Sample Year- End Employee Communication

Table of Contents

[Sample Employee Communication 2](#_Toc180570776)

[**Subject: Important Update: 20XX Payroll Deduction Rates and Maximums** 2](#_Toc180570777)

[Sample Employee Communication 3](#_Toc180570778)

[**Subject: Important: Review and Update Your TD1 Forms for 20XX** 3](#_Toc180570779)

[Sample Employee Communication 4](#_Toc180570780)

[**Subject: PEI Tax Changes Effective January 1, 2025** 4](#_Toc180570781)

[Sample Employee Communication 5](#_Toc180570782)

[**Subject: New Requirement for Paid Sick Day Use** 5](#_Toc180570783)

[Sample Employee Communication 6](#_Toc180570784)

[**Subject: Important Update: 20XX Payroll Deduction Rates and Maximums** 6](#_Toc180570785)

[Sample Employee Communication 7](#_Toc180570786)

[**Subject: Canadian Dental Care Benefit, Changes to T4/RL-1 Slips** 7](#_Toc180570787)

[Sample Employee Communication 10](#_Toc180570788)

[**Subject: Enhancement to the Canada/Quebec Pension Plans** 10](#_Toc180570789)

# Sample Employee Communication

## **Subject: Important Update: 20XX Payroll Deduction Rates and Maximums**

Dear Colleagues,

We hope this message finds you well. As part of our commitment to informing you about important changes affecting your pay, we would like to notify you of the updated payroll deduction rates and maximums for 20XX, as mandated by the Canada Revenue Agency (CRA).

**Canada Pension Plan (CPP) Contributions:**

The maximum earnings on which contributions will be withheld will be $[YAMPE] for 20XX.

* The contribution rate on the first $[YMPE] will be 5.95% to a maximum of $[Max CPP1]
	+ An annual basic exemption of $3,500 will be applied to this contribution
* The contribution rate on the next $[YAMPE – YMPE] will be 4% to a maximum of $[Max CPP2]

**Employment Insurance (EI) Premiums:**

The maximum insurable earnings subject to premiums will be $[MIE] for 20XX.

* The employee premium rate will be [EI rate]% to a maximum deduction of $[EI Max]

Your pay will reflect these changes starting with the first payroll of January 20XX. Please review your pay statements regularly to ensure that the correct amounts are being deducted. If you have any questions or need further clarification regarding these updates, please contact the Payroll team at [contact email/phone number].

We appreciate your attention to this matter and your support as we implement these necessary updates.

Best regards,

[Your Name]

# Sample Employee Communication

## **Subject: Important: Review and Update Your TD1 Forms for 20XX**

Dear Team,

As we approach the new year, we want to remind everyone about the importance of reviewing and updating your TD1 forms. The TD1 forms, which include the Federal and Provincial Personal Tax Credits Return, are essential in determining the correct amount of income tax to be deducted from your pay.

**Why is it important to review and update your TD1 forms?**

Ensuring your TD1 forms are current helps us withhold the correct amount of income tax from your earnings. This can prevent issues such as underpayment or overpayment of taxes, which could lead to unexpected tax bills or smaller refunds when you file your tax return.

Your eligible tax credits may have changed if you've experienced significant life changes during the year (e.g., your spouse or common-law partner starting or ending employment). Updating your TD1 forms ensures that your personal circumstances are accurately reflected.

Keeping your TD1 forms current allows you to take full advantage of eligible tax credits and deductions, optimizing your tax situation and possibly increasing your net income.

**What do you need to do?**

Take a moment to review your current TD1 forms to ensure all information is accurate and current.

If your personal circumstances have changed or you wish to adjust your tax credits, please complete the new TD1 forms, which can be found on the CRA website.

Once completed, submit the updated forms to the payroll department by [insert deadline]. This will allow us to make the necessary adjustments on time.

If you have any questions, please do not hesitate to contact the payroll team at [contact email/phone number]. We are here to help ensure your tax information is accurate.

Thank you for your prompt attention to this important matter. Your cooperation helps us ensure everyone's payroll processing is smooth and accurate.

Best regards,

[Your Name]

# Sample Employee Communication

# **Subject: PEI Tax Changes Effective January 1, 2025**

We hope this message finds you well. We want to inform you of some important changes to the Prince Edward Island (PEI) tax system that will take effect on January 1, 2025. These changes may impact your payroll deductions and overall tax obligations.

**Increase in Basic Personal Amount:**

* + The PEI basic personal amount will increase from $13,500 to $14,250. This means you can earn more income before being subject to provincial taxes.

**Updated Tax Brackets and Rates:**

The tax rates for each income bracket have been adjusted as follows:

* + For income under $33,328, the tax rate is 9.50%
	+ For income from $33,328 to $64,656, the tax rate is 13.47%
	+ For income from $64,656 to $105,000, the tax rate is 16.60%
	+ For income from $105,000 to $140,000, the tax rate is 17.62%
	+ For income $140,000 and over, the tax rate is 19.00%

These adjustments aim to provide tax relief by lowering rates across various income brackets while increasing the basic personal amount.

**What This Means for You:**

Starting in January, your payroll deductions will reflect these updated tax rates and brackets. The increase in the basic personal amount and adjustments to income brackets and tax rates means you may see a reduction in the provincial tax deducted from your pay, depending on your income level.

If you have any questions or need further clarification on how these changes may affect you, please don't hesitate to contact the payroll department.

Thank you for your attention to this important update.

Best regards,

[Your Name]

# Sample Employee Communication

## **Subject: New Requirement for Paid Sick Day Use**

Dear Team,

Starting [effective date], we are implementing a new policy that requires employees to complete an attestation form whenever using one of the [number of paid days provided] paid sick days provided by the company. This is part of our ongoing commitment to ensure compliance with our paid time-off policy, maintain accurate records and ensure equity for all employees.

Key Points to Note:

* You must complete the attestation form each time you take paid sick days.
* The form will be available [insert how the form will be accessed—online, through payroll or HR, etc.].
* The attestation must be submitted within [timeframe—e.g., 48 hours] of returning to work.

Failure to complete the attestation will result in the absence being unpaid. Employees who provide false or misleading statements about the absence may be subject to formal disciplinary action, such as warnings, suspension, or, in severe cases, termination.

We appreciate your cooperation in following this new procedure. If you have any questions or need assistance with the attestation process, please don’t hesitate to contact [payroll/HR/your manager].

Thank you for your attention to this matter.

Best regards,

# Sample Employee Communication

## **Subject: Important Update: 20XX Payroll Deduction Rates and Maximums**

Dear Colleagues,

We hope this message finds you well. As part of our commitment to keeping you informed about important changes affecting your payroll, we would like to notify you of the updated payroll deduction rates and maximums for the year 20XX, as mandated by Revenu Quebec and the Canada Revenue Agency (CRA).

**Quebec Pension Plan (QPP) Contributions:**

The maximum earnings on which contributions will be withheld will be $[AYAMPE] for 20XX.

* The contribution rate on the first $[YMPE] will be 6.40% to a maximum of $[Max QPP1]
	+ An annual basic exemption of $3,500 will be applied to this contribution
* The contribution rate on the next $[YAMPE – YMPE] will be 4% to a maximum of $[Max QPP2]

**Note:** Following a legislative change implemented on January 1, 2024, if you turned 72 years of age in 20XX, your final QPP contribution will be on the last pay of that year. Effective January 1 of the following year, you will no longer be subject to QPP contributions.

**Employment Insurance (EI) Premiums:**

The maximum insurable earnings subject to premiums will be $[MIE] for 20XX.

* The employee premium rate will be [EI rate]% to a maximum deduction of $[EI Max]

**Quebec Parental Insurance Plan (QPIP) Premium**

The maximum insurable earnings subject to premiums will be $[MIE] for 20XX.

* The employee premium rate will be [QPIP rate]% to a maximum deduction of $[EI Max]

Your pay will reflect these changes starting with the first payroll of January 20XX. Please review your pay statements regularly to ensure that the correct amounts are being deducted. If you have any questions or need further clarification regarding these updates, please contact the payroll team at [contact email/phone number].

We appreciate your attention to this matter and your support as we implement these necessary updates. Thank you for your continued hard work and dedication.

Best regards,

[Your Name]

# Sample Employee Communication

## **Subject: Canadian Dental Care Benefit, Changes to T4/RL-1 Slips**

Dear Colleagues,

We hope this message finds you well. As part of our commitment to keeping you informed, we would like to remind you of the year-end reporting of employer/payer-provided dental care and benefits and advise of changes to the T4 and RL-1 slips.

**Canada Dental Care Plan T4/T4A Reporting Boxes**

To support the administration of the new [Canadian Dental Care Plan](https://www.canada.ca/en/public-services-procurement/news/2023/09/the-government-of-canada-announces-progress-on-the-canadian-dental-care-plan.html), new boxes were added to the tax slips:

* Box 45 on the [T4: Statement of Remuneration Paid](https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/completing-filing-information-returns/t4-information-employers/t4-slip.html)
* Box 15 on the [T4A: Statement of Pension, Retirement, Annuity and Other Income](https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/completing-filing-information-returns/t4a-information-payers/t4a-slip.html)

Employers are required to report the level of dental care/coverage to which each employee/former employee/retiree had access on December 31st of the tax year by selecting the applicable code from the following:

| **Code** |  | **Access** |
| --- | --- | --- |
| 1 |  | Not eligible to access any dental care insurance or coverage of dental services of any kind |
| 2 |  | Payee only |
| 3 |  | Payee, spouse, and dependent children |
| 4 |  | Payee and their spouse |
| 5 |  | Payee and their dependent children |

The reporting code *(this is not a deduction)* must represent the dental coverage the employee/former employee/retiree **had access to** under the employer’s/payer’s

Private Health Care plan or Health Spending Account. As a reminder, please note that “**access**” refers to the plan coverage available and not the individual’s marital status or their personal election. For example, Box 45 on the T4 will report code “3” if the employer provides a plan that covers the employee and their eligible dependents (spouse and children), even if the employee does not have any dependents.

**New Boxes and Codes on the T4**

The Canada Revenue Agency created the following additional boxes on the T4 for reporting of the Second Canada/Quebec Pension Plan (C/QPP) Enhancement Contribution, which came into effect in 2024:

* Box 16A – for reporting of employees’ first CPP contribution
* Box 17A – for reporting of employee’s second CPP contribution

Additionally, effective the 2024 tax year, the following reporting has been added to the T4 slips:

* Code 90 – for reporting of security option benefits provided to employees after June 25, 2024
* Code 91 – for reporting option benefit deduction under 110(1)(d) equal to 1/3 (33.33%) of the value of the taxable benefit received from qualified securities after June 25, 2024
* Code 92 – for reporting option benefit deduction under 110(1)(d.1) equal to 1/3 (33.33%) of the value of the taxable benefit received from qualified securities after June 25, 2024
* Code 94 – for reporting of RPP contributions withheld from tax-exempt income paid to an employee who is registered or is entitled to be registered under the Indian Act
* Code 95 - for reporting of union dues withheld from tax-exempt income paid to an employee who is registered or is entitled to be registered under the Indian Act

**New Boxes and Codes on the RL-1**

Revenue Quebec created the following additional boxes on the RL-1:

* Box B.A – for reporting of employees’ first QPP contribution
* Box B.B – for reporting of employee’s second QPP contribution

Additionally, effective the 2024 tax year, the following reporting footnotes have been added to the RL-1:

* Footnote B-1 – for reporting of the first CPP contributions
* Footnote B-2 - for reporting of the second QPP contributions
* Footnote G-3 – for reporting Phased Retirement (replacing Box U)
* Footnote L-11 – for reporting of rate of deduction under L-12 and L-13
* Footnote L-12 – for reporting option benefit deduction under section 725.2 of the Taxation Act for benefits granted after June 25, 2024
* Footnote L-13 - for reporting option benefit deduction under section 725.3 of the Taxation Act for benefits granted after June 25, 2024

**DISTRIBUTION OF YOUR 2024 TAX SLIPS**

**T4 and Relevé 1 Slip Delivery**

Your 2024 tax slips will be available on or before February 28, 2025.

**Note:** In certain circumstances, you may receive multiple year-end slips. Remember to include all tax slips when filing your personal income tax return. Please ensure that you have received tax slips from all your employers and slips from your financial institution for all RRSP contributions you made in the year before filing your personal income tax return.

Best regards,

[Your Name]

Additional resources that may be attached to this communication:

* Statutory holiday/business closures calendar
* Pay date calendar
* Year-end vacation carry-over policy (if applicable)
* Expense report submission deadline (if applicable)
* Automobile logbook submission deadline (if applicable)
* Other company-specific deadlines/updates

# Sample Employee Communication

## **Subject: Enhancement to the Canada/Quebec Pension Plans**

Dear Colleagues,

We hope this message finds you well.

Further to our commitment to keeping you informed, we would like to remind you that as a part of the Enhancement to the Canada/Quebec Pension Plans (C/QPP), a second additional range of earnings will continue to be phased in 2025.

This additional range of earnings is between the Year’s Maximum Pensionable Earnings (YMPE) and a new higher limit called Year’s Additional Maximum Pensionable Earnings (YAMPE). Pensionable earnings above the YMPE and up to the YAMPE will be subject to a second enhanced C/QPP contribution at fixed X%.

**What This Means for You:**

You will contribute to the CPP at X.XX% (QPP at X.XX%) in the usual manner until you reach the YMPE (set at XX,XXX.XX for 20XX).

When your earnings exceed the YMPE, you will continue to contribute to CPP at a rate of X% (QPP at rate of X%) until you reach the YAMPE, set at XX,XXX.XX for 20XX, for a maximum contribution of $ XX.XX. Upon reaching the YAMPE your contributions to C/QPP will stop.

Please be reminded that the enhanced portions of the C/QPP contributions give you a tax break at source. When you reach the YAMPE and stop contributing to C/QPP, this tax break will no longer apply, and as a result, you may notice a slight increase in your income tax deductions.

Please feel free to address any questions or concerns regarding the above with the payroll department.

Best regards,

[Your Name]