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Improper Reporting of Taxable Benefits Tops CRA Audit Adjustments List

Canadian Payroll Association's [Taxable Benefits & Allowances Seminar](#) helps employers comply with payroll legislation.

TORONTO (March 10, 2015) – One of the most common compliance issues identified by the Canada Revenue Agency (CRA) and Revenu Québec (RQ) in organizational audits is improper [assessment of taxable benefits and allowances](#), or [excluding taxable benefits from employment income](#). In fact, on the most recent list of top ten CRA audit adjustments, 7 out of 10 of the most commonly requested adjustments to an employer's payroll are related to taxable benefits not being correctly reported (see the Canadian Payroll Association's [Payroll Tips](#) at [payroll.ca](#)).

Under legislation, these taxable amounts must be included in an employee's income. They also impact the calculation of statutory source deductions, workers' compensation premiums and other provincial payroll taxes and levies, and may have GST/HST implications. Employers are responsible for determining whether the benefits they offer are taxable to their employees, adding the value of those benefits to reportable income, and then withholding, remitting and reporting the required statutory deductions to the CRA and RQ.

Many employers and employees are surprised at the depth and breadth of items considered to be taxable employment benefits. For example, many may not be aware that under statutory requirements most gifts received by employees from their employer must be accounted for as taxable benefits, except under the \$500 gifts and awards exemption, where these may be given tax-free. Other common examples of taxable benefits include automobile benefits and allowances, parking and transit passes, employee loans and stock options, travelling expenses for a spouse or partner, and many other fringe benefits that may be received by an employee in the course of employment.

To enable employers and employees to stay compliant in this complex area of payroll compliance, the [Canadian Payroll Association](#) offers a comprehensive one-day seminar on [assessing taxable benefits](#) for finance, payroll, accounting, and human resources professionals. This seminar provides detailed information on more than 40 of the most common taxable benefits, including how to determine which benefits are taxable, current legislation and administrative policy requirements, calculation methods and reporting obligations, and related sales tax issues. The [Taxable Benefits and Allowances seminar](#) addresses all of these issues in plain language, with exercises to reinforce learning for those benefits that are more challenging to calculate. It fosters the opportunity to network and learn from colleagues who may be facing similar challenges in assessing benefits.

"The taxable benefits seminar is one of the Canadian Payroll Association's most attended offerings. It is designed for those who need to be aware of the payroll implications for the full range of taxable and non-taxable benefits and allowances in remuneration packages, including changing taxable benefits values, policies and regulations," said Janet Spence, Manager of Compliance Services and Programs for the Canadian Payroll Association.



The Association's [Taxable Benefits & Allowances](#) seminars are being held at locations across Canada from March through October, along with a range of other topics to help employers comply with the over 190 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 \$865 billion in wages and taxable benefits, \$290 billion in statutory remittances to the federal and provincial governments, and \$163 billion in health and retirement benefits, while complying with more than 190 federal and provincial regulatory requirements. Since 1978, the Canadian Payroll Association has annually influenced the payroll compliance practices and processes of over five hundred thousand organizational payrolls. As the authoritative source of Canadian payroll compliance knowledge, the Canadian Payroll Association promotes payroll compliance through advocacy and education.

