10 Years of Red Tape Reduction

How the Canadian Payroll Association has Saved Employers Over $1 Trillion

Toronto (January 24, 2019) - Do you feel weighed down by government requirements that create obstacles for your organization's growth? Is the success of your business slowed down by arduous government processes? Are you feeling overwhelmed by complex legislative changes?

If your answer to any of these questions is yes, your business is experiencing the impact of redundant, over-complicated or not-entirely-necessary regulations — otherwise known as red tape. When it comes to achieving your business goals, red tape is a big obstacle to overcome.

"That's why the Canadian Payroll Association advocates for sensible payroll-related administration," says Rachel De Grâce, Director of Advocacy and Legislative Content with the Association. "Red tape puts employers, employees and the government at risk. As complexity increases, compliance decreases."

The Canadian Payroll Association is proud to support the 10th anniversary of Red Tape Awareness Week™ (January 21-25, 2019) — an initiative of the Canadian Federation of Independent Business (CFIB) to control regulatory red tape.

"The CFIB applauds the Canadian Payroll Association's dedication to reducing payroll-related burden on employers," says Corinne Pohlmann, CFIB's Senior Vice President, National Affairs and Partnerships. "Last week's announcements by the federal and Quebec governments to allow employees to reimburse net overpayments instead of the entire gross pay is good news for employers and exemplifies how the Association's advocacy efforts align with our goal of red tape reduction."

Cutting red tape to improve the efficiency and effectiveness of payroll-related legislation, regulations, and administration for employers, government, and employees is mission critical for the Canadian Payroll Association. In fact, the Association's advocacy has delivered significant red tape reductions, saving employers over $1 trillion dollars in the last decade.

The Canadian Payroll Association's advocacy on red tape reduction over the past decade has led to the following outcomes:

2018:
- Ontario passes Bill 47, Making Ontario Open for Business Act and Bill 57, Restoring Trust, Transparency and Accountability Act, reducing employer administration burden for public holiday calculations, Personal Emergency Leave, and other employment standards;
- Canada Revenue Agency (CRA) enables employers to apply 2017 Saskatchewan PST refunds for benefit premiums with 2018 T4s and T4As, preventing 500,000 amended slips;
- Revenu Quèbec (RQ) harmonizes with CRA's $150 non-accountable social event threshold;
- Quebec cancels proposed legislation requiring payers of temporary agency workers to collect personal information of non-employees, including their Social Insurance Number.

2017:
- Federal Budget introduces measures that will enable employers to save over $100 million annually by providing electronic T4s (e-T4s) to employees as the standard delivery method;
- Quebec government moves forward with electronic Relevé 1s (RL-1s) as a harmonization measure with the Federal government, saving Quebec employers an additional $30 million annually;
- Employment and Social Development Canada (ESDC) makes employee's choice for enhanced parental leave irrevocable, saving employers millions of dollars in administrative, programming, recruitment and training burden;
- CRA reverts to previous administration of employee merchandise discounts;
- CRA increases non-taxable social event threshold to $150 from $100 per event

2016:
- Cancellation of the proposed Ontario Retirement Pension Plan;
- ESDC provides 4-year transition period of incorporating 1-week waiting period within sick plans, saving employers $400M;

2015:
- Service Canada preserves regulation enabling employers to issue electronic ROEs within five days after end of the pay period, despite new 1-week waiting period for EI benefits, preserving more accurate ROE production and preventing increased employer administration burden.

2014:
- Payroll remittance thresholds are amended in the February 2014 Federal Budget, eliminating more than 800,000 payroll remittances for over 50,000 small to medium-sized organizations. Eleven days after the Federal Budget, Quebec matches the federal increases.

2013:
- Service Canada agrees to limit the new Variable Best Weeks administration on the ROE to selected economic regions;
- RQ extends deadline for implementing employee personal health tax to ensure employer compliance.

2012:
- RQ adopts more efficient reporting process for the Credit for Experience Workers and the Quebec Health Services Fund (QHSF) credit for employers.

2011:
- CRA fully automates the $1,000 Small Business EI Credit for New Hires using the T4 summary information, and uses direct deposit for employers into their "My Business Accounts."

2010:
- CRA redesigns the T4A moving retiring allowances to the T4, eliminating over one million T4As each year since then;
- La Commission de la santé et de la sécurité du travail (Quebec workers' compensation board) introduced a more simplified remittance system based on actual pay and coordinated with RQ's remittance frequency.

2009:
- Employment Insurance Regulation 19(3) enabled employers to issue electronic ROEs five days after the end of the pay period, instead of mid-pay period;
- CRA introduced administrative changes to reduce employers' administrative burden for gifts and awards, overtime meal allowances, and other employee benefits.

Canadian Payroll Association President, Peter Tzanetakis explains why the Association is so proud of its record of advocacy success:

"By working with organizations like CFIB and the government, we have helped to significantly ease the administrative and regulatory burden for employers," says Tzanetakis. "Streamlining processes helps businesses remain compliant while ensuring that employees are paid accurately and on time."