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Quebec Self-Employed: QPP, QPIP and HSF in 2026

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The three contributions at a glance

When you earn net business income in Quebec as a sole proprietor, three social-program contributions are calculated on it, on top of income tax:

Contribution	Who runs it	2026 self-employed rate	2026 ceiling	Where it is calculated
Québec Pension Plan (QPP / RRQ)	Retraite Québec, collected by Revenu Québec	12.6% up to \$74,600, then 8% up to \$85,000	\$9,791 maximum	Schedule U, Part C; line 445
Québec Parental Insurance Plan (QPIP / RQAP)	Government of Québec, collected by Revenu Québec	0.764%	\$786.92 maximum (on \$103,000)	Schedule R; line 439
Health Services Fund (HSF / FSS), individual contribution	Revenu Québec	Flat \$150 band, then 1%	\$1,000 maximum	Schedule F; line 446

All three are paid with your Quebec income tax return (or through instalments during the year), not to the federal government, because Quebec runs its own pension and parental insurance plans. Rates and ceilings below are as of October 2026. This article is general information, not tax advice; for your own file, check with an accountant.

Self-employed in Quebec: employee and employer at once

An employee sees QPP and QPIP deducted from every pay, and the employer adds its own share. A self-employed person has no payroll, so nothing is withheld at source. You pay both sides yourself when you file. **Retraite Québec** puts it plainly: "If you have earnings as a self-employed worker, you pay both portions of the

contribution."

Three practical consequences:

1. **The bill arrives in one block.** A freelancer earning \$60,000 can owe more than \$7,500 in contributions in April, before any income tax (see the worked example below).
2. **Part of the bill is deductible.** The share that corresponds to the "employer" side is deducted from income, much as an employer deducts its payroll costs. The details are in the deductions section below.
3. **Instalments include contributions.** [Revenu Québec's instalment page](#) says instalments cover your tax and, where applicable, your QPP, Health Services Fund, prescription drug insurance and QPIP contributions. You must pay instalments when your estimated net tax for the year exceeds \$1,800 and it also exceeded \$1,800 in either of the two previous years. Our [2026 Quebec instalment calendar](#) has the dates.

QPP in 2026: rates, exemption and ceilings

The QPP now has three layers: the base plan, the first additional contribution (since 2019) and the second additional contribution (since 2024). For 2026, [Revenu Québec](#) gives these combined (employee + employer) rates, which match the per-side figures in its [Principal Changes for 2026](#) for employers:

Parameter (2026)	Amount	Change from 2025
Basic exemption	\$3,500	unchanged
Base contribution rate	10.6% (5.3% + 5.3%)	10.8% in 2025
First additional contribution rate	2% (1% + 1%)	unchanged
Maximum pensionable earnings (MPE)	\$74,600	\$71,300 in 2025
Second additional contribution rate	8% (4% + 4%) on earnings between the MPE and the second ceiling	unchanged
Additional maximum pensionable earnings (second ceiling)	\$85,000	\$81,200 in 2025

In plain terms, as a self-employed worker you pay:

- **12.6%** on net self-employment earnings between \$3,500 and \$74,600. [Retraite Québec](#) describes this as 5.3% to the base plan plus 1% to the additional plan, doubled because you pay both portions.
- **8%** on earnings between \$74,600 and \$85,000. Note: [Retraite Québec's English page](#) currently says "2%" for self-employed workers on this band. That conflicts with its own table and with [Revenu Québec's 2026 employer parameters](#) (4% employee plus 4% employer) and [self-employed page](#), which both work out to 8%.
- **Nothing** on earnings above \$85,000.

The \$3,500 exemption is not a threshold you must cross before paying on everything; it is subtracted from your earnings. Someone earning \$10,000 pays 12.6% on \$6,500, not on \$10,000.

Worked QPP figures from Retraite Québec

Retraite Québec publishes a [2026 table of annual contributions](#). For self-employed workers:

2026 earnings	Employee (deducted at source)	Self-employed
\$30,000	\$1,670	\$3,339
\$50,000	\$2,930	\$5,859
\$74,600	\$4,479	\$8,959
\$85,000 and over	\$4,895	\$9,791

You can check any row yourself: at \$50,000, $(50,000 - 3,500) \times 12.6\% = \$5,859$. At \$85,000, add $8\% \times (85,000 - 74,600) = \$832$ to the \$8,959 owed at the MPE, which gives \$9,791.

If you also had a salaried job during the year, the QPP you already paid through payroll counts toward the same ceilings. [Schedule U](#), Part C, does that reconciliation; it is filed with your return.

QPIP in 2026 for the self-employed

QPIP funds maternity, paternity, parental and adoption benefits in Quebec. Self-employed workers are covered and pay a higher rate than employees, since they pay what would otherwise be the employer's share.

According to [Québec.ca](#) (page updated March 19, 2026), rates fell 13% on January 1, 2026:

Contributor	2025 rate	2025 maximum	2026 rate	2026 maximum
Employees	0.494%	\$484.12	0.430%	\$442.90
Employers	0.692%	\$678.16	0.602%	\$620.06
Self-employed	0.878%	\$860.44	0.764%	\$786.92

The [maximum insurable earnings](#) are \$103,000 for 2026 (up from \$98,000 in 2025): $0.764\% \times \$103,000 = \$786.92$.

Points to know:

- **The \$2,000 floor.** Under [line 439](#) instructions, if your net business income plus QPIP-insurable employment income totals less than \$2,000, you owe no premium.
- **Salaried income counts first.** Revenu Québec has you complete [Schedule R](#) when the employee QPIP premium on line 97 is below the yearly maximum (\$484.12 for 2025). The schedule deducts your RL-1 insurable earnings from the ceiling, so you never pay on more than the maximum in total.

- **EI special benefits opt-in.** Self-employed people who sign up for the federal Employment Insurance sickness, caregiving and compassionate care benefits get a 0.33% reduction on their QPIP rate.

Health services contribution: the employer one and the individual one

"Health Services Fund" covers two different contributions, and freelancers often mix them up.

The employer contribution is a payroll tax. An employer pays it on total payroll; for 2026, [Revenu Québec](#) sets the rate at 1.65% for most employers with a total payroll of \$1 million or less (1.25% in the primary and manufacturing sectors), rising to 4.26% at \$7.8 million. A sole proprietor with no employees has no payroll and therefore no employer HSF. It starts the day you hire, alongside source deductions.

The individual contribution is separate. It is calculated on your personal return on [Schedule F](#) and reported on [line 446](#), and you may owe it if you lived in Quebec on December 31. It targets income other than salary. The [CFFP tax-policy chair at Université de Sherbrooke](#) summarizes the base as business income from Quebec, retirement income, property income and capital gains, excluding employment income. For a freelancer, net business income is usually most of it.

The individual HSF contribution: thresholds

The two thresholds come from [section 34.1.6 of the Act respecting the Régie de l'assurance maladie du Québec](#), and [section 34.1.6.1](#) indexes them every year by the Quebec consumer price index, rounding to the nearest \$5. [Revenu Québec's Principal Changes for 2026](#) sets that indexation at 2.05% for 2026. Applied to the 2025 [Schedule F](#) amounts:

- $\$18,130 \times 1.0205 = \$18,501.67$, rounded to **\$18,500**
- $\$63,060 \times 1.0205 = \$64,352.73$, rounded to **\$64,355**

Income subject to the contribution (2026)	Contribution
\$18,500 or less	\$0
\$18,500 to \$64,355	1% of the excess over \$18,500, maximum \$150
Over \$64,355	\$150 + 1% of the excess over \$64,355, maximum \$1,000

In practice: nothing up to \$18,500, a gradual increase to \$150 at \$33,500, a flat \$150 across the middle band, then 1% again until the \$1,000 cap at \$149,355 (\$64,355 + \$85,000). The 2026 Schedule F, due early in 2027, will print these amounts.

"Income subject to the contribution" is not just your business profit. Schedule F starts from total income, removes employment income and some other items, then subtracts certain deductions, including your deductible QPP and QPIP amounts (Schedule F lines 43 and 43.1). The deductible half of your contributions therefore lowers your HSF too.

Where these amounts go on the Quebec return

Item	Form	Return line
Net business income	Schedule L, line 27	carried into total income
QPP contribution on self-employment	Schedule U, Part C	line 445
QPIP premium on self-employment	Schedule R, Part A	line 439
Deduction for QPP and QPIP (employer-equivalent share)	Schedules U and R	line 248
Individual HSF contribution	Schedule F	line 446

What is deductible

On the **Quebec** return, the 2025 Schedule U builds the line 248 QPP deduction from three pieces: the employer half of the base contribution (5.4/12.8 of the first-tier contribution in 2025), the whole first additional contribution, and the whole second additional contribution. The employee half of the base contribution is not deducted. Applied to the 2026 rates, that means 5.3% plus 2% of your earnings above \$3,500 (up to the MPE), plus all of the 8% layer.

For QPIP, the 2025 Schedule R makes 43.736% of the premium deductible at line 248. That fraction is the employer-equivalent share: the gap between the self-employed and employee rates, divided by the self-employed rate $((0.878 - 0.494) \div 0.878)$. On the official 2026 rates it is $(0.764 - 0.430) \div 0.764 = 43.717\%$, i.e. 0.334% of insurable income.

On the **federal** return, the CRA's Schedule 8 for Quebec residents gives a non-refundable credit for half the base QPP contribution (line 31000) and a deduction for the other half plus all additional contributions (line 22200). Schedule 10 does the same for QPIP: the employer-equivalent part is deducted on line 22300 and the rest is a credit on line 31215.

The deduction applies to contributions you owe. What lowers net business income in the first place, and so all three contributions, is covered in our guide to deductible expenses and GST/QST for Quebec freelancers.

Illustrative example: \$60,000 of net self-employment income in 2026

Illustrative example. Assumptions: a Montreal sole proprietor, 40 years old, no salaried job, no other income, \$60,000 of net business income (Schedule L line 27) for 2026. All rates are the official 2026 ones; HSF uses the 2026 thresholds indexed as shown above.

QPP

- Pensionable earnings: $\$60,000 - \$3,500 = \$56,500$
- Base contribution: $10.6\% \times \$56,500 = \$5,989.00$
- First additional: $2\% \times \$56,500 = \$1,130.00$
- Second additional: \$0 (income below \$74,600)

- **Total QPP: \$7,119.00**, matching Retraite Québec's table at \$60,000
- Quebec deduction (line 248): \$2,994.50 (employer half of base) + \$1,130.00 = \$4,124.50

QPIP

- $0.764\% \times \$60,000 = \mathbf{\$458.40}$
- Deductible part: $\$458.40 \times 43.717\% = 0.334\% \times \$60,000 = \$200.40$

Individual HSF

- Income subject to the contribution: $\$60,000 - \$4,124.50 - \$200.40 = \$55,675.10$
- That falls in the \$18,500 to \$64,355 band, and $1\% \times (\$55,675.10 - \$18,500) = \$371.75$ exceeds the cap, so the contribution is **\$150**

Total contributions: \$7,119.00 + \$458.40 + \$150.00 = \$7,727.40, or 12.9% of net business income, before any income tax. Of that, $\$4,124.50 + \$200.40 = \$4,324.90$ reduces taxable income in Quebec.

The same method at two other income levels:

Net business income (2026)	QPP	QPIP	HSF	Total	% of income
\$30,000	\$3,339.00	\$229.20	\$94.65	\$3,662.85	12.2%
\$60,000	\$7,119.00	\$458.40	\$150.00	\$7,727.40	12.9%
\$100,000	\$9,790.60	\$764.00	\$442.89	\$10,997.49	11.0%

How the HSF cells work: at \$30,000, the QPP deduction is $7.3\% \times \$26,500 = \$1,934.50$ and the QPIP deduction \$100.20, leaving \$27,965.30, so $1\% \times (\$27,965.30 - \$18,500) = \$94.65$. At \$100,000, the QPP deduction is $7.3\% \times \$71,100 + \$832 = \$6,022.30$ and the QPIP deduction \$334.00, leaving \$93,643.70, so $\$150 + 1\% \times (\$93,643.70 - \$64,355) = \$442.89$.

The percentage falls at higher income because QPP stops at \$85,000 and QPIP at \$103,000. That flattening is one reason some freelancers look at incorporation and paying themselves in dividends, which removes QPP on that income but also the pension credits that come with it; our article on [when a Quebec freelancer should incorporate](#) walks through that trade-off.

What you get back: QPP credits and a retirement pension

QPP contributions are not a tax that disappears. [Retraite Québec](#) records one year of contributions for each year in which you pay on earnings over the \$3,500 exemption, and those years and earnings are what your future retirement pension is calculated on. A year with no contributions, or contributions on low earnings, lowers the average.

Useful rules from the same page:

- You can check your recorded earnings in your Statement of Participation in My Account at Retraite Québec, and request corrections if earnings are missing.

- If you already receive a QPP retirement pension and keep working, you must keep contributing once earnings exceed \$3,500; those contributions increase your pension through the retirement pension supplement.
- From age 65, a working retiree can choose to stop contributing.
- Contributions stop automatically on January 1 after your 72nd birthday.

Because you pay both halves, you earn the same pension credits as an employee at the same earnings level. The contribution costs you twice as much in cash, partly offset by the deduction.

QPIP benefits for self-employed workers

A self-employed parent is eligible for QPIP benefits on the same basis as an employee, with two extra conditions. According to [Québec.ca](https://www.quebec.ca) (updated April 16, 2026), you must:

- have at least **\$2,000 of insurable income** during the reference period, regardless of hours worked;
- have paid or owe QPIP or EI premiums for that period;
- be a Quebec resident when the benefit period begins, and, **for self-employed workers, also on December 31 of the previous calendar year**;
- have stopped your business activities or **reduced the time you devote to them by at least 40%** (employees are measured on a 40% drop in weekly salary instead).

The benefit is based on your insurable income, up to the **maximum insurable earnings** (\$103,000 in 2026). For a self-employed person, that income is net business income, so a lower profit during the reference period also means a lower benefit. Plan for it if a child is on the way.

Optional protections and savings vehicles

Two things are **not** covered by these mandatory contributions:

- **Workplace injury.** The [CNESST](#) states that self-employed workers are not automatically covered for workplace accidents or occupational diseases. To be covered, you must apply for personal protection, which is optional and has its own premium.
- **Retirement savings beyond the QPP.** The QPP replaces only part of pre-retirement income. Besides RRSPs and TFSAs, a self-employed person may join a voluntary retirement savings plan (VRSP). [Retraite Québec](#) explains that enrolment is voluntary: you choose a plan registered with Retraite Québec and contact its administrator. Contributions are deductible like RRSP contributions, within your RRSP/PRPP deduction limit.

Cash-flow planning: setting aside the right percentage

The figures above give a simple planning rule:

1. **Reserve about 12% to 13% of net business income for contributions alone** up to roughly \$75,000 of profit (12.6% QPP + 0.764% QPIP, plus the HSF band). Above \$85,000, the marginal rate on contributions falls to about 1.8% (0.764% QPIP plus 1% HSF), and to 1% above \$103,000 until the HSF cap.
2. **Add income tax on top.** Contributions are only part of the April bill; federal and Quebec income tax come on top.
3. **Move the reserve monthly.** Transfer a fixed share of each client payment to a separate savings account, so instalments or the April balance never come out of operating cash.
4. **Watch the \$1,800 instalment trigger.** Once your Quebec net tax, contributions included, has exceeded \$1,800 in a recent year and is expected to again, Revenu Québec expects instalments.
5. **Track deductible expenses.** Every legitimate business expense lowers net business income, and therefore QPP, QPIP and HSF together with income tax. Workspace costs count; a [hot desk at 2727 Coworking](#) in Griffintown, on the Lachine Canal, is \$350 per month before taxes as of October 2026.

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