



Current and emerging payroll issues

Steven Van Alstine, CPM, CAE
The Canadian Payroll Association



CPD Process

In order to receive CPD credit

- Be sure to sign in or scan your badge for this session
- You must stay in the session for the duration of the training
- This session is eligible for **1 hour of CPD**
- CPD certificates are emailed directly to you within 4 weeks of the conference date to the same email address you used to register

Today's speaker



Steven Van Alstine, CPM, CAE
Vice President, Education
The Canadian Payroll Association

Agenda

Introduction to the Canadian Payroll Association

Updates from:

- Canada Revenue Agency (CRA)
- Service Canada

Jurisdictional updates

Q&A



One of Canada's top associations

Community: Close to 21,000 members, representing 41,000+ payroll staff & influencing 500,000 organization payrolls annually.

Professionalism: Over 14,000 certified payroll professionals; “voice of payroll” at the federal & provincial level.

Authoritative Payroll Compliance Knowledge: 45,000+ Payroll InfoLine inquiries; 400+ professional development and networking events online and across Canada; on-demand tools, guidelines & publications.



PAYROLL INFOLINE

- Unlimited access
- Answers to provincial and federal payroll compliance questions
- Immediate and reliable responses
- Most popular topics:
 - Labour/Employment Standards
 - Statutory Deductions
 - Taxable/Non-Taxable Benefits
 - Terminations

PROFESSIONAL DEVELOPMENT


- More than 500 seminars and webinars across Canada and online
- Hundreds of national and regional conferences, summits, symposiums and networking events.
- National Payroll Week every September, celebrating the contributions of payroll professionals

PAYROLL COMPLIANCE RESOURCES

- Regular legislative and budget updates
- 15 Best Practices Guidelines for handling key payroll issues
- Legislative Compliance Rates Sheet (rates, maximums, deadlines)
- E-source legislative updates
- DIALOGUE magazine
- Tools, checklists & calculators

GOVERNMENT ADVOCACY

- Electronic delivery of T4's and RL-1's as the standard delivery method.
- Collaboration with government on CPP enhancements as they relate to payroll.
- Feedback accepted for ROE Web improvements

A photograph of the Canada Revenue Agency National Headquarters sign. The sign is white with a red Canadian flag on the left and the text "Canada Revenue Agency" in blue. Below this, on a dark blue background, the words "National Headquarters" are written in white. The sign is set against a backdrop of green trees and a bright sun in the upper right corner.

Updates from the Canada Revenue Agency (CRA)

**National
Headquarters**

Canada Pension Plan (CPP)

	2019	2020
Maximum pensionable earnings	\$57,400.00	\$58,700.00
Annual exemption	\$3,500.00	\$3,500.00
Contributory earnings	\$53,900.00	\$55,200.00
Contribution rate	5.10%	5.25%
Maximum contribution	\$2,748.90	\$2,898.00

CPP Enhancements

Phase 1

Gradual increase to CPP contribution rate

- 2019 – 2023
- From 4.95% to 5.95%

Phase 2

Upper Earnings Limit

- 2024 7% above YMPE
- 2025 14% above YMPE

New contribution

- 4%

CPP Enhancement

Year	Projected YMPE	Projected Upper Earnings	Contribution Rate	
			YMPE	Enhanced
2019	\$57,400	N/A	5.10%	-
2020	\$58,800	N/A	5.25%	-
2021	\$61,900	N/A	5.45%	-
2022	\$63,700	N/A	5.70%	-
2023	\$65,700	N/A	5.95%	-
2024	\$67,700	\$72,400	5.95%	4%
2025	\$69,700	\$79,400	5.95%	4%

Employment Insurance (EI)

	2019	2020
Maximum insurable earnings	\$53,100.00	\$54,200.00
Premium rate	1.62%	1.58%
Maximum premium (employee)	\$860.22	\$856.36
Unreduced employer premium	2.268%	2.212%
Maximum premium (employer)	\$1,204.31	\$1,198.90

Recovering payroll errors from prior years

New rules allow employers to recover net overpayment

- Over payment was made within the last 3-years
- Applies to overpayments after 2015
- Repayment, or agreement for repayment, has occurred
- An amended T4 or RL-1 has not previously been issued removing overpayment from earnings only (old policy)

Recovering payroll errors from prior years

Employee repays net

Employer amends T4 or RL-1 slip for applicable year

Over remitted statutory deductions will be refunded to the employer



Recovering payroll errors from prior years

Constraint related to CPP contributions

Amendment to CPP legislation required

Until such time net recovery includes

- EI premiums
- Income tax

Payment on filing

Will apply to 2019 tax reporting year

A final reconciliation remittance with no penalty if:

- Remitted on or before the last day of February
- Amount is less than 1% of total remittances



Payment on filing

Permitted under the following circumstances

All T4 slips filed by due date

Employer has perfect payroll compliance history

Adjustment related to:

- Stock transactions
- 3rd party information (automobiles, insurance)
- Employees residing in other tax jurisdictions



Taxable benefits

Municipal Officers Expense Allowance

- Effective January 1, 2019
- Non-taxable allowance up to 1/3 of income eliminated
- All non-accountable allowances must be included in taxable income

Canada Training Benefit

Empowering Canada's workforce

- For eligible workers 25 – 64
- Annual credit \$250
- Lifetime maximum \$5,000
- Credit applied on up to 50% of training costs



Canada Training Benefit

Empowering Canada's workforce

- New EI benefit being introduced
- Up to 4-weeks of EI
- Federal government to consult with provinces regarding job-protected leave



CRA Online Services

Open a non-resident account
Respond to a PIER deficiency



Code 68
Indian (Exempt Income)
Eligible Retiring Allowance

Eliminated for 2019 and all
subsequent years

Protected B when correlated / Protected B use foil ramelli

T4 Slip reporting changes

Code 70

Municipal Officers Expense Allowance

Eliminated for 2019 and all subsequent years



Updates from Service Canada

Service
Canada 

ROE Web User Survey

ROE Confirmation Status

Demo Organization/Organisation D mo

ROE Web Demo

Attention: All draft ROEs will be deleted after a 15-day period, if not issued.

ROE successfully submitted to Service Canada

You can click on "Create Report/Print ROEs" below to download and print submitted ROE(s)

Create Report/Print ROEsPrint OptionsImport

Filter itemsShowing 1 to 1 of 1 entries | Show 10 entries

Serial Number	SIN	Employee Name	Date issued (yyyy-mm-dd)	Folder
T00309323	990000002	Chicoine, Marc-Andr�	2019-05-23	

1

Please take a few minutes to complete the ROE Web survey. New questions

Create another ROECreate another ROE for same employerReturn to ROE Web Main Page

Survey Link

Employment insurance programs

Parental sharing benefit

- Additional weeks if both parents make a claim
 - Up to 40 combined weeks:
5 week minimum
 - Up to 69 combined weeks:
8 week minimum



Employment insurance programs

Parental sharing benefit

- Benefits remain at either:
 - 35 weeks total
 - 61 weeks total



Service Canada using Email

Communicating with claimants

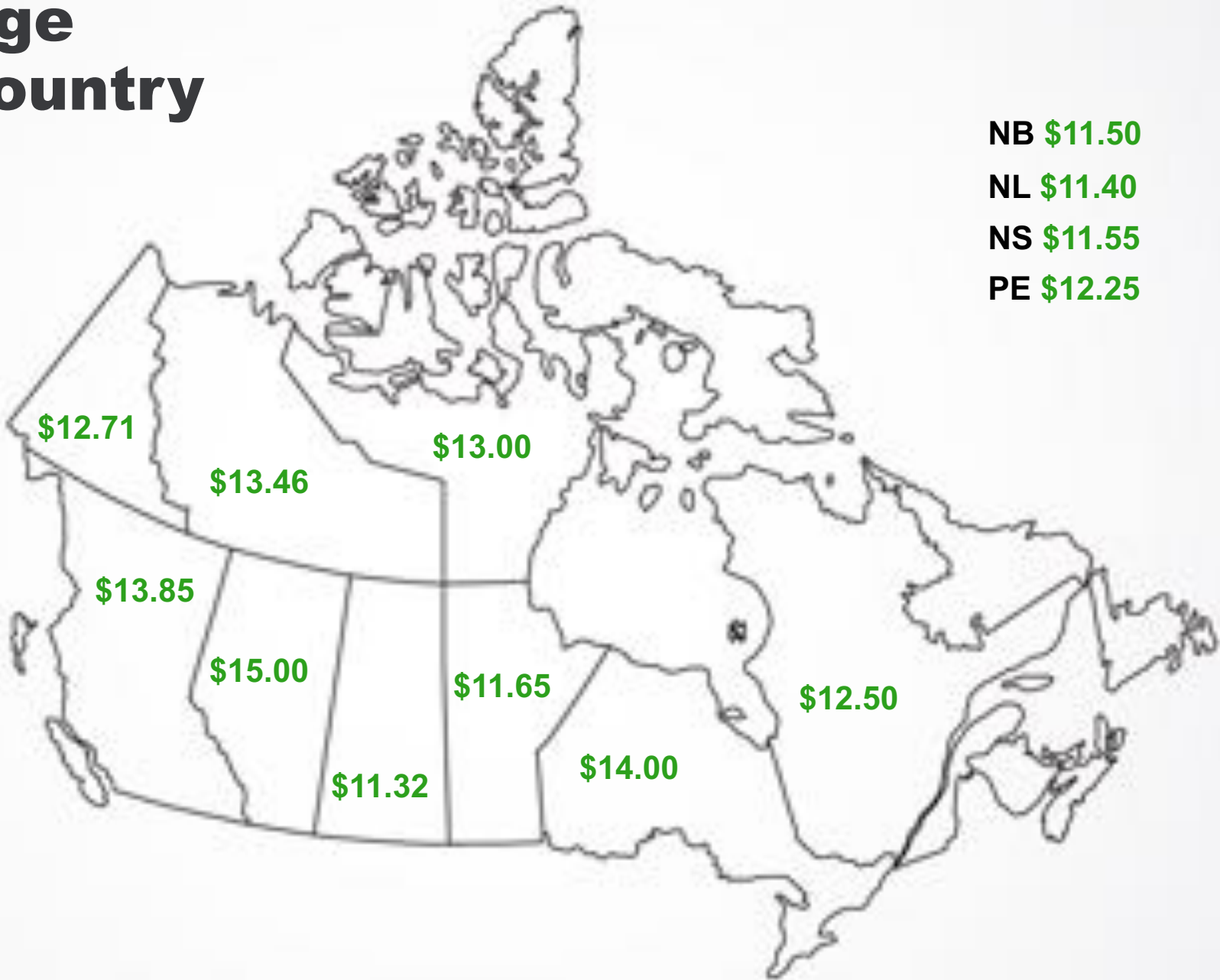
- If unable to reach by phone
 - Email sent to claimant
 - Requesting call back using toll free number
- To protect privacy
 - Email will not contain personal information
 - Claimant will not send information via email



Jurisdictional Updates



Minimum wage across the country



Minimum wage

Proposed increases:

Jurisdiction	New Rate	Effective Date
BC	\$14.60	June 1, 2020
	\$15.20	June 1, 2021

Canada Labour Code

Effective March 17, 2019

Leave	One Employee	Aggregate for Two Employees
Maternity + Parental	78 weeks	86 weeks
Parental	63 weeks	71 weeks

Canada Labour Code

Effective September 1, 2019

- Flexible work arrangements
- Meal breaks
- Time off between shift
- Notice of work schedule



Canada Labour Code

Effective September 1, 2019

- Notice of shift changes
- Right to refuse overtime
- Overtime banking
- Statutory Holiday



Canada Labour Code

Effective September 1, 2019

Vacation

- 2 weeks and 4% after one year
- 3 weeks and 6% after five years
- 4 weeks and 8% after 10 years



Canada Labour Code

Effective September 1, 2019

Service requirement to qualify for leave

- Eliminated for:
 - Maternity
 - Parental
 - Critical illness
 - Sick
 - Death or disappearance of a child
- Reduced for:
 - Reservist from six months to three months



Canada Labour Code

Effective September 1, 2019

- Court or jury leave
- Family responsibility leave
- Medical leave
- Personal leave
- Victim of family violence leave
- Traditional Aboriginal practices leave



Maternity & parental leave

Jurisdiction	Birth Mother	Non-birth Parent
BC	78 weeks	62 weeks
AB	78 weeks	62 weeks
SK	52 weeks	34 weeks
MB	80 weeks	63 weeks
YT	78 weeks	37 weeks
NT	52 weeks	37 weeks
NU	52 weeks	37 weeks

Maternity & parental leave

Jurisdiction	Birth Mother	Non-birth Parent
ON	78 weeks	63 weeks
QC	70 weeks	52 weeks
NB	79 weeks	62 weeks
NS	77 weeks	61 weeks
NL	78 weeks	61 weeks
PE	79 weeks	62 weeks

Domestic violence leave

Jurisdiction	Duration	Paid Days
AB	10 days	N/A
SK	10 days	5 days paid
MB	10 days / 17 weeks	5 days paid
ON	10 days / 15 weeks	5 days paid
QC	26 weeks	2 days paid
NB	10 days / 16 weeks	5 days paid
NL	10 days	3 days paid
NS	10 days / 16 weeks	3 days paid

Employment Standards

Alberta Introduces Bill 2 – Effective September 1, 2019

Banked overtime no longer 1.5 instead 1.0

Statutory holiday

- Qualifying period 30 days in last 12 months
- Worked five out of the last nine weeks on the day the holiday falls

Changes to flexible work arrangement

Employment Standards

Alberta Government reduces minimum wages

Students under 18 minimum wage \$13.00/hr

- Effective June 26, 2019

Previously \$15.00/hr October 1, 2018

Employment Standards

British Columbia – Bill 8 in force May 30, 2019

Employee records retain for 4 years after date created

Assignment of wages – credit obligation change

Recovery of wages:

- Period extended from 6 to 12 months

Employment Standards

British Columbia – Bill 8 in force May 30, 2019

Employee terminations

- Notice of termination payout

Tips and gratuities

- New rules regulating tips and tip pooling

Employment Standards

British Columbia – Bill 8 in force May 30, 2019

Critical Illness and injury leave

- All employees entitled (unpaid)
- Up to 36 weeks for child and 16 weeks for adult

Domestic or sexual violence leave

- All employees entitled (unpaid)
- 10 days up to 15 weeks

Employment Standards

Ontario - Bill 66 in force – April 3, 2019

Employers no longer require approval for

- Extended work hours agreements
- Overtime averaging agreement

Requirement to post ESA posters in the workplace eliminated

- Providing poster to individual employees still required

Employment Standards

Prince Edward Island – in force November 1, 2019

Domestic violence intimate partner violence or sexual violence leave

- Must be employed continuous period of 3 months
- Up to three days off with pay
- Up to an additional 7 days without pay

Employment Standards

Quebec – Bill 176

Vacation

- 3 weeks after 3 years of employment
- Vacation on each pay

Leaves

- Caregiver leave definition of family expanded
- 2 paid days personal emergency leave
- Death or disappearance of a child up to 2 years

Employment Standards

Saskatchewan – Effective May 15, 2019

Interpersonal violence and sexual violence leave

- Employed continuous period of 13 weeks
- Entitled to 10 days in 12 month period
 - Five paid days off work
 - Five unpaid days off work

Employment Standards

Yukon – Came in force May 21, 2019

Compassionate care leave

- Extended to 28 with 52 week period

Critical illness leave

- Continuous period of employment for 6 months
- Up to 52 weeks for child
- Up to 17 weeks for adult

Nunavut – Income Tax

Bill 26 – *An Act to Amend the Income Tax*

TD1NU increase in personal amount and spousal amount

- Basic \$13,618 to \$16,000 for 2019
- Employees will benefit from the increased tax credit upon filing the T1 form

Quebec Pension Plan

	2019	2020
Maximum pensionable earnings	\$57,400.00	
Annual exemption	\$3,500.00	\$3,500.00
Maximum contributory earnings	\$53,900.00	
Contribution rate	5.55%	5.70%
Maximum contribution	\$2,991.45	

Employment Insurance in Quebec

	2019	2020
Maximum insurable earnings	\$53,100.00	\$54,200
Premium rate	1.25%	1.20%
Maximum premium (employee)	\$663.75	\$650.40
Unreduced employer premium	1.75%	1.68%
Maximum premium (employer)	\$929.25	\$910.56

Quebec Parental Insurance Plan

	2019	2020
Maximum insurable earnings	\$76,500	\$78,500
Premium rate	.526%	.494%
Maximum premium (employee)	\$402.39	\$387.79
Unreduced employer premium	.736%	.692%
Maximum premium (employer)	\$563.04	\$543.22

Quebec - Repayment of Payroll Errors

RQ policy now harmonized with CRA

Administrative error in current or prior years year

- Employee repays net
- Employer recovers over remittance from RQ

GST / HST / PST

Manitoba

Effective July 1, 2019

Decrease from 8% to 7%



Provincial Healthcare

British Columbia Medical Services Plan

Current MSP premium

- \$37.50 per month

Eliminated effective January 1, 2020

Eliminate taxable benefit values before first pay run of 2020



Provincial Healthcare

British Columbia Employer Health Tax Regular Employer

Total annual remuneration	Tax payable calculated as follows
\$500,000 or less	Exempt
Between \$500,000 and \$1,500,000	Assessable remuneration less \$500,000 x 2.925%
Over \$1,500,000	Assessable remuneration x 1.95%

Provincial Healthcare

British Columbia Employer Health Tax Charity / Non-Profit

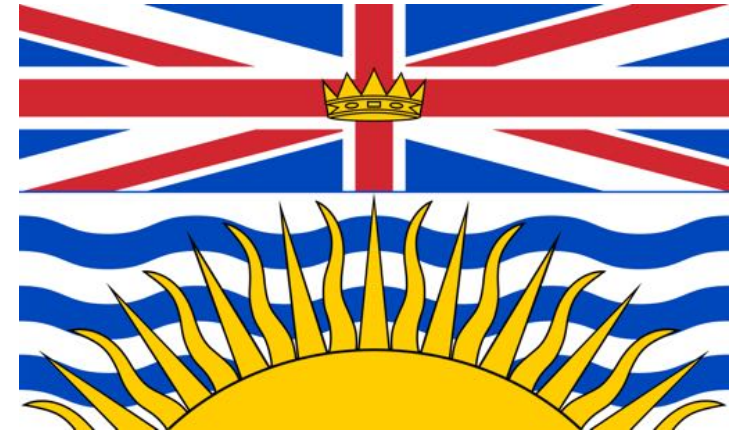
Total annual remuneration	Tax payable calculated as follows
\$1,500,000 or less	Exempt
Between \$1,500,000 and \$4,500,000	Assessable remuneration less \$500,000 x 2.925%
Over \$4,500,000	Assessable remuneration x 1.95%

Provincial Healthcare

British Columbia Employer Health Tax

Remittances due quarterly

- First three quarters based on estimate
- 25% of annual tax based on prior year remuneration
- Fourth quarter final reconciliation



Provincial Health Tax



The screenshot shows the British Columbia government website. At the top is the BC logo and the text 'BRITISH COLUMBIA'. Below this is a breadcrumb trail: [Home](#) > [Taxes & Tax Credits](#) > [Tax Changes](#) > [What's New in Taxes & Tax Credits](#) >. The main heading is 'What's New in Employer Health Tax'. Below this, it says 'Latest updates' followed by the date 'April 18, 2019'. A paragraph of text reads: 'Need some help to [register and enrol](#) for an employer health tax account? Check out the new tutorial videos to help you get started:'. Below this are two bullet points, each with a video icon and a link: '• [Employer Health Tax Registration Tutorial](#)' and '• [Employer Health Tax Enrolment Tutorial](#)'.

BRITISH COLUMBIA

[Home](#) > [Taxes & Tax Credits](#) > [Tax Changes](#) > [What's New in Taxes & Tax Credits](#) >

What's New in Employer Health Tax

Latest updates

April 18, 2019

Need some help to [register and enrol](#) for an employer health tax account? Check out the new tutorial videos to help you get started:

- [Employer Health Tax Registration Tutorial](#)
- [Employer Health Tax Enrolment Tutorial](#)

Health Services Fund

Quebec

Payroll threshold

- To be eligible for reduced HSF rate
 - To \$6 million for 2019



Workers' Compensation Board

Manitoba

Effective for 2019

Premium payment due

- Moved from March 31
- To May 30

Payroll reporting requirement remain due at the end of February



Workers' Compensation

Ontario

Assessable Payroll	Frequency
\$1 million or more	Monthly
\$20,000 - \$999,999.99	Quarterly
Under \$20,000	Annual

Payroll Best Practices™ Guidelines

Getting Ready for a Payroll Audit

Setting Up a New Payroll in Canada

Mergers and Acquisitions

Death of an Employee

Employee or Self-Employed

Statutory Holidays

Salary Overpayments

Social Insurance Number

New Hire

Termination

Canada Pension Plan
Changes

Province of Employment

Pay Statement

Payroll Continuity

Changing Payroll
Frequencies





Questions?

For further information...

Please contact:

Steven Van Alstine, CPM, CAE

Vice-President, Education

The Canadian Payroll Association

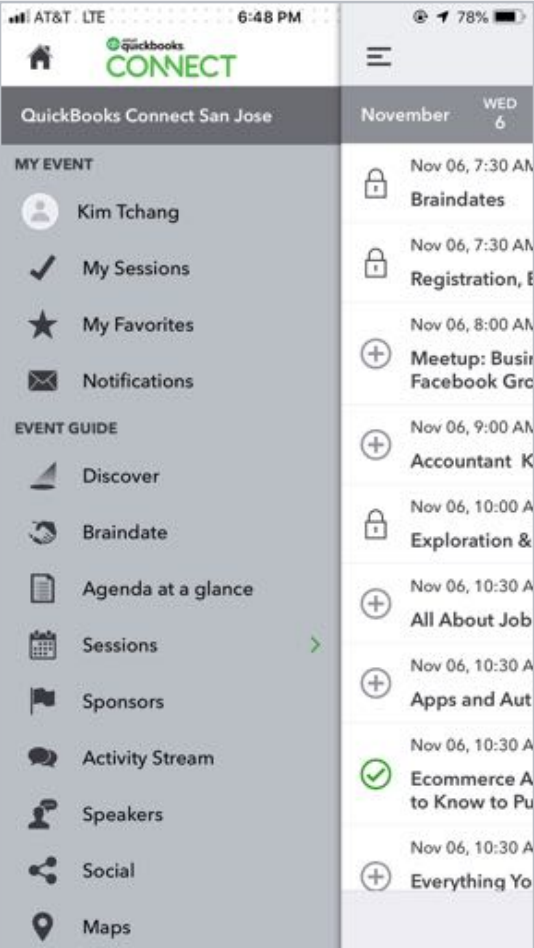
416.487.3380, ext 131

Steven.VanAlstine@payroll.ca

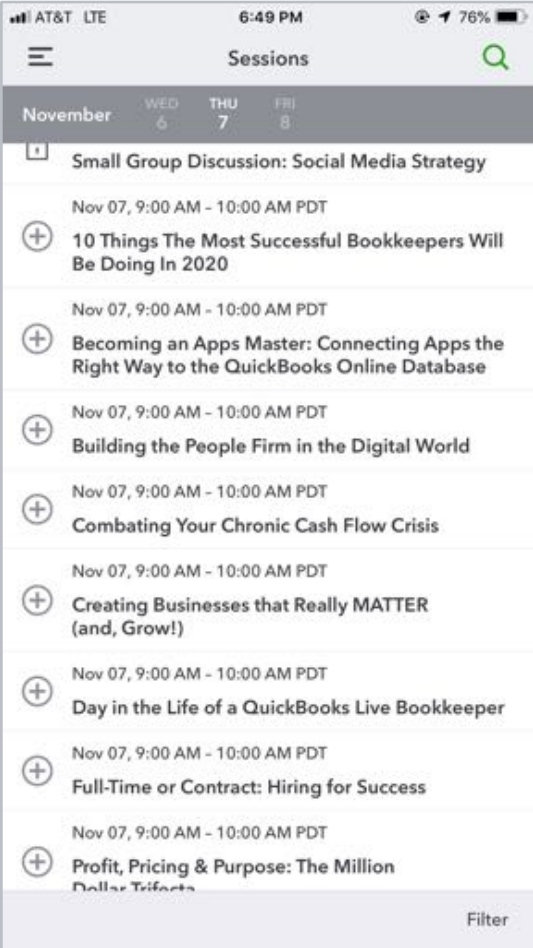
Rate this Session on the QuickBooks Connect Mobile App

Provide feedback to help us design content for future events

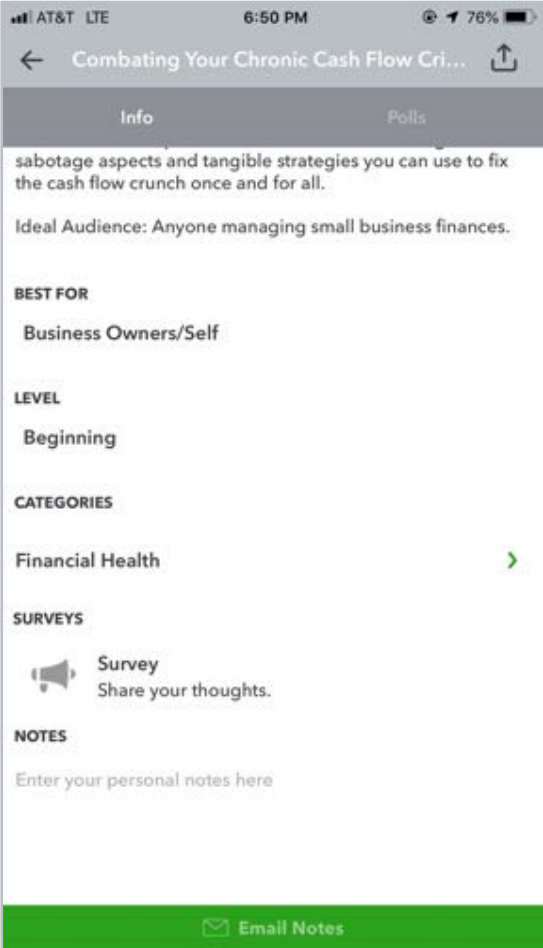
1. Select Sessions



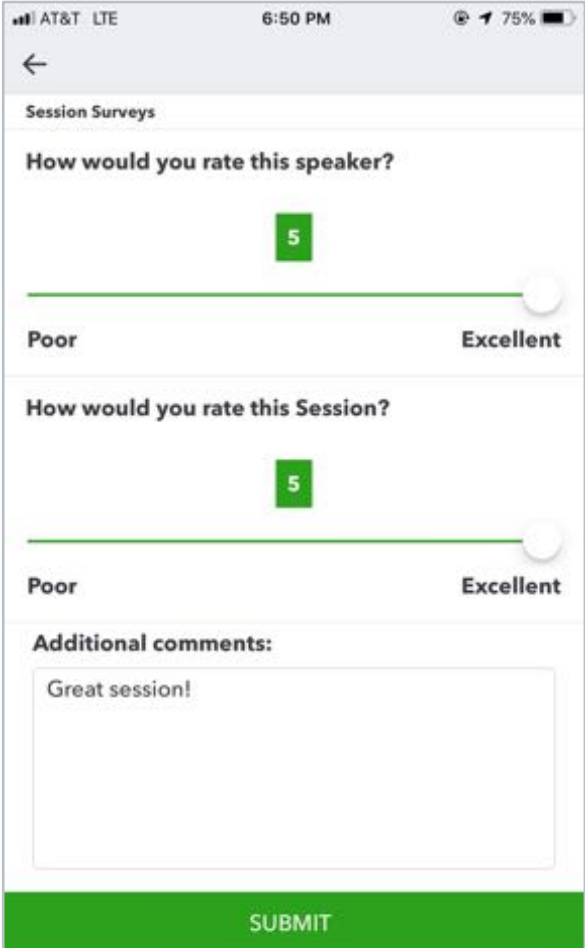
2. Select Session Title



3. Select Survey



3. Add Ratings



Material Download

1. Find the session on the agenda
2. Select + for more information
3. Download PDF of slides and/or supplemental material

<https://can.quickbooksconnect.com/agenda/>

The screenshot shows the 'CONNECT' event page for Canada. The top navigation bar includes links for 'Why Attend', 'Agenda', 'Speakers', 'Pricing', 'Sponsors', 'Travel', and 'FAQ'. Below this, there are tabs for 'December 9 Accountant Day', 'December 10' (which is selected), and 'December 11'. A 'Print Agenda' link is in the top right. A descriptive paragraph about breakout sessions is followed by a 'Search for sessions' input field. Below the search bar are filter buttons for 'Organizational Culture', 'Life & Business Skills', 'Technology Training', 'Business Growth', 'Advisory', and 'Financial Health', along with an 'Expand all +' link. The main agenda list shows sessions from 7:30-9:00 am to 11:00 am-12:00 pm. The 'Breakout Sessions' section is expanded, showing details for 'Creating Your Small Business Culture', including a description, ideal audience, best for, speakers, location, track, CPD hours, and level. Other sessions listed are 'Understanding Personalities for Better Communication' and 'How to Use QuickBooks for Your Small Business: Introduction'.

CONNECT Why Attend Agenda Speakers Pricing Sponsors Travel FAQ

December 9 Accountant Day December 10 December 11 Print Agenda

Attend breakout sessions to learn strategies to grow your business, how to hire and build an ideal culture, tips to improve your financial health and more. Connect with peers and experts for one-on-one learning. More information coming soon.

Search for sessions

Filters: Organizational Culture Life & Business Skills Technology Training Business Growth Advisory Financial Health Expand all +

7:30-9:00 am	Registration, Breakfast & Exploration	+
8:00-8:45 am	Meetup: New to Networking	+
9:00-10:00 am	Morning Keynote	+
10:00-11:00 am	Exploration & Connection	+
10:15-11:00 am	Meetup: Women in the Workforce	+
11:00 am-12:00 pm	Breakout Sessions	
	Creating Your Small Business Culture Many solopreneurs and small business owners feel like they don't have time to work on their company culture (or that they even should). Instead, they spend most of their days working in their business rather than "on" their business. In this session, you will receive tips on how to reduce stress, improve productivity, and improve your personal fulfillment all through the nurturing of your crew, your clients, your fans, AND yourself! Ideal Audience: Business owners looking to enhance their culture. Best For: Business Owners/Self-Employed Speakers: Tamia Madenatz Location: Room 201 CDEF Track: Organizational Culture CPD Hours: 1 Level: Introduction	x
	Understanding Personalities for Better Communication	+
	How to Use QuickBooks for Your Small Business: Introduction	+



OWN
THE
FUTURE