

ATTENTION: News Editors, Business Editors

Survey: Administration of Employee Benefits Remains Complex, Can Lead to Costly Penalties

The Canadian Payroll Association's Seminars Offer Best Practices and Compliance Tips for Taxable Benefits and Pensions and Benefit Plans

TORONTO (February 4, 2016) – Health and dental insurance; group term life insurance; training expenses; automobile and motor vehicle allowances; gifts and awards. What do these items have in common? They are the top five most [common employment benefits](#) offered by Canadian employers, according to the [Canadian Payroll Association's](#) (CPA's) recent [Employment and Retirement Benefits Survey](#). And, of crucial importance, these five benefits, along with more than 100 others, must be [reviewed for tax implications](#) by payroll practitioners when reporting employee income.

Common Employer-Provided Benefits Are Often Taxable

Sound daunting? It can be. Employer-provided benefits form an important part of an organization's total compensation package, and knowing how to administer them correctly is integral to payroll compliance. It's why the Canadian Payroll Association received survey responses from nearly 4,000 payroll practitioners nationwide to better understand their challenges and successes in administering benefits.

Recent headlines have revealed that many employers are unaware of or misunderstand their compliance responsibilities in developing employment policies, despite their willingness to comply. Since many employer-provided benefits are also [taxable benefits](#), with complex requirements that can change with new legislation, regulations or administrative policies, payroll practitioners' knowledge of benefits administration is vital to mitigating business risk.

Improper Handling of Taxable Benefits Results in CRA Audit Adjustments

Even more unsettling, the improper assessment of taxable benefits and allowances remain among the [top CRA audit adjustments](#). Common employer-provided benefits including parking and gift cards remain among the most difficult benefits to administer correctly. That's because employers often develop reward and recognition programs without considering payroll implications. Although they are well-intentioned, they may be unaware of their non-compliance.



“It is important for employers to educate themselves and their staff on payroll compliance requirements as a way to avoid costly penalties and fines,” said Janet Spence, the CPA’s Manager of Compliance Services and Programs. “Each year Canada’s 1.5 million employers administer \$901 billion in wages and taxable benefits, and it is critical they have the compliance knowledge needed to properly identify and administer both taxable and non-taxable benefits.”

Employers and Payroll Practitioners Can Manage Risk

To help mitigate business risk and provide payroll practitioners with the most up-to-date compliance knowledge, the Canadian Payroll Association offers [*Taxable Benefits & Allowances*](#) and [*Pensions & Benefits*](#) Professional Development Seminars at locations across Canada from February through October. These seminars are among the more than 20 topics designed to provide practitioners with the knowledge to comply with the over 200 federal and provincial legislative and regulatory requirements that impact payroll.

A complete listing of seminar dates can be found at payroll.ca. For more information on the Canadian Payroll Association’s Professional Development Seminars, Certification Programs and Benefits of Membership, visit payroll.ca / paie.ca.

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About the Canadian Payroll Association:

Canada’s 1.5 million employers rely on payroll practitioners to ensure the timely and accurate annual payment of \$901 billion in wages and taxable benefits, \$305 billion in statutory remittances to the federal and provincial governments, and \$169 billion in health and retirement benefits, while complying with more than 200 federal and provincial regulatory requirements. Since 1978, the Canadian Payroll Association has annually influenced the payroll compliance practices and processes of over 500,000 organizational payrolls. As the authoritative source of Canadian payroll compliance knowledge, the Canadian Payroll Association promotes payroll compliance through education and advocacy.

