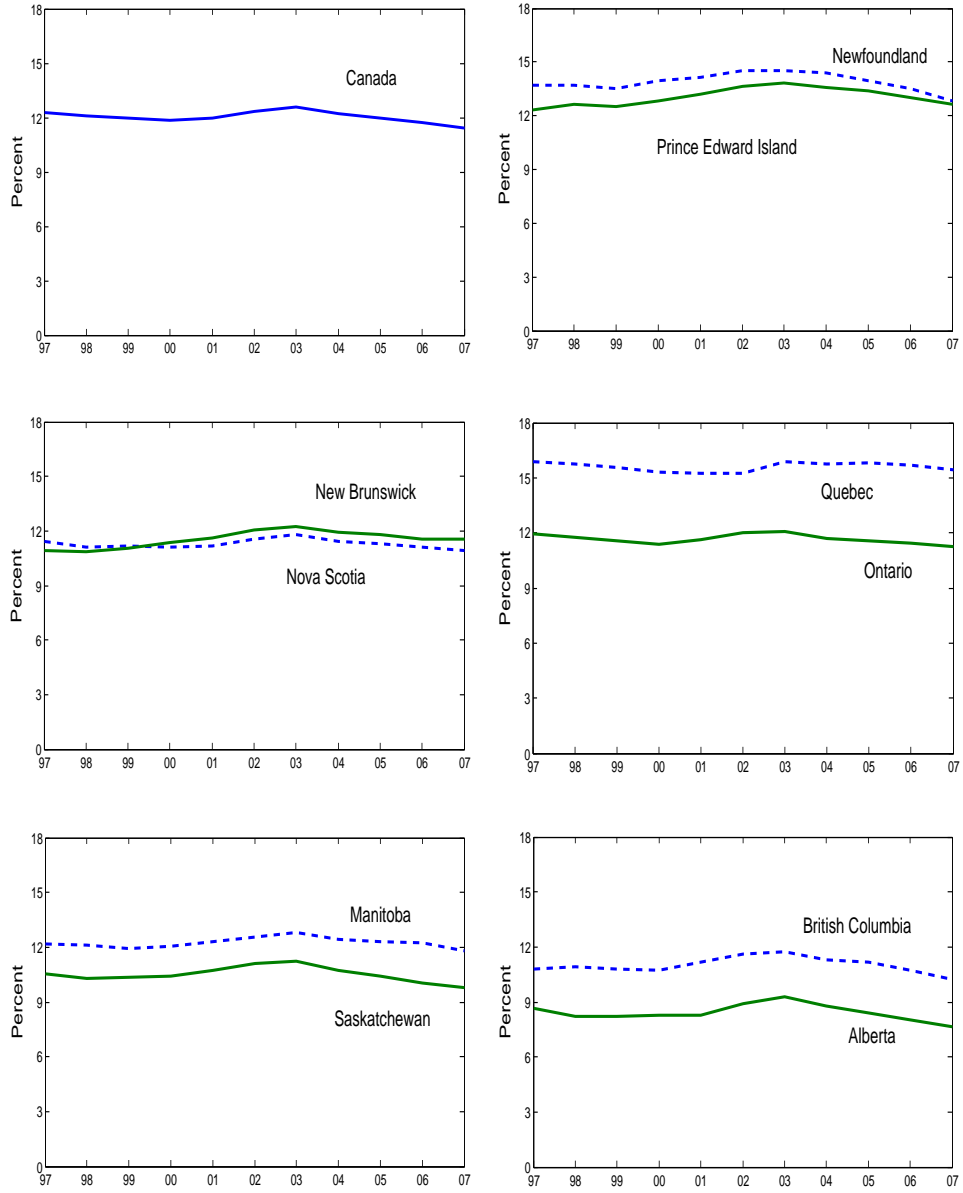


FIGURE 6. EFFECTIVE TOTAL PAYROLL TAX RATES, 1997-2007

TABLE 4—PAYROLL TAXES AS A PERCENTAGE OF TOTAL TAX REVENUE IN OECD COUNTRIES, SELECTED YEARS, 1990-2007

	1990	1997	2007	rank in 2007
Australia	6.107296	6.689326	4.700943	28
Austria	38.90102	40.5399	40.05994	2
Belgium	33.2087	31.81672	30.95384	14
Canada	14.39763	15.36406	16.40074	25
Czech Republic	n.a.	43.55721	43.47095	1
Denmark	2.649587	2.691678	2.527692	29
Finland	25.63792	27.64956	27.68394	17
France	45.96757	43.13795	39.81825	3
Germany	37.4808	41.16219	36.61549	5
Greece	30.90071	32.11232	36.37508	7
Hungary	n.a.	36.29164	34.21483	10
Iceland	6.680472	8.717604	7.731507	27
Ireland	16.14466	13.99988	16.08109	26
Italy	33.24814	33.61259	29.9853	15
Japan	26.44254	34.22513	36.42284	6
Korea	5.536621	14.54957	20.99432	21
Luxembourg	27.01059	25.49063	27.80506	16
Mexico	14.81881	16.8448	16.73104	24
Netherlands	37.39198	41.05892	36.19229	8
New Zealand	0	0	0	30
Norway	26.29518	22.40554	20.76869	22
Poland	n.a.	31.95057	34.33054	9
Portugal	27.15528	30.83813	32.06581	12
Slovak Republic	n.a.	n.a.	39.78219	4
Spain	35.42505	35.08215	32.59131	11
Sweden	29.70462	31.13198	31.71904	13
Switzerland	23.40673	26.37992	23.32223	19
Turkey	19.65402	14.49305	21.69463	20
United Kingdom	17.00925	17.78376	18.36579	23
United States	25.12005	23.73512	23.35183	18

*Source:* Calculations by the authors using OECD Revenue Statistics of OECD Member Countries Database, Comparative tables Vol 2009 release 01

TABLE 5—PAYROLL TAXES AS A PERCENTAGE OF GDP IN OECD COUNTRIES, SELECTED YEARS, 1990-2007

	1990	1997	2007	rank in 2007
Australia	1.741708	1.953157	1.449133	28
Austria	15.43314	17.98127	16.93258	2
Belgium	13.95403	14.16839	13.58047	6
Canada	5.167352	5.643593	5.457625	23
Czech Republic	n.a.	15.82706	16.24295	3
Denmark	1.233242	1.317576	1.230174	29
Finland	11.15537	12.79526	11.90589	12
France	19.30198	19.13583	17.31005	1
Germany	13.04446	14.89694	13.24446	8
Greece	8.089062	9.742133	11.65218	15
Hungary	n.a.	13.81233	13.53026	7
Iceland	2.067106	2.808166	3.15912	26
Ireland	5.347869	4.448426	4.953879	25
Italy	12.56805	14.52375	13.03237	9
Japan	7.687381	9.301327	10.32032	16
Korea	1.004336	2.927345	5.569772	22
Luxembourg	9.630892	10.02451	10.16215	17
Mexico	2.340799	2.683896	3.008138	27
Netherlands	16.03722	16.78089	13.58572	5
New Zealand	0	0	0	30
Norway	10.77858	9.298367	9.060735	18
Poland	n.a.	11.70363	11.96708	11
Portugal	7.521044	10.10831	11.67577	14
Slovak Republic	n.a.	n.a.	11.69393	13
Spain	11.50647	11.53795	12.13742	10
Sweden	15.5141	15.76361	15.32243	4
Switzerland	6.029764	7.289757	6.738779	19
Turkey	2.927987	3.004544	5.143897	24
United Kingdom	6.042088	6.096418	6.62651	20
United States	6.86212	6.81779	6.607185	21

*Source:* Calculations by the authors using OECD Revenue Statistics of OECD Member Countries Database, Comparative tables Vol 2009 release 01

rate has been quite stable during the period 1997-2007 in a close neighbourhood of 12 percent of wages and salaries, in contrast to the large increases in the effective payroll tax rate during the previous decades. The relative stability in payroll tax ratios masks a dramatic change in the composition of payroll taxes. Since 1999, C/QPP contributions have replaced EI premiums as the largest component of payroll taxes. The effective C/QPP tax rate increased from 1997 to 2003, while the effective EI tax rate decreased in every year from 1998 to 2007. As in Lin (2001), our recent data also shows considerable variations in the structure, level, and growth of payroll taxes among the provinces. From an international perspective, Canada relies comparatively little on payroll taxes as a source of tax revenues.

Finally, given the current economic crisis, it can be expected that the downward trend in the effective EI tax rate is likely to be reversed in the post-2007 period and that there will be at least temporary increases in all of the payroll tax ratios.

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## **APPENDIX**



Table A.1—: Payroll Taxes by Components, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC
	Thousands of dollars										
1980											
EI	2,959,401	47,630	10,270	87,118	67,625	749,895	1,138,548	116,169	90,785	299,695	351,665
C/QPP	3,397,716	53,878	11,474	96,052	76,196	857,888	1,277,350	129,916	105,192	366,530	423,240
WC	1,769,093	15,052	3,572	37,289	26,950	536,795	569,266	31,388	48,961	176,148	323,672
H/E	602,000					602,000					
Total	8,728,210	116,560	25,316	220,459	170,771	2,746,578	2,985,164	277,473	244,938	842,373	1,098,577
1981											
EI	4,591,250	72,475	15,146	132,789	102,509	1,141,387	1,762,899	179,385	142,181	492,895	549,585
C/QPP	3,947,398	61,638	12,694	110,282	85,964	971,432	1,483,638	149,798	123,174	450,084	498,694
WC	2,163,086	20,948	4,092	40,012	32,032	685,819	649,966	34,137	53,294	226,422	416,364
H/E	1,275,000					1,275,000					
Total	11,976,734	155,061	31,932	283,083	220,505	4,073,638	3,896,503	363,320	318,649	1,169,401	1,464,643
1982											
EI	4,658,724	74,199	15,794	136,414	104,235	1,130,498	1,809,751	184,358	146,981	511,579	544,915
C/QPP	4,174,432	66,696	13,834	118,292	92,062	1,001,974	1,593,298	161,258	134,274	484,328	508,416
WC	2,413,703	22,791	3,891	45,152	35,869	690,440	753,538	34,683	52,831	295,158	479,350
H/E	1,392,500					1,337,000					
Total	12,639,359	163,686	33,519	299,858	232,166	4,159,912	4,156,587	435,799	334,086	1,291,065	1,532,681
1983											
EI	6,889,714	109,788	23,631	203,134	157,296	1,673,628	2,715,730	274,908	221,170	721,027	789,401
C/QPP	4,475,360	71,394	14,978	128,438	100,218	1,083,972	1,734,712	174,078	146,762	487,728	533,080
WC	2,554,717	27,520	4,591	49,190	43,887	735,161	835,904	38,180	59,363	288,370	472,551
H/E	1,549,100					1,441,000					
Total	15,468,891	208,702	43,200	380,762	301,401	4,933,761	5,286,346	595,266	427,295	1,497,125	1,795,032
1984											
EI	7,606,246	118,622	26,734	228,993	171,267	1,860,254	3,052,053	302,484	241,533	761,109	843,199
C/QPP	4,961,374	76,846	17,064	145,726	109,318	1,213,310	1,961,144	192,998	159,952	514,502	570,514
WC	2,894,343	34,671	4,611	50,904	48,391	726,932	1,123,786	49,813	63,479	280,671	511,085
H/E	1,621,100					1,510,000					
Total	17,083,063	230,139	48,409	425,623	328,976	5,310,496	6,136,983	656,395	464,964	1,556,282	1,924,798
1985											
EI	8,531,613	129,447	29,894	256,154	189,115	2,074,947	3,461,062	335,702	266,662	856,018	932,611
C/QPP	5,495,834	82,186	18,678	160,988	119,302	1,332,882	2,210,404	211,164	173,488	568,160	618,582

(continued)

Table A.1 – (continued) Payroll Taxes by Components, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC
						Thousands of dollars					
1986	WC	3,245,313	37,232	4,956	55,503	53,681	1,423,146	69,562	70,144	268,036	478,219
	H/E	1,719,900				1,601,000		118,900			
	Total	18,992,660	248,865	53,528	472,645	362,098	7,094,612	735,328	510,294	1,692,214	2,029,412
	EI	9,278,306	137,400	32,134	275,019	204,614	3,831,873	362,374	283,053	901,370	1,002,982
	C/QPP	6,018,558	87,626	20,230	173,732	129,850	2,472,008	230,100	184,598	600,058	672,038
	WC	3,769,571	43,350	5,409	62,115	59,130	1,738,871	84,530	71,722	302,477	421,339
	H/E	1,955,600				1,829,000		126,600			
	Total	21,022,035	268,376	57,773	510,866	393,594	8,042,752	803,604	539,373	1,803,905	2,096,359
1987	EI	10,119,938	151,671	35,367	295,932	223,335	4,233,886	387,456	297,067	942,502	1,098,951
	C/QPP	6,751,112	100,186	23,038	192,808	145,340	2,810,532	252,596	198,776	639,626	750,468
	WC	4,342,380	50,072	5,694	70,773	68,772	2,123,042	104,983	80,522	281,978	323,364
	H/E	2,236,500				2,049,000		187,500			
	Total	23,449,930	301,929	64,099	559,513	437,447	9,167,460	932,535	576,365	1,864,106	2,172,783
1988	EI	11,076,077	166,200	38,897	320,892	242,822	4,658,294	410,921	309,965	1,026,895	1,207,527
	C/QPP	7,630,694	113,136	26,332	215,822	164,106	3,199,024	276,284	214,710	720,736	852,536
	WC	5,094,145	64,151	7,665	78,872	74,542	2,410,449	128,505	93,363	320,803	441,951
	H/E	2,359,200				2,160,000		199,200			
	Total	26,160,116	343,487	72,894	615,586	481,470	10,267,767	1,014,910	618,038	2,068,434	2,502,014
1989	EI	9,908,453	147,254	34,637	285,307	218,703	4,201,080	357,766	267,046	915,735	1,114,315
	C/QPP	8,637,236	127,244	29,890	243,402	187,310	3,652,364	304,424	231,974	810,630	997,204
	WC	5,568,882	70,304	9,074	85,336	82,413	2,636,870	130,553	91,442	374,265	520,737
	H/E	3,137,300				2,469,000	477,000	191,300			
	Total	27,251,871	344,802	73,601	614,045	488,426	10,967,314	984,043	590,462	2,100,630	2,632,256
1990	EI	12,213,831	180,449	43,488	350,983	269,220	5,112,394	441,339	331,509	1,159,845	1,426,910
	C/QPP	9,487,646	138,996	33,436	267,130	207,098	3,953,654	333,878	254,686	915,444	1,136,214
	WC	5,574,210	84,130	10,793	94,333	89,138	2,595,999	139,554	97,121	425,861	551,025
	H/E	5,513,300	23,800			2,641,000	2,662,000	186,500			
	Total	32,788,987	427,375	87,717	712,446	565,456	14,324,047	1,101,271	683,316	2,501,150	3,114,149

(continued)

Table A.1 – (continued) Payroll Taxes by Components, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC	
	Thousands of dollars											
1992	EI	14,293,342	211,677	50,875	411,384	317,655	5,921,681	510,009	394,721	1,377,415	1,708,836	
	C/QPP	10,133,236	148,532	36,010	285,656	222,060	4,174,874	353,902	278,110	993,998	1,244,804	
	WC	5,353,126	103,658	11,845	107,556	100,226	2,505,000	153,262	103,922	435,847	575,572	
	H/E	5,638,500	47,800			2,754,000	2,648,000	188,700				
	Total	35,418,204	511,667	98,730	804,596	639,941	15,249,555	1,205,873	776,753	2,807,260	3,529,212	
1993	EI	17,440,035	250,611	61,639	499,260	388,474	7,177,349	630,970	480,513	1,670,078	2,154,770	
	C/QPP	10,774,220	153,642	37,888	303,454	237,246	4,398,850	380,656	294,736	1,052,804	1,372,612	
	WC	5,679,110	98,438	12,273	115,515	105,405	2,528,000	149,014	107,070	432,066	644,987	
	H/E	5,663,000	63,200			2,816,000	2,592,000	191,800				
	Total	39,556,365	565,891	111,800	918,229	731,125	16,696,199	1,352,440	882,319	3,154,948	4,172,369	
1994	EI	17,805,859	253,637	63,060	504,879	398,263	7,268,230	639,045	486,873	1,718,703	2,262,336	
	C/QPP	11,441,070	161,022	40,334	318,768	253,076	4,639,350	401,284	309,656	1,129,806	1,495,372	
	WC	5,706,340	106,967	14,200	128,098	99,034	2,283,000	138,799	102,238	528,133	729,100	
	H/E	5,845,200	67,400			2,917,000	2,670,000	190,800				
	Total	40,798,469	589,026	117,594	951,745	750,373	16,860,580	1,369,928	898,767	3,376,642	4,486,808	
1995	EI	18,848,782	269,153	67,173	520,231	418,627	7,660,263	673,371	517,843	1,813,755	2,453,323	
	C/QPP	12,221,772	173,532	43,746	330,368	267,734	4,925,490	426,364	331,534	1,205,074	1,632,190	
	WC	6,079,970	105,835	13,362	143,094	101,512	2,351,000	141,014	115,813	546,951	878,187	
	H/E	6,010,641	75,000			3,079,000	2,665,000	191,641				
	Total	43,161,165	623,520	124,281	993,693	787,873	17,601,753	1,432,390	965,190	3,565,780	4,963,700	
1996	EI	19,163,141	269,458	70,382	514,761	424,978	7,826,925	682,810	526,819	1,823,211	2,519,499	
	C/QPP	13,140,132	182,846	49,394	346,638	288,338	5,319,438	458,700	356,882	1,283,366	1,769,026	
	WC	6,543,779	105,864	15,794	149,451	94,490	2,653,000	156,828	133,165	449,740	984,601	
	H/E	6,370,550	77,312			3,461,000	2,640,000	192,238				
	Total	45,217,602	635,480	135,570	1,010,850	807,806	18,439,363	1,490,576	1,016,866	3,556,317	5,273,126	
1997	EI	18,405,017	248,957	71,241	490,106	409,565	7,445,853	662,355	515,385	1,776,921	2,440,306	
	C/QPP	13,863,110	185,766	54,060	359,550	302,586	5,585,984	484,088	382,976	1,375,512	1,887,770	
	WC	6,422,192	102,860	17,983	153,098	91,771	2,610,000	156,164	146,788	371,436	999,775	
	H/E	6,585,100	71,600			3,612,000	2,695,000	206,500				

(continued)

Table A.1 – (continued) Payroll Taxes by Components, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC	
	Thousands of dollars											
1997	Total	45,275,419	609,183	143,284	1,002,754	803,922	12,973,464	18,336,837	1,509,107	1,045,149	3,523,869	5,327,851
	EI	19,718,083	275,273	73,035	533,169	438,142	4,651,392	8,010,814	705,778	545,499	1,893,007	2,591,973
	C/QPP	15,530,220	215,068	58,218	411,072	340,240	3,652,268	6,260,998	542,474	424,346	1,530,800	2,094,736
	WC	6,401,699	100,988	17,305	154,979	85,973	1,737,244	2,572,647	154,901	169,854	417,046	990,762
	H/E	6,944,000	69,600			3,893,000	2,772,000	209,400				
	Total	48,594,002	660,929	148,558	1,099,220	864,355	13,933,904	19,616,459	1,612,553	1,139,699	3,840,853	5,677,471
1998	EI	19,073,854	264,331	71,554	512,342	424,032	4,497,837	7,744,999	683,359	529,059	1,830,070	2,516,271
	C/QPP	17,611,022	241,754	66,992	462,700	385,722	4,134,816	7,103,868	615,242	482,220	1,735,190	2,382,518
	WC	6,470,810	108,199	19,200	168,500	91,698	1,803,111	2,652,001	151,898	147,301	412,200	916,702
	H/E	7,261,900	68,500			4,117,000	2,851,000	225,400				
	Total	50,417,586	682,784	157,746	1,143,542	901,452	14,552,764	20,351,868	1,675,899	1,158,580	3,977,460	5,815,491
1999	EI	18,842,417	258,386	72,015	514,104	425,073	4,465,221	7,723,534	663,883	513,972	1,781,772	2,424,458
	C/QPP	20,253,784	274,102	78,296	537,512	449,650	4,766,456	8,266,894	695,728	544,830	1,967,412	2,672,904
	WC	6,409,675	116,999	19,604	180,403	108,798	1,714,673	2,768,008	129,098	142,298	354,297	875,497
	H/E	7,584,700	71,700			4,291,000	2,992,000	230,000				
	Total	53,090,576	721,187	169,915	1,232,019	983,521	15,237,350	21,750,436	1,718,709	1,201,100	4,103,481	5,972,859
2000	EI	18,741,478	253,719	71,839	499,569	421,762	4,445,849	7,700,055	650,527	499,318	1,810,815	2,388,024
	C/QPP	23,886,908	320,680	92,558	601,750	530,282	5,603,392	9,797,862	809,052	629,054	2,378,058	3,124,220
	WC	6,476,798	134,397	23,000	192,803	124,205	1,749,994	2,730,997	136,002	125,398	393,805	866,197
	H/E	7,910,500	76,500			4,488,000	3,118,000	228,000				
	Total	57,015,684	785,296	187,397	1,294,122	1,076,249	16,287,235	23,346,914	1,823,581	1,253,770	4,582,678	6,378,441
2001	EI	18,059,122	244,716	69,958	479,198	394,551	4,277,078	7,394,866	625,807	477,549	1,814,306	2,281,094
	C/QPP	27,377,604	367,130	106,776	685,658	588,008	6,407,610	11,197,988	924,758	715,340	2,838,084	3,546,252
	WC	6,716,200	137,399	23,901	189,899	122,498	1,800,003	2,726,005	143,100	148,398	508,598	916,399
	H/E	8,037,900	81,500			4,291,000	3,424,000	241,400				
	Total	60,190,826	830,745	200,635	1,354,755	1,105,057	16,775,691	24,742,859	1,935,065	1,341,287	5,160,988	6,743,745
2002	EI	17,971,005	242,069	70,509	482,813	394,582	4,298,388	7,319,753	625,210	479,292	1,816,990	2,241,398
	C/QPP	30,879,400	411,100	121,218	781,776	664,270	7,294,616	12,570,348	1,046,388	811,824	3,224,414	3,953,446

(continued)

Table A.1 – (continued) Payroll Taxes by Components, 1980-2007

	Canada	Nfid	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC
						Thousands of dollars					
2003											
WC	7,190,800	155,800	24,900	201,500	142,700	1,764,000	2,899,000	146,000	157,200	680,400	1,019,300
H/E	7,892,037	83,800				4,068,000	3,496,937	243,300			
Total	63,933,242	892,769	216,627	1,466,089	1,201,552	17,425,004	26,286,038	2,060,898	1,448,316	5,721,804	7,214,144
EI	17,594,647	240,739	70,581	474,165	390,343	4,214,172	7,154,811	613,409	470,763	1,790,556	2,175,108
C/QPP	33,787,370	456,138	134,774	855,224	733,170	7,991,668	13,743,566	1,145,774	889,122	3,550,298	4,287,636
WC	7,769,855	155,200	26,700	216,100	152,100	1,993,000	2,928,255	162,600	181,300	877,600	1,077,000
H/E	8,562,347	88,000				4,649,000	3,561,947	263,400			
Total	67,714,219	940,077	232,055	1,545,489	1,275,613	18,847,840	27,388,580	2,185,183	1,541,185	6,218,454	7,539,744
2004											
EI	16,909,872	241,169	70,947	455,153	373,423	4,040,681	6,820,932	590,241	440,527	1,766,055	2,110,743
C/QPP	35,080,318	467,220	139,758	872,784	751,212	8,291,716	14,192,566	1,191,456	898,020	3,787,076	4,488,510
WC	8,487,710	167,000	28,400	223,700	170,800	2,243,310	3,140,900	177,900	224,300	936,200	1,175,200
H/E	8,998,463	90,700				4,874,000	3,752,963	280,800			
Total	69,476,363	966,089	239,105	1,551,637	1,295,435	19,449,707	27,907,361	2,240,397	1,562,847	6,489,331	7,774,453
2005											
EI	17,249,837	238,505	71,409	460,545	375,350	4,075,119	6,907,942	595,641	450,528	1,892,532	2,182,267
C/QPP	36,885,886	483,662	144,026	908,372	776,246	8,617,320	14,817,276	1,237,464	944,486	4,180,712	4,776,322
WC	8,865,248	158,200	28,600	239,800	176,000	2,447,450	3,189,998	190,800	215,500	978,900	1,240,000
H/E	9,320,006	93,000				5,047,000	3,885,706	294,300			
Total	72,320,978	973,367	244,035	1,608,717	1,327,596	20,186,889	28,800,923	2,318,205	1,610,514	7,052,144	8,198,589
2006											
EI	17,482,809	229,920	70,167	450,590	368,445	4,357,875	6,752,450	589,978	452,134	1,997,342	2,213,907
C/QPP	38,982,356	497,900	149,016	945,074	809,354	8,929,008	15,460,388	1,303,642	1,009,978	4,708,588	5,169,408
WC	9,143,575	166,110	29,500	242,700	172,800	2,432,765	3,385,000	219,700	224,700	1,003,300	1,267,000
H/E	9,661,090	98,700				5,053,000	4,197,290	312,100			
Total	75,269,829	992,630	248,683	1,638,364	1,350,599	20,772,648	29,795,127	2,425,420	1,686,812	7,709,230	8,650,315
2007											
EI	17,732,335	237,057	70,143	450,441	372,603	4,421,681	6,761,177	595,406	463,210	2,106,533	2,254,083
C/QPP	41,403,274	535,198	155,860	986,584	854,444	9,433,904	16,234,304	1,389,252	1,088,152	5,211,330	5,514,246
WC	9,111,876	137,700	29,400	254,400	194,200	2,449,976	3,523,000	224,000	239,500	977,700	1,082,000
H/E	10,207,389	103,500				5,404,000	4,371,089	328,800			
Total	78,454,874	1,013,455	255,403	1,691,425	1,421,247	21,709,561	30,889,570	2,537,458	1,790,862	8,295,563	8,850,329

TABLE A.2—AVERAGE PAYROLL TAXES PER WAGE AND SALARY WORKER, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC
						2007 dollars					
1980	402	232	260	309	323	474	366	310	319	381	423
1981	595	335	375	442	461	780	513	442	444	540	604
1982	712	397	427	537	555	936	616	583	487	673	723
1983	923	531	563	745	773	1,164	831	842	640	851	912
1984	1,026	614	615	829	884	1,273	960	941	731	912	1,010
1985	1,147	674	700	945	980	1,420	1,126	1,058	797	956	1,048
1986	1,269	772	803	1,064	1,079	1,652	1,301	1,172	780	894	1,109
1987	1,430	890	907	1,187	1,207	1,893	1,506	1,409	849	940	1,143
1988	1,620	992	1,076	1,305	1,378	2,159	1,721	1,670	982	996	1,322
1989	1,730	987	1,143	1,340	1,422	2,302	1,888	1,652	981	1,030	1,372
1990	2,129	1,246	1,414	1,609	1,682	2,599	2,561	1,884	1,138	1,268	1,627
1991	2,458	1,569	1,731	1,946	1,977	2,954	2,986	2,193	1,303	1,410	1,914
1992	2,807	1,881	1,971	2,337	2,278	3,429	3,347	2,521	1,558	1,645	2,296
1993	2,968	2,013	2,156	2,455	2,369	3,607	3,472	2,541	1,610	1,779	2,472
1994	3,085	2,146	2,149	2,590	2,545	3,751	3,549	2,644	1,715	1,866	2,761
1995	3,244	2,231	2,263	2,652	2,622	4,041	3,727	2,787	1,917	1,833	2,906
1996	3,269	2,278	2,384	2,643	2,653	4,148	3,727	2,896	2,074	1,842	2,911
1997	3,487	2,468	2,435	2,880	2,811	4,452	3,961	3,032	2,140	1,970	3,116
1998	3,506	2,519	2,601	2,893	2,869	4,538	3,974	3,068	2,076	1,881	3,207
1999	3,630	2,590	2,793	3,098	3,090	4,667	4,108	3,164	2,241	2,037	3,269
2000	3,959	3,082	3,080	3,293	3,405	4,992	4,342	3,334	2,468	2,569	3,531
2001	4,192	3,172	3,327	3,449	3,532	5,180	4,560	3,623	2,681	2,862	3,796
2002	4,429	3,403	3,642	3,730	3,653	5,329	4,888	3,897	2,988	3,024	4,057
2003	4,731	3,623	3,874	4,062	3,974	5,854	5,051	4,141	3,192	3,497	4,255
2004	4,894	3,995	4,017	4,062	4,083	6,062	5,141	4,333	3,377	3,786	4,386
2005	5,187	4,464	4,121	4,344	4,336	6,331	5,295	4,559	3,604	4,437	4,590
2006	5,408	5,207	4,194	4,460	4,417	6,569	5,462	4,920	3,892	4,686	4,833
2007	5,685	5,449	4,435	4,634	4,660	6,913	5,720	5,275	4,390	5,028	4,889
						Percent growth					
1980-1989	330.6	325.9	339.7	333.4	340.5	385.6	415.2	432.7	207.7	170.7	224.5
1990-1999	70.5	107.9	97.6	92.5	83.7	79.6	60.4	67.9	96.9	60.7	100.9
2000-2007	43.6	76.8	44.0	40.7	36.9	38.5	31.7	58.2	77.9	95.7	38.5

TABLE A.3—PAYROLL TAXES AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC
1980	2.8	2.8	3.0	3.5	3.4	3.8	2.6	2.5	2.0	2.0	2.9
1981	3.3	3.0	3.0	3.6	3.5	5.1	3.0	2.7	2.2	2.2	3.3
1982	3.3	2.9	2.9	3.3	3.3	4.9	3.0	3.1	2.2	2.3	3.4
1983	3.8	3.5	3.2	3.7	3.7	5.4	3.4	3.9	2.7	2.6	3.8
1984	3.8	3.6	3.5	3.7	3.7	5.3	3.6	3.9	2.7	2.5	3.9
1985	3.9	3.7	3.7	3.8	3.9	5.4	3.8	4.0	2.8	2.5	3.8
1986	4.1	3.7	3.5	3.8	3.8	5.6	3.9	4.2	3.0	3.1	3.7
1987	4.2	3.9	3.7	3.9	3.8	5.7	4.0	4.6	3.2	3.1	3.5
1988	4.3	4.1	3.8	4.0	3.9	5.8	4.0	4.6	3.3	3.2	3.6
1989	4.2	3.8	3.6	3.8	3.7	5.7	3.9	4.2	3.0	3.1	3.5
1990	4.9	4.6	4.0	4.2	4.2	6.0	5.1	4.6	3.2	3.4	3.9
1991	5.2	5.3	4.4	4.6	4.7	6.3	5.4	5.0	3.6	3.9	4.3
1992	5.7	5.9	4.8	5.1	5.2	6.9	5.8	5.5	4.2	4.2	4.8
1993	5.6	6.0	4.8	5.2	5.1	7.0	5.7	5.6	3.9	4.2	4.8
1994	5.6	6.1	4.9	5.3	5.2	7.1	5.7	5.5	3.9	4.1	4.9
1995	5.6	6.0	5.1	5.2	4.9	7.2	5.6	5.5	3.8	3.9	5.0
1996	5.4	5.8	5.1	5.1	4.8	7.2	5.4	5.3	3.6	3.6	4.9
1997	5.5	6.3	5.3	5.4	5.1	7.4	5.5	5.4	3.9	3.6	5.0
1998	5.5	6.1	5.3	5.3	5.1	7.4	5.4	5.4	3.9	3.7	5.0
1999	5.4	5.9	5.4	5.3	5.2	7.2	5.3	5.4	3.9	3.5	4.9
2000	5.3	5.6	5.6	5.2	5.4	7.2	5.3	5.4	3.7	3.2	4.9
2001	5.5	5.9	5.8	5.2	5.3	7.2	5.5	5.5	4.0	3.4	5.1
2002	5.6	5.4	5.9	5.4	5.7	7.2	5.5	5.6	4.2	3.8	5.2
2003	5.6	5.2	6.1	5.4	5.7	7.5	5.6	5.8	4.2	3.7	5.2
2004	5.4	5.0	6.0	5.2	5.5	7.4	5.4	5.6	3.8	3.4	4.9
2005	5.3	4.4	5.9	5.1	5.4	7.4	5.4	5.6	3.7	3.2	4.8
2006	5.2	3.8	5.8	5.2	5.2	7.4	5.3	5.4	3.6	3.2	4.7
2007	5.1	3.4	5.6	5.1	5.3	7.3	5.3	5.2	3.5	3.2	4.6
Percent growth											
1980-1989	47.2	34.7	19.5	7.5	9.3	49.8	51.5	69.8	49.6	59.7	21.2
1990-1999	11.9	27.7	33.0	27.4	22.9	19.5	5.0	18.1	21.2	2.7	25.9
2000-2007	-3.4	-39.1	0.8	-2.4	-1.6	1.1	-0.3	-2.4	-6.4	1.2	-5.3

TABLE A.4—PAYROLL TAXES AS A PERCENTAGE OF TOTAL FEDERAL AND PROVINCIAL GOVERNMENT REVENUES, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC
1980	7.9	8.1	7.7	11.5	10.3	16.2	17.2	12.5	8.8	9.0	16.4
1981	9.1	9.5	8.8	13.4	11.6	21.8	19.0	13.2	10.6	10.7	18.4
1982	8.9	8.9	8.3	12.5	10.9	19.0	18.9	14.4	10.7	11.1	17.0
1983	10.2	10.7	10.3	14.4	13.0	21.2	21.5	17.1	11.3	11.6	18.0
1984	10.3	10.8	9.5	14.3	12.6	21.1	21.6	17.2	11.6	11.0	18.2
1985	10.6	10.1	10.8	14.9	12.7	21.5	22.9	17.9	12.4	11.8	18.1
1986	11.0	10.6	11.1	15.3	13.1	22.6	23.3	18.7	14.3	15.8	17.8
1987	11.2	11.0	11.3	15.3	13.3	23.6	23.9	18.4	12.8	15.3	17.1
1988	11.2	11.4	11.3	15.0	13.3	23.5	23.5	17.5	12.4	15.9	17.3
1989	10.9	10.8	10.6	14.5	12.5	23.2	23.1	16.3	10.1	15.9	16.4
1990	12.3	12.3	11.8	15.2	13.5	23.9	28.2	17.6	10.8	16.7	17.6
1991	13.0	14.5	13.0	17.2	15.1	24.6	30.2	18.3	12.9	19.1	19.3
1992	14.1	15.6	14.4	19.3	16.1	26.5	33.3	20.6	14.2	20.9	21.0
1993	14.3	17.0	15.2	19.9	16.5	27.0	31.7	20.6	14.0	21.7	20.0
1994	14.4	17.1	14.9	19.1	16.3	28.1	31.2	19.4	14.2	20.3	20.1
1995	14.2	16.3	15.9	18.5	15.7	27.5	30.7	19.5	15.3	20.0	20.5
1996	13.8	15.2	16.9	18.1	15.3	28.0	29.9	19.9	14.4	18.5	20.5
1997	14.0	17.7	17.6	20.3	17.3	29.3	31.1	20.4	16.5	19.0	21.8
1998	14.0	16.7	17.1	20.3	17.4	28.2	30.9	20.6	16.5	20.5	21.4
1999	13.6	16.2	16.6	19.4	17.1	27.4	29.8	19.2	15.4	19.1	20.9
2000	13.4	18.3	18.0	20.0	18.6	27.0	30.1	19.1	15.2	15.6	20.4
2001	14.1	19.1	17.7	19.8	18.2	27.2	31.1	19.7	16.3	18.4	23.1
2002	15.0	20.7	19.5	21.1	19.4	28.2	31.8	20.3	18.1	22.0	23.6
2003	15.0	21.4	19.6	20.7	19.3	28.5	30.3	20.7	17.6	20.1	23.5
2004	14.6	21.9	20.1	21.0	19.5	28.4	29.4	21.5	16.0	19.2	22.2
2005	13.8	13.1	17.8	17.1	17.7	26.7	27.5	19.5	15.4	17.4	21.1
2006	13.8	19.1	18.3	19.1	18.0	25.4	27.5	19.9	15.6	17.3	21.8
2007	13.6	14.2	18.1	18.4	18.1	25.3	27.1	19.8	16.0	19.2	21.6
Percent growth											
1980-1989	38.3	34.2	37.8	26.4	21.1	42.7	34.0	30.5	13.9	76.7	0.2
1990-1999	10.9	32.1	40.5	27.7	27.0	14.8	5.9	8.9	42.4	14.1	18.5
2000-2007	2.1	-22.4	0.6	-8.3	-3.0	-6.3	-9.9	3.9	5.5	22.6	6.0



Table A.5—: Effective Payroll Tax Rates by Component, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC
	Percent										
1980	EI	1.89	2.14	2.23	2.20	2.22	1.89	1.86	1.99	1.89	1.79
	C/QPP	2.17	2.42	2.49	2.43	2.50	2.16	2.09	2.31	2.31	2.15
	WC	1.13	0.68	0.77	0.94	0.89	1.35	0.93	1.07	1.11	1.65
	H/E	0.38				1.52					
	Total	5.58	5.23	5.49	5.58	5.61	6.92	4.88	5.37	5.32	5.59
1981	EI	2.57	2.71	2.80	2.76	2.78	2.65	2.60	2.71	2.41	2.35
	C/QPP	2.21	2.30	2.34	2.29	2.33	2.25	2.18	2.26	2.20	2.13
	WC	1.21	0.78	0.76	0.83	0.87	1.59	0.96	0.97	1.11	1.78
	H/E	0.71				2.96					
	Total	6.70	5.79	5.90	5.88	5.98	9.45	5.74	5.79	5.71	6.25
1982	EI	2.44	2.56	2.66	2.66	2.62	2.52	2.46	2.43	2.30	2.27
	C/QPP	2.19	2.30	2.33	2.30	2.31	2.24	2.16	2.22	2.17	2.12
	WC	1.27	0.79	0.66	0.88	0.90	1.54	1.02	0.87	1.33	2.00
	H/E	0.73				2.98		0.76			
	Total	6.63	5.65	5.65	5.84	5.83	9.29	5.64	5.52	5.80	6.38
1983	EI	3.46	3.83	3.76	3.72	3.76	3.61	3.42	3.41	3.27	3.24
	C/QPP	2.25	2.49	2.38	2.35	2.40	2.34	2.19	2.35	2.21	2.19
	WC	1.28	0.96	0.73	0.90	1.05	1.59	1.05	0.92	1.31	1.94
	H/E	0.78				3.11		1.46			
	Total	7.77	7.29	6.87	6.98	7.20	10.64	6.66	6.59	6.78	7.38

(continued)

Table A.5 – (continued) Effective Payroll Tax Rates by Components, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC	
	Percent											
1984	EI	3.55	3.96	3.94	3.83	3.89	3.66	3.53	3.63	3.50	3.38	3.36
	C/QPP	2.32	2.57	2.52	2.44	2.48	2.39	2.27	2.32	2.32	2.29	2.28
	WC	1.35	1.16	0.68	0.85	1.10	1.43	1.30	0.60	0.92	1.25	2.04
	H/E	0.76				2.97		1.34				
	Total	7.97	7.69	7.14	7.12	7.48	10.45	7.09	7.89	6.74	6.92	7.68
1985	EI	3.70	4.05	4.25	3.96	4.05	3.83	3.66	3.82	3.81	3.46	3.52
	C/QPP	2.38	2.57	2.65	2.49	2.56	2.46	2.34	2.40	2.48	2.30	2.33
	WC	1.41	1.16	0.70	0.86	1.15	1.45	1.51	0.79	1.00	1.08	1.80
	H/E	0.75				2.96		1.35				
	Total	8.23	7.78	7.60	7.30	7.76	10.69	7.51	8.37	7.30	6.84	7.66
1986	EI	3.77	4.04	4.23	4.07	4.04	3.88	3.72	3.88	3.76	3.63	3.63
	C/QPP	2.45	2.58	2.66	2.57	2.56	2.50	2.40	2.47	2.45	2.41	2.43
	WC	1.53	1.27	0.71	0.92	1.17	1.69	1.69	0.91	0.95	1.22	1.53
	H/E	0.79				3.16		1.36				
	Total	8.54	7.89	7.61	7.56	7.77	11.24	7.81	8.61	7.16	7.26	7.59
1987	EI	3.78	3.96	4.15	4.03	4.04	3.88	3.74	3.94	3.89	3.70	3.62
	C/QPP	2.52	2.62	2.70	2.62	2.63	2.59	2.48	2.57	2.60	2.51	2.47
	WC	1.62	1.31	0.67	0.96	1.25	1.95	1.87	1.07	1.05	1.11	1.07
	H/E	0.84				3.24		1.91				
	Total	8.77	7.88	7.52	7.61	7.92	11.66	8.09	9.49	7.55	7.32	7.16
1988	EI	3.78	4.01	4.15	4.04	4.03	3.95	3.68	3.98	3.88	3.70	3.62
	C/QPP	2.60	2.73	2.81	2.72	2.72	2.71	2.52	2.68	2.69	2.59	2.56

(continued)

Table A.5 – (continued) Effective Payroll Tax Rates by Components, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC	
	Percent											
1989	WC	1.74	1.55	0.82	0.99	1.24	2.16	1.90	1.25	1.17	1.15	1.33
	H/E	0.80				3.17		1.93				
	Total	8.92	8.28	7.77	7.76	7.99	12.00	8.10	9.84	7.73	7.45	7.50
	EI	3.12	3.28	3.47	3.36	3.36	3.25	3.05	3.29	3.23	3.08	3.01
	C/QPP	2.72	2.84	2.99	2.86	2.88	2.82	2.65	2.80	2.80	2.73	2.69
	WC	1.76	1.57	0.91	1.00	1.27	2.15	1.91	1.20	1.10	1.26	1.41
	H/E	0.99				3.39	0.35	1.76				
	Total	8.59	7.69	7.37	7.23	7.50	11.61	7.95	9.06	7.13	7.07	7.11
1990	EI	3.68	3.77	4.06	3.90	3.91	3.76	3.65	3.87	3.77	3.58	3.53
	C/QPP	2.86	2.90	3.12	2.97	3.01	2.92	2.83	2.93	2.90	2.83	2.81
	WC	1.68	1.76	1.01	1.05	1.29	1.93	1.86	1.22	1.10	1.32	1.36
	H/E	1.66	0.50			3.43	1.90	1.64				
	Total	9.89	8.92	8.18	7.92	8.21	12.03	10.24	9.66	7.77	7.72	7.71
1991	EI	4.25	4.36	4.70	4.52	4.53	4.34	4.21	4.46	4.38	4.08	4.10
	C/QPP	3.01	3.06	3.32	3.14	3.16	3.07	2.97	3.10	3.08	2.95	2.99
	WC	1.59	2.13	1.09	1.18	1.43	1.61	1.78	1.34	1.15	1.29	1.38
	H/E	1.67	0.98			3.52	1.88	1.65				
	Total	10.52	10.53	9.11	8.84	9.12	12.54	10.84	10.55	8.61	8.32	8.47
1992	EI	5.11	5.23	5.60	5.44	5.44	5.21	5.08	5.38	5.26	4.92	4.93
	C/QPP	3.16	3.21	3.44	3.30	3.32	3.21	3.11	3.25	3.23	3.10	3.14
	WC	1.66	2.06	1.12	1.26	1.47	1.88	1.79	1.27	1.17	1.27	1.48
	H/E	1.66	1.32			3.55	1.83	1.64				
	Total	11.59	11.82	10.16	10.00	10.23	13.85	11.81	11.53	9.66	9.30	9.55

(continued)

Table A.5 – (continued) Effective Payroll Tax Rates by Components, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC	
	Percent											
1993	EI	5.15	5.25	5.67	5.49	5.50	5.26	5.14	5.44	5.33	4.90	4.96
	C/QPP	3.31	3.33	3.63	3.47	3.49	3.37	3.28	3.42	3.39	3.22	3.28
	WC	1.65	2.21	1.28	1.39	1.37	1.97	1.61	1.18	1.12	1.51	1.60
	H/E	1.69	1.40			3.65	1.89	1.62				
	Total	11.81	12.19	10.57	10.35	10.35	14.25	11.91	11.66	9.84	9.62	9.83
1994	EI	5.32	5.53	5.87	5.73	5.65	5.46	5.28	5.64	5.48	4.98	5.18
	C/QPP	3.45	3.57	3.82	3.64	3.62	3.54	3.40	3.57	3.51	3.31	3.44
	WC	1.72	2.18	1.17	1.58	1.37	2.06	1.62	1.18	1.23	1.50	1.85
	H/E	1.70	1.54			3.78	1.84	1.60				
	Total	12.18	12.82	10.85	10.94	10.64	14.84	12.14	11.99	10.21	9.80	10.48
1995	EI	5.25	5.34	6.04	5.71	5.54	5.40	5.23	5.55	5.37	4.89	5.11
	C/QPP	3.60	3.62	4.24	3.85	3.76	3.70	3.56	3.73	3.64	3.45	3.58
	WC	1.79	2.10	1.36	1.66	1.23	2.16	1.77	1.28	1.36	1.21	2.00
	H/E	1.75	1.53			4.15	4.15	1.76	1.56			
	Total	12.40	12.59	11.64	11.21	10.53	15.40	12.32	12.13	10.37	9.55	10.68
1996	EI	4.92	5.11	5.79	5.38	5.28	5.13	4.85	5.27	5.10	4.54	4.77
	C/QPP	3.71	3.81	4.39	3.95	3.90	3.83	3.64	3.85	3.79	3.51	3.69
	WC	1.72	2.11	1.46	1.68	1.18	2.09	1.70	1.24	1.45	0.95	1.96
	H/E	1.76	1.47			4.27	4.27	1.76	1.64			
	Total	12.11	12.51	11.64	11.01	10.36	15.33	11.95	12.01	10.34	9.00	10.42
1997	EI	4.98	5.70	6.06	5.53	5.53	5.31	4.89	5.34	5.04	4.26	4.92
	C/QPP	3.92	4.45	4.83	4.27	4.30	4.17	3.82	4.10	3.92	3.44	3.98

(continued)

Table A.5 – (continued) Effective Payroll Tax Rates by Components, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC	
	Percent											
1998	WC	1.62	2.09	1.44	1.61	1.09	1.98	1.57	1.17	1.57	0.94	1.88
	H/E	1.75	1.44			4.44	1.69	1.58				
	Total	12.26	13.68	12.33	11.41	10.92	15.90	11.96	12.20	10.52	8.64	10.79
	EI	4.57	5.31	5.73	4.97	5.10	4.86	4.47	4.94	4.70	3.78	4.72
	C/QPP	4.22	4.85	5.36	4.49	4.64	4.47	4.10	4.44	4.28	3.59	4.47
	WC	1.55	2.17	1.54	1.64	1.10	1.95	1.53	1.10	1.31	0.85	1.72
	H/E	1.74	1.38			4.45	1.64	1.63				
	Total	12.08	13.71	12.63	11.10	10.84	15.74	11.74	12.11	10.29	8.22	10.91
1999	EI	4.25	4.85	5.30	4.66	4.76	4.57	4.12	4.61	4.43	3.56	4.37
	C/QPP	4.57	5.15	5.76	4.88	5.04	4.87	4.41	4.83	4.70	3.93	4.82
	WC	1.45	2.20	1.44	1.64	1.22	1.75	1.48	0.90	1.23	0.71	1.58
	H/E	1.71	1.35			4.39	1.59	1.60				
	Total	11.97	13.54	12.51	11.18	11.02	15.58	11.59	11.94	10.36	8.21	10.77
2000	EI	3.89	4.50	4.91	4.29	4.46	4.17	3.76	4.29	4.14	3.26	4.01
	C/QPP	4.96	5.69	6.33	5.17	5.61	5.26	4.78	5.33	5.22	4.28	5.25
	WC	1.34	2.38	1.57	1.65	1.31	1.64	1.33	0.90	1.04	0.71	1.46
	H/E	1.64	1.36			4.21	1.52	1.50				
	Total	11.83	13.93	12.82	11.11	11.39	15.29	11.40	12.02	10.40	8.25	10.72
2001	EI	3.59	4.17	4.61	3.96	4.14	3.88	3.48	3.99	3.81	2.92	3.77
	C/QPP	5.45	6.25	7.03	5.67	6.17	5.81	5.27	5.89	5.71	4.56	5.86
	WC	1.34	2.34	1.57	1.57	1.29	1.63	1.28	0.91	1.19	0.82	1.51
	H/E	1.60	1.39			3.89	1.61	1.54				
	Total	11.98	14.14	13.21	11.20	11.60	15.22	11.65	12.33	10.71	8.30	11.15

(continued)

Table A.5 – (continued) Effective Payroll Tax Rates by Components, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC	
	Percent											
2002	EI	3.46	3.94	4.45	3.81	3.97	3.76	3.35	3.81	3.67	2.83	3.60
	C/QPP	5.95	6.69	7.65	6.16	6.68	6.39	5.74	6.38	6.22	5.02	6.35
	WC	1.38	2.54	1.57	1.59	1.43	1.54	1.32	0.89	1.20	1.06	1.64
	H/E	1.52	1.36			3.56	1.60	1.48				
	Total	12.31	14.53	13.67	11.56	12.08	15.26	12.01	12.56	11.09	8.91	11.59
2003	EI	3.26	3.72	4.21	3.63	3.75	3.55	3.16	3.59	3.43	2.66	3.38
	C/QPP	6.26	7.05	8.04	6.54	7.03	6.74	6.06	6.71	6.47	5.28	6.66
	WC	1.44	2.40	1.59	1.65	1.46	1.68	1.29	0.95	1.32	1.31	1.67
	H/E	1.59	1.36			3.92	1.57	1.54				
	Total	12.55	14.54	13.84	11.83	12.24	15.89	12.08	12.79	11.22	9.25	11.72
2004	EI	2.97	3.59	4.03	3.35	3.43	3.27	2.86	3.28	3.03	2.39	3.07
	C/QPP	6.15	6.96	7.94	6.43	6.91	6.70	5.96	6.62	6.17	5.12	6.54
	WC	1.49	2.49	1.61	1.65	1.57	1.81	1.32	0.99	1.54	1.27	1.71
	H/E	1.58	1.35			3.94	1.58	1.56				
	Total	12.19	14.39	13.58	11.44	11.91	15.72	11.72	12.45	10.74	8.77	11.32
2005	EI	2.86	3.42	3.91	3.24	3.34	3.19	2.77	3.17	2.92	2.26	2.97
	C/QPP	6.12	6.95	7.89	6.39	6.92	6.74	5.94	6.58	6.12	4.99	6.49
	WC	1.47	2.27	1.57	1.69	1.57	1.91	1.28	1.01	1.40	1.17	1.69
	H/E	1.55	1.34			3.95	1.56	1.56				
	Total	11.99	13.98	13.37	11.31	11.83	15.79	11.55	12.33	10.44	8.41	11.15
2006	EI	2.72	3.13	3.68	3.05	3.15	3.29	2.59	2.97	2.69	2.07	2.75
	C/QPP	6.06	6.78	7.81	6.40	6.91	6.74	5.92	6.57	6.00	4.89	6.42

(continued)

Table A.5 – (continued) Effective Payroll Tax Rates by Components, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC
	Percent										
WC	1.42	2.26	1.55	1.64	1.48	1.84	1.30	1.11	1.33	1.04	1.57
H/E	1.50	1.34				3.81	1.61	1.57			
Total	11.71	13.53	13.04	11.09	11.53	15.67	11.41	12.22	10.02	8.00	10.74
2007											
EI	2.58	3.00	3.47	2.91	3.02	3.15	2.46	2.77	2.53	1.95	2.61
C/QPP	6.02	6.78	7.72	6.38	6.92	6.72	5.90	6.47	5.94	4.81	6.38
WC	1.32	1.74	1.46	1.64	1.57	1.74	1.28	1.04	1.31	0.90	1.25
H/E	1.48	1.31				3.85	1.59	1.53			
Total	11.41	12.84	12.65	10.93	11.52	15.45	11.23	11.82	9.78	7.66	10.24

TABLE A.6—GROWTH OF EFFECTIVE PAYROLL TAX RATES AND CONTRIBUTION OF COMPONENTS, 1980-2007

	Canada	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC
1980-2007: Rate change (%)	5.83	7.61	7.16	5.36	5.91	8.53	6.35	7.06	4.41	2.34	4.66
% Contribution											
EI	11.8	11.4	17.4	13.2	13.5	14.7	9.4	11.1	12.2	2.3	17.6
C/QPP	66.1	57.3	73.1	73.7	74.8	53.4	60.1	60.1	82.4	106.7	90.8
WC	3.3	14.1	9.5	13.1	11.7	4.6	5.5	7.2	5.3	-8.9	-8.4
H/E/T/Training	18.9	17.2	n.a.	n.a.	n.a.	27.3	25.0	21.7	n.a.	n.a.	n.a.
1980-1990: Rate change (%)	4.31	3.69	2.69	2.34	2.60	5.11	5.36	4.90	2.40	2.41	2.13
% Contribution											
EI	41.6	44.2	67.9	72.5	64.9	36.6	33.5	38.3	74.1	70.2	82.1
C/QPP	16.0	13.1	23.4	23.0	19.4	14.8	13.8	14.3	24.6	21.3	31.1
WC	12.8	29.3	8.6	4.5	15.7	11.3	17.3	14.0	1.3	8.4	-13.2
H/E/T/Training	29.7	13.5	n.a.	n.a.	n.a.	37.4	35.5	33.4	n.a.	n.a.	n.a.
1990-2000: Rate change (%)	1.95	5.01	4.64	3.19	3.18	3.26	1.16	2.37	2.63	0.53	3.01
% Contribution											
EI	10.6	14.7	18.5	12.2	17.4	12.7	9.0	17.7	14.1	-60.6	16.0
C/QPP	107.7	55.6	69.3	68.8	82.0	71.9	169.1	101.7	88.3	275.1	81.0
WC	-17.3	12.5	12.2	19.0	0.6	-8.7	-45.2	-13.8	-2.4	-114.5	3.0
H/E/T/Training	-1.1	17.2	n.a.	n.a.	n.a.	24.1	-32.9	-5.6	n.a.	n.a.	n.a.
1997-2007	-0.85	7.61	7.16	5.36	5.91	8.53	6.35	7.07	4.41	2.34	4.66
% Contribution											
EI	281.0	11.4	17.4	13.2	13.5	14.7	9.4	156.6	12.2	2.3	17.6
C/QPP	-246.5	57.3	73.1	73.7	74.8	53.4	60.1	88.9	82.4	106.7	90.8
WC	34.0	14.1	9.5	13.1	11.7	4.6	5.5	83.1	5.3	-8.9	-8.4
H/E/T/Training	31.4	17.2	n.a.	n.a.	n.a.	27.3	25.0	109.2	n.a.	n.a.	n.a.



TABLE 7—CANSIM TABLE NUMBER FOR MAJOR VARIABLES

Variable name	CANSIM Table number	Years
Full Time Employees	2820087	1976-2009
Government Revenue	3840004	1981-2006
	3840005	1981-2007
	3840022	1977-1980
	3840023	1961-1980
	3840026	1977-1980
GDP	3840015	1961-1980
	3840002	1981-2008
Wage and Salaries	3840034	1961-1980
	3840012	1981-2008
Implicit Price Index	3840019	1971-1989
	3840036	1981-2008