

Pivot Advantage Guides Employers on How to Prepare for Increased CPP Contributions in 2025

Vancouver Businesses Face Higher CPP Contributions in 2025 | Pivot Advantage guides employers on payroll costs, compliance & financial planning strategies.

VANCOUVER, BC, CANADA, September 13, 2025 /EINPresswire.com/ -- Vancouver businesses

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Raymond Leung

need to be aware of the final phase of Canada Pension Plan (CPP) enhancements, which are impacting payroll and potentially cash flow in 2025. [Pivot Advantage Accounting and Advisory Inc.](#) urges Vancouver employers to understand and prepare for these changes to minimize their financial impact and be compliant.

Key changes for 2025

- Higher Maximum Pensionable Earnings (YMPE): The YMPE, the maximum income subject to Tier 1 CPP contributions, has risen to \$71,300 in 2025, which is up from \$68,500 in 2024.
 - New Second Earnings Ceiling (YAMPE): A new threshold, the Year's Additional Maximum Pensionable Earnings (YAMPE), applies to higher earners, set at \$81,200 in 2025. This means that for earnings between the YMPE (\$71,300) and the YAMPE (\$81,200), additional CPP contributions are now required.
 - Increased Contribution Amounts: The maximum CPP contribution for both employees and employers has risen to \$4,034.10 each in 2025, up from \$3,867.50 in 2024. The standard CPP rate remains 5.95% for both employees and employers.
- New CPP2 Contributions: The CPP2 contribution rate is 4% for both employers and employees on earnings between the YMPE and YAMPE. This means a maximum CPP2 contribution of \$396 each for employees and employers in 2025, an increase from \$188 in 2024. Self-employed individuals are responsible for both the employer and employee portions, meaning they will pay 8% on earnings within this range.

Impact on Vancouver businesses

These changes will directly impact payroll costs for employers in Vancouver. While the Government of Canada has designed the CPP enhancement to boost future retirement benefits

for workers, businesses need to adjust their budgeting and financial plans accordingly.

"The final phase of CPP enhancements means employers in Vancouver face higher payroll expenses," says Raymond Leung, founder of Pivot Advantage Accounting and Advisory Inc. "Planning and proactive management of these costs are crucial to maintain financial stability."

Recommendations for Vancouver businesses

- Review Financial Projections: Assess the impact of these increased contributions on your financial forecasts and adjust budgets as needed.
- Seek Expert Advice: Consult with an accountant to understand the implications of these changes and explore potential tax advantages or strategies to mitigate the impact on your business.
- Communicate with Employees: Educate your workforce on the purpose of these deductions and the long term benefits to retirement planning. This transparency can help manage expectations regarding changes in take home pay.

"Our team is ready to guide Vancouver businesses through these new CPP requirements," adds Raymond Leung. "We can assist with payroll adjustments, financial planning and compliance to minimize the impact on your business operations."

About Pivot Advantage Accounting and Advisory Inc.

Pivot Advantage Accounting and Advisory Inc. is a cloud based accounting firm in Vancouver, dedicated to providing strategic financial guidance to businesses across a range of industries. Pivot Advantage helps companies navigate complex tax regulations, optimize financial performance and automate workflows using various cloud solutions.

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