

NEWS RELEASE

CPP tax increase and Ottawa's income tax changes mean higher taxes for virtually every Canadian family

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For immediate release

VANCOUVER—More than 90 per cent of Canadian families with children will pay higher taxes once the Canada Pension Plan (CPP) tax increases are fully implemented, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

The first of seven increases to the CPP tax, which all workers must pay, will start this time next year.

“The Trudeau government has repeatedly claimed to have lowered taxes for Canadian families, but in reality, virtually every family in Canada—regardless of income—will have a higher tax bill,” said Charles Lammam, director of fiscal studies at the Fraser Institute and co-author of [*The Effect on Canadian Families of Changes to Federal Income Tax and CPP Payroll Tax*](#).

The federal government has already introduced a host of personal income tax changes since 2015, and also spearheaded an expansion of the CPP—with the nine participating provinces—to be fully implemented by 2025.

Assuming the CPP payroll tax increases were fully implemented today, in addition to the personal income tax changes already in place, the study finds that 92.2 per cent of all families in Canada—regardless of income—would pay higher taxes.

Those nine-in-10 families that do face higher taxes will pay, on average, \$2,218 more per year. The increased CPP tax hike alone, again if fully implemented today, would add \$1,624 to their tax bill.

And the numbers loom even larger for Canada's middle-class. Fully 98.8 per cent of middle-income families with children will pay higher taxes once the CPP tax increase is fully implemented.

“Despite the political rhetoric, virtually every family in Canada will have to pay higher taxes because of the tax changes the federal government has introduced or initiated with the provinces,” Lammam said.

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