Alberta Doctors' Digest

Sponsored Article: Speak with a tax professional to ensure you're taking advantage of all the tax benefits available to you

2026 has arrived!

That means it's time to review the major changes to personal income tax for 2026. Here's a rundown of the adjusted tax figures.

Income tax brackets

Canada Revenue Agency (CRA) uses the inflation rate, as reported through the Consumer Price Index (CPI), to adjust personal income tax and benefit amounts each year. The federal tax brackets for 2026 are increasing by 2% (compared to 2.7% in 2025 and 4.7% in 2024). Provincial tax brackets are also adjusted annually for inflation, but may or may not use the same CPI factor of 2%.

The provincial tax brackets for Alberta are:

Taxable income	Tax rate
Up to $61,200	8%
$61,201 to $154,259	10%
$154,260 to $185,111	12%
$185,112 to $246,813	13%
$246,814 to $370,220	14%
More than $370,220	15%

Alberta provincial tax brackets for 2026

The federal tax brackets for 2026 are:

Taxable income	Tax rate
Up to $58,523	14%
$58,524 to $117,045	20.5%
$117,046 to $181,440	26%
$181,441 to $258,482	29%
More than $258,483	33%

Federal Tax Rates for 2026

Basic Personal Amount (BPA)

The BPA is the amount of untaxed income you can earn. For 2026, the basic personal amount is $16,452 – with some caveats. Your BPA is the full $16,452 if your 2026 net income is $181,440 or lower. If you earn $258,482 or more you will receive the minimum BPA of $14,829. If your income is between those two thresholds your BPA will be adjusted proportionally.

Canada Pension Plan (CPP) contributions

Your CPP contributions are based on a percentage of your income. This is capped at the yearly maximum pensionable earnings limit (YMPE), meaning that once your income reaches that figure further increases don't affect your CPP contribution amount. For 2026, the YMPE will increase to $74,600 – so the maximum annual contribution from both employer and employee is $4,230.45 each. If you are self-employed, you must pay both contributions, for a total maximum of $8,460.90. (The Quebec Pension Plan has the same YMPE).

CPP2 contribution rates and amounts

In 2026, if you earn more than the YMPE you'll pay a second CPP contribution (CPP2). With CPP2 you'll pay 4% on income between the YMPE and the year's additional maximum pensionable earnings (YAMPE) of $85,000. The maximum CPP2 contribution in 2026 is $416, or, if you're self-employed, $832.

Employment insurance (EI) premiums

EI premiums are calculated at 1.63% (1.30% in Quebec) of your annual income, up to a cap of $68,900 in 2026. The most you can pay in EI premiums this year is $1,123.07 ($895.70 in Quebec).

Tax-Free Savings Account (TFSA)

Your TFSA contribution room ($7,000) is unchanged in 2026. Unused room from previous years is carried over: the cumulative limit for those who have been eligible since 2009 is now $109,000. As the name implies, interest and investment income within a TFSA is not taxed, and neither are TFSA withdrawals. However, you contribute with after-tax funds – there is no tax break for contributing.

Registered Retirement Savings Plan (RRSP)

Your contribution room is still equal to 18% of your earned income, up to a set maximum. In 2026 the maximum contribution amount is $33,810, meaning you will hit the limit if you made at least $187,833 in 2025.

Old Age Security (OAS)

If you collect OAS, you're required to pay back some or all of the benefit if your total annual income is too high. In 2026, your OAS will be subject to a recovery tax if your 2025 income was above $93,454.

Speak with a tax professional to ensure you're taking advantage of all the tax benefits available to you.

Whether you have a quick question, need guidance on a specific issue or are looking for a second opinion, we are here to help. Let's connect today and make sure your financial future is on the right track.

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