Salary *and* Tax

TAKE-HOME PAY COMPARISON

Tax year **2026**
Amounts **per year**

A — $45,000 *a year in* British Columbia
B — $45,000 *a year in* Ontario

A takes home $47 more per year

$4 per month · same gross — the difference is all deductions

LINE ITEM	A · B.C.	B · ONTARIO	B − A
INCOME			
Gross income	$45,000	$45,000	±0
Taxable income after the CPP enhanced deduction	$44,585	$44,585	±0
PAYROLL PROGRAMS			
CPP + CPP2	$2,469	$2,469	±0
EI premium	$734	$734	±0
INCOME TAX			
Federal tax after credits	$3,338	$3,338	±0
Provincial tax after credits	$1,601	$1,455	−$146
Ontario surtax a tax on Ontario tax	—	$0	±0
Low-income credits ON reduction + LIFT · BC reduction	−$13	−$271	+$258
Ontario health premium	—	$450	+$450
BOTTOM LINE			
Total deductions	$8,128	$8,175	+$47
Take-home	**$36,872**	**$36,825**	**−$47**
Effective deduction rate share of gross lost to tax, CPP and EI	18.1%	18.2%	+0.1 pts
True marginal rate on the next $100	29.2%	30.1%	+0.9 pts

Amounts per year; rates are annual. Green favours B, red favours A. Full statements for A and B follow, their bracket figures drawn on one scale.

Employment income only, single filer resident in the stated province on Dec 31. Basic credits only (no RRSP, dependant or tuition). Validated against TaxTips.ca and Wealthsimple, October 2026. An estimate, not tax advice.
Sources: CRA tax rates · CRA payroll deductions tables · Adjust these numbers: salaryandtax.ca/compare?a=45000-bc&b=45000-on

Salary *and* Tax

TAKE-HOME PAY STATEMENT

SCENARIO A

Tax year **2026**
Amounts **per year**

Prepared for an employee earning **$45,000** *a year in* **British Columbia**.

INCOME

Gross pay — **$45,000**
Your salary before any deductions — $45,000 a year, the number on your offer letter.

PAYROLL PROGRAMS — taken before income tax

CPP — Canada Pension Plan — − $2,469
5.95% of earnings between $3,500 and $74,600. Its enhanced slice is deductible, which lowers your taxable income below.

EI — Employment Insurance — − $734
1.63% of earnings up to $68,900. Funds job-loss, parental and sickness benefits.

INCOME TAX

Taxable income — $44,585
Gross minus the deductible part of CPP. Income tax is worked out on this, not on your gross.

Federal income tax — − $3,338
14% on all of your taxable income — it stays in the lowest band — less credits for the basic personal amount, CPP, EI and the Canada employment amount.

British Columbia tax after credits — $1,601
British Columbia brackets from 5.6%, less credits for the basic personal amount, CPP and EI.

BC tax reduction credit — − $13
Up to $690, phasing out at 3.56% of net income above $25,570.

British Columbia income tax — **− $1,587**
The provincial total: the lines above, added up.

TOTAL

Total deductions — **− $8,128**
Everything taken off the top: income tax, CPP and EI.

NET TAKE-HOME PAY

$36,872

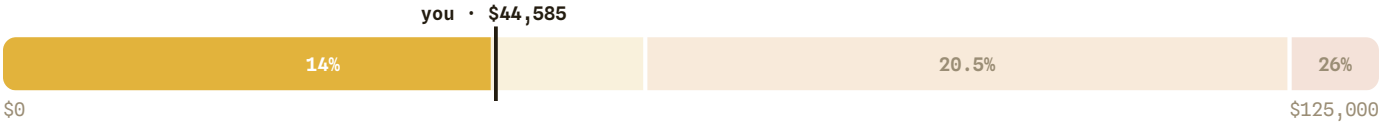
per year · 81.9% of your gross stays with you

KEEPS 82%

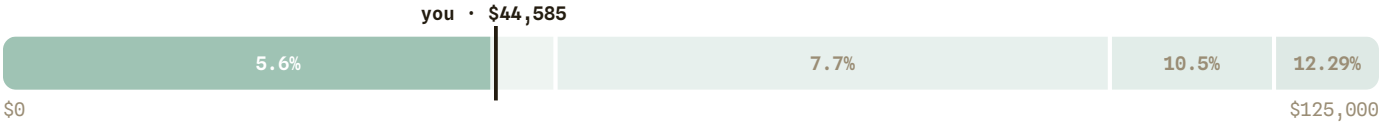
FIGURE 1

How your income tax was built

FEDERAL BRACKETS — **$3,338 federal tax per year**



BRITISH COLUMBIA BRACKETS — **$1,587 provincial tax per year**



Each band taxes only the income that falls inside it. The marker is where your taxable income reaches — everything to its left was taxed at the lower bands first, which is why your effective rate is well below your top bracket. Bars show tax before credits.

SCHEDULE A

What lands each payday

PAY FREQUENCY	GROSS	DEDUCTIONS	TAKE-HOME
Weekly	$865.38	$156.32	**$709.07**
Bi-weekly	$1,730.77	$312.63	**$1,418.14**
Semi-monthly	$1,875.00	$338.68	**$1,536.32**
Monthly	$3,750.00	$677.37	**$3,072.63**
Yearly	$45,000.00	$8,128.43	**$36,871.57**

EFFECTIVE TAX RATE

10.9%

The share of your whole income that goes to income tax — your true average.

TRUE MARGINAL RATE

29.2%

What your next $100 loses to tax, CPP and EI. On your next $1,000 raise you'd keep about $730 — a raise never lowers your take-home.

Employment income only, single filer resident in British Columbia on Dec 31, 2026. Basic credits only (no RRSP, dependant or tuition). Validated against TaxTips.ca and Wealthsimple, October 2026. An estimate, not tax advice.

Sources: CRA tax rates · CRA payroll deductions tables · Adjust these numbers: salaryandtax.ca/?income=45000&province=bc

Salary *and* Tax

TAKE-HOME PAY STATEMENT

SCENARIO B

Tax year **2026**
Amounts **per year**

Prepared for an employee earning **$45,000** *a year in* **Ontario**.

INCOME

Gross pay — **$45,000**
Your salary before any deductions — $45,000 a year, the number on your offer letter.

PAYROLL PROGRAMS — taken before income tax

CPP — Canada Pension Plan — − $2,469
5.95% of earnings between $3,500 and $74,600. Its enhanced slice is deductible, which lowers your taxable income below.

EI — Employment Insurance — − $734
1.63% of earnings up to $68,900. Funds job-loss, parental and sickness benefits.

INCOME TAX

Taxable income — $44,585
Gross minus the deductible part of CPP. Income tax is worked out on this, not on your gross.

Federal income tax — − $3,338
14% on all of your taxable income — it stays in the lowest band — less credits for the basic personal amount, CPP, EI and the Canada employment amount.

Ontario tax after credits — $1,455
Ontario brackets from 5.05%, less credits for the basic personal amount, CPP and EI.

LIFT credit — − $271
Low-income Individuals and Families Tax credit: up to $875, phasing out at 5% above $32,500.

Ontario Health Premium — + $450
Collected with Ontario tax; steps up with taxable income to a maximum of $900.

Ontario income tax — **− $1,634**
The provincial total: the lines above, added up.

TOTAL

Total deductions — **− $8,175**
Everything taken off the top: income tax, CPP and EI.

NET TAKE-HOME PAY

$36,825

per year · 81.8% of your gross stays with you

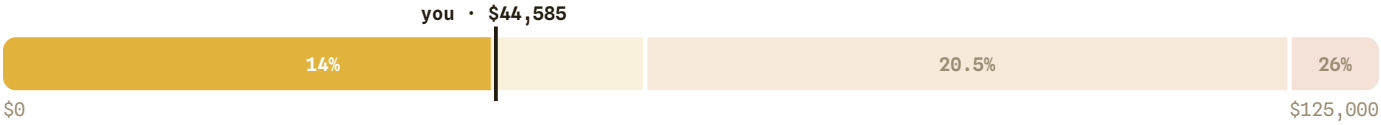
KEEPS 82%

FIGURE 1

How your income tax was built

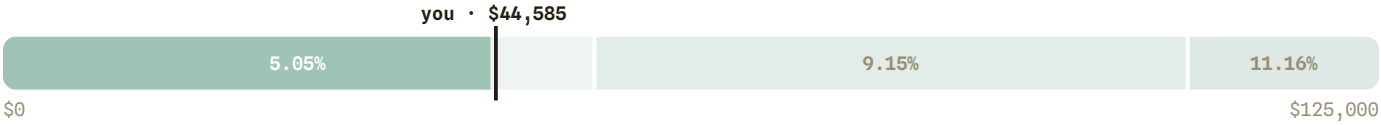
FEDERAL BRACKETS

$3,338 federal tax per year



ONTARIO BRACKETS

$1,634 provincial tax per year



Each band taxes only the income that falls inside it. The marker is where your taxable income reaches — everything to its left was taxed at the lower bands first, which is why your effective rate is well below your top bracket. Bars show tax before credits.

SCHEDULE A

What lands each payday

PAY FREQUENCY	GROSS	DEDUCTIONS	TAKE-HOME
Weekly	$865.38	$157.21	**$708.17**
Bi-weekly	$1,730.77	$314.42	**$1,416.35**
Semi-monthly	$1,875.00	$340.63	**$1,534.37**
Monthly	$3,750.00	$681.25	**$3,068.75**
Yearly	$45,000.00	$8,175.01	**$36,824.99**

EFFECTIVE TAX RATE

11.1%

The share of your whole income that goes to income tax — your true average.

TRUE MARGINAL RATE

30.1%

What your next $100 loses to tax, CPP and EI. On your next $1,000 raise you'd keep about $699 — a raise never lowers your take-home.

Employment income only, single filer resident in Ontario on Dec 31, 2026. Basic credits only (no RRSP, dependant or tuition). Validated against TaxTips.ca and Wealthsimple, October 2026. An estimate, not tax advice.

Sources: CRA tax rates · CRA payroll deductions tables · Adjust these numbers: salaryandtax.ca/?income=45000&province=on