Professional Development - **IT PAYS TO KNOW**

2023 Year-End Supplemental Updates

NATIONAL PAYROLL INSTITUTE

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FEDERAL

2024 MAXIMUM PENSIONABLE EARNINGS AND CONTRIBUTIONS

For 2024 the Canada Pension Plan maximum pensionable earnings and contributions will be:

Year's Additional Maximum Pensionable Earnings		$73,200.00
Year's Maximum Pensionable Earnings	$68,500.00	$68,500.00
Basic Exemption	$3,500.00	N/A
Contributory Earnings	$65,000.00	$4,700.00
Contribution Rate	5.95%	4.00%
Maximum Contribution	$3,867.50	$ 188.00

Printed material correction

The formula for the enhanced CPP contribution on page 12 should be:
(($4,500.00 – 134.61) x 5.95%) x (0.01/0.0595) = $43.65

2024 PENSION AND RETIREMENT PLAN LIMITS

For 2024 the maximum contribution limits will be:

Defined Contribution RPP maximum annual contribution	$32,490.00
Defined Benefit RPP (maximum pension benefit $3,610.00)	$31,890.00
DPSP maximum contribution	$16,245.00
RRSP maximum contribution	$31,560.00

2024 MILEAGE RATES

The CRA announced the 2024 reasonable per kilometre rates for business travel:

- $0.70 per km for the first 5,000 km
- $0.64 per km for any additional km driven

In the Northwest Territories, Yukon, and Nunavut, there is an additional 4¢ per kilometre allowed for travel.

TFSA 2024 LIMIT

The Canada Revenue Agency (CRA) confirmed that the TFSA contribution limit for 2024 has increased from $6,500 to $7,000.

FORM CPT30 UPDATE

On September 27, 2023 the CRA published an updated version of form CPT30 on their website. The updates to the form are related to the instructions.

- In Part C and Part D the instructions now indicate:
    - You **cannot** backdate this election.

- On page 2 the instructions on where to send the form now also includes:
    - However, if you agree to have your employer send the original to the Canada Revenue Agency (CRA), it will be accepted.

T4 SLIP BOX 45 REPORTING – ADMINISTRATIVE POLICIES

The CRA has updated their website with the following Health Canada administrative policies on reporting Code 1 in T4 Slip Box 45.

- To reduce the burden on employers, for calendar year 2023 only, it is not mandatory to fill out box 45 when and only when code 1 is applicable. This administrative policy applies only if all reasonable efforts have been made to comply with the reporting requirements.
- To reduce the burden on employers, if you filed your T4 slips for calendar year 2023 before January 2024, you do not have to file amended T4 slips to report this code.

NEW EMPLOYMENT INSURANCE BENEFIT

The Employment Insurance Act will be amended to include a 15-week benefit available to claimants who have:

- One or more children placed in their care through the process of adoption under the provincial laws governing adoption in the province in which the claimant resides, or
- One or more newborn children placed in their care, and the person who gave birth to the child or children is not or will not be the intended parent of the child or children.

The benefit period can begin up to five weeks before the child or children are placed in the care of the claimant but will end 17 weeks after the week the child or children are placed in the care of the claimant.

The new benefit will come into force on a day fixed by order of the Governor Council.

CANADA LABOUR CODE PART III

On November 9, 2023, the Canada Labour Code introduced Bill C-58, An Act to amend the Canada Labour Code and the Canada Industrial Relations Board Regulations, 2012, related to the prohibition of replacement workers.
During a legal strike or lockout, employers would be prohibited from using the services of:

- Any employee, or manager employed in a confidential capacity related to industrial relations
- Any contractor other than a dependent contractor

The National Payroll Institute will monitor the progress of the Bill and advise its members accordingly.

Leave for Placement of Child
The Leave for Placement of Child is an adoption leave that will be made available to federally-regulated employees allowing a 16-week unpaid leave of absence.

The new leave will come into force on a day fixed by order of the Governor Council.

JURISDICTIONAL

ALBERTA

Alberta Pension Protection Act
On November 2, 2023, the Alberta Government introduced Bill 2, entitled Alberta Pension Protection Act. If passed, Bill 2 will give Albertans four guarantees to protect the pensions they built up during their working careers under the CPP. The legislation would guarantee:

- Albertans must vote in favour of an Alberta Pension Plan (APP) during a public referendum before the government withdraws assets from the Canada Pension Plan to establish an APP
- Contribution rates under an APP would be the same or lower than the rates for the CPP
- An APP must provide the same or better benefits to Albertans
- The entire asset transferred from the CPP to Alberta would be used solely to set up and operate an APP

The National Payroll Institute will monitor the Bill's progress and advise its members accordingly.

MANITOBA

New Statutory Holiday
Orange Shirt Day (National Day for Truth and Reconciliation)
On December 7, 2023, Manitoba passed Bill 4 to amend the Employment Standards Code and the Interpretation Act to make Orange Shirt Day a statutory holiday starting on September 30, 2024.

Corrections to printed material.

Chapter 2 Minimum wage:
- General minimum wage $15.30
- The separate rate for security guards no longer applies. Use the general minimum wage.

Chapter 2 Health and Post-Secondary Education Tax

The Manitoba Budget included information on reducing the HAPEST contribution rates in 2024 from 4.3% to 4% and 2.15% to 2%.

The government still has not officially indicated this change. The National Payroll Institute will monitor and keep our member onformed on the status of 2024 HAPSET rates.

ONTARIO

Bill 79, Working for Workers Act, 2023 now in force

On October 26, 2023 Bill 79 received Royal Assent and all measures contained in the Bill came into force on this date. Employment Standards amendments include changes to reservist leave and the requirement to include remote employees in the count when determining if group termination rules are applicable.

Pay Transparency Law - Proposed

On November 6, 2023, the Ontario government announced that they will mandate employers to publicly include expected wages or salary ranges in job postings and will also require them to disclose if artificial intelligence is used during the hiring process.
The proposal is part of new legislation meant to increase transparency for job seekers. The

The Pay Transparency law will be tabled the week of November 14, 2023. The Institute will follow the progress of this proposal and will advise its members accordingly.

New Job Protected Leave - Proposed

On November 8, 2023, the government of Ontario announced that they will be launching consultations on a new job-protected leave to help employers dealing with a critical illness such as cancer. The leave will match the Employment Insurance sickness benefits, which is 26 weeks. More details will be provided as the legislation is introduced and passed.

PRINCE EDWARD ISLAND

Effective November 29, 2023, the qualifying period for eligibility for reservist leave was reduced from six to three months.

QUEBEC

2024 MAXIMUM PENSIONABLE EARNINGS AND CONTRIBUTIONS

For 2024 the Quebec Pension Plan maximum pensionable earnings and contributions will be:

Year's Additional Maximum Pensionable Earnings		$73,200.00
Year's Maximum Pensionable Earnings	$68,500.00	$68,500.00
Basic Exemption	$3,500.00	N/A
Contributory Earnings	$65,000.00	$4,700.00
Contribution Rate	6.40%	4.00%
Maximum Contribution	$4,160.00	$ 188.00

2024 QUEBEC PARENTAL INSURANCE PLAN

For 2024 the maximum insurable earnings and QPIP premiums will be:

Maximum insurable earnings	$94,000.00
Employee QPIP premium rate	0.494%
Maximum employee premium	$ 464.36
Employer QPIP premium rate	0.692%
Maximum employer premium	$ 650.48

2024 HEALTH SERVICES FUND

Total payroll (TP)	Primary and manufacturing sectors	All other employers (except public sector)
$1 million or less	1.25%	1.65%
more than $1 million but less than $7.5 million	0.7869 + (0.4631 × TP/1,000,000)[1]	1.2485 + (0.4015 × TP/1,000,000)[1]
more than $7.5 million	4.26%	4.26%
[1]The contribution rate must be rounded off to two decimal places. If the number in the third decimal place is 5 or more, round up the number in the second decimal place.		

NEW FORM RR-50

Revenu Quebec has introduced form RR-50, Election or revocation of election to cease making Québec Pension Plan contributions.

Beginning in 2024, employees over age 65 but under age 73 at the end of the year who receive a CPP or QPP retirement pension may complete this form to opt out of QPP contributions.

The election takes effect on the first day of the month following the date on which an employee submits a copy of this form to their employer. For instance, an employee who meets the eligibility criteria may complete and submit the form to their employer in December 2023 to opt out of QPP contributions as of the first pay in January 2024.

PROVINCE OF EMPLOYMENT (REVENU QUÉBEC HARMONIZES WITH THE CRA)

On November 14, 2023, Revenu Québec (RQ) harmonized their province of employment administrative policy with the CRA by introducing new measures for employees who are not required to physically report to work at an employer's establishment. This change comes into effect January 1, 2024.

Before this new administrative policy change, the province of employment was generally determined based on the Québec business location that the employee reports to, and the Québec establishment from where the employee's salary is paid for remote employees. The province of residence (where the employee resides) is not a factor in determining the province of employment. The location from where a third-party service provider processes the employer's payroll was also not a factor in determining the province of employment.

The new administrative policy, which will lighten the burden for affected employers and employees without any unintended consequences for provincial tax or benefits administration, will enable employers to determine the province of employment based on indicators to consider for the employee to be reasonably considered "attached to an establishment of the employer."

Primary indicator:

- The primary indicator to determine if an employee can reasonably be considered "attached to an establishment of the employer" is whether the employee would physically come to work to carry out the functions related to their employment duties at that establishment if it was not for the full-time remote work agreement.
- For employees who physically reported to an establishment of the employer immediately before entering a full-time remote work agreement, that establishment is the one to which they would be reasonably considered to be attached unless the employee's circumstances or the nature of their duties have changed.

Secondary indicator:

The location of the establishment that the employee would physically come to do the following, if not for their full-time work agreement:

- attends or would attend in-person meetings, through any type of communication
- receives or would receive work-related material or equipment or associated instructions and assistance
- receive instructions from their employer regarding their duties, through any type of communication

- supervision of the employee, as indicated in the contractual agreements between the employer and the employee
- report to, based on the nature of the duties performed by the employee

Generally, all the indicators need to be reviewed together to determine whether the employee is reasonably considered to be "attached to an establishment of the employer".

More than one establishment of the employer
If your employee can be reasonably considered attached to more than one establishment of the employer, the same indicators should be used to determine to which establishment of the employer the employee can be reasonably considered more closely attached to.

Employers must withhold the appropriate Quebec Pension Plan (QPP), Employment Insurance (EI), Quebec Parental Insurance Plan (QPIP), the Health Services Fund (QHSF), the Workforce Skills Development and Recognition Fund (WSDRF) deductions, and the contributions related to labour standards, and income tax based on the correct determination of the province of employment.

As a result of this change, employers must:
- Review the employment contracts for remote employees
- Obtain new TD1s/TP-1015.3-V
- Use appropriate payroll deductions tables
- Pay health tax premiums and levies if applicable

RELEVE SLIPS THRESHOLD LOWERED TO SIX

Effective January 1, 2024, Revenu Quebec (RQ) lowered the mandatory online filing threshold for Releve slips of the same type (except RL-13 and RL-24 slips) from 51 to six. This new measure is in line with the change to the same approach at the Canada Revenue Agency (CRA) regarding the T4, T4A and T5 slips online filing threshold.

ELECTRONIC PAYMENTS TO REVENUE QUEBEC

Effective January 1, 2024, Employer remittances of more than $10,000 to Revenue Quebec (RQ) must be done electronically (for example, online or through a financial institution) unless electronic payment is impossible due to exceptional circumstances. Failure to do so may result in a penalty.

FEDERAL AND PROVINCIAL TD1 AND TP.1015.3 BASIC PERSONAL AMOUNTS

Province or Territory	Basic amount	
Federal	15,705.00	*
Alberta	21,885.00	
British Columbia	12,580.00	
Manitoba	15,780.00	
New Brunswick	13,044.00	
Newfoundland and Labrador	10,818.00	
Nova Scotia	11,481.00	*
Northwest Territories	17,373.00	
Nunavut	18,767.00	
Ontario	12,399.00	
Prince Edward Island	13,500.00	
Quebec	18,056.00	
Saskatchewan	18,491.00	
Yukon	15,705.00	*

*Represents jurisdictions with a variable basic personal amount.

WORKERS COMPENSATION MAXIMUM ASSESSABLE EARNINGS

Filing Deadlines and Assessable Earnings Maximums			
Province	**Filing deadline**	**Maximum assessable earnings 2023**	**Maximum assessable earnings 2024**
Alberta	February 28	$102,100	$104,600
British Columbia	February 28 (quarterly) March 1-15 (yearly)	$112,800	$116,700
Manitoba	February 28	$153,380	$160,510
New Brunswick	February 28	$74,800	$76,900
Newfoundland and Labrador	February 28	$72,870	$76,955
Northwest Territories	February 28	$107,400	$110,600
Nova Scotia	February 28	$69,800	$72,500
Nunavut	February 28	$107,400	$110,600
Ontario	Last day of March	$110,000	$112,500
Prince Edward Island	February 28	$65,000	$78,400
Quebec	Before March 15	$91,000	$94,000
Saskatchewan	February 28	$96,945	$99,945
Yukon	February 28	$98,093	$102,017

YEAR-END AND NEW YEAR EMPLOYEE COMMUNICATION

The National Payroll Institute has created a Sample Employee Year-End and New Year communication, which provides essential information regarding the changes to your employees' 2023 tax slips and what they can expect for the 2024 calendar year. To download, click here.

FAQ – T4 SLIP BOX 45 REPORTING

1. **Does the code reported on the T4 slip reflect the employee's choice for coverage or the coverage offered under our plan? In other words, if our plan offers full family coverage, do we report code 3 for all employees, even if some signed up for single coverage?**

   The code reported on the T4 slip is intended to identify the coverage available from the employer, not each employee's individual coverage type. Therefore, if your plan offers full family coverage, then Code 3 would be used for all employees eligible for coverage on December 31st.

   See questions 2 and 3 for reporting requirements when an employee has been terminated and question 4 for reporting requirements for a new employee still on probation.

2. **If an employee has been terminated during the year, does the employer report the code based on their active employment coverage or their status on December 31st?**

   If an employee is no longer eligible for the employer-provided dental benefit on December 31st of the current year, use reporting Code 1 – no access to any dental care insurance or coverage of dental services of any kind.

3. **What code is reported if an employee has been terminated but will continue to enjoy dental benefits for an extended period following the last day of employment?**

   The code should represent the employee's eligibility for dental benefits on December 31st of the reporting year. If a terminated employee still has access to the employer-provided dental benefit on or after December 31st, the applicable code (2 through 5) identifying their coverage type should be recorded.

4. **What code is reported if a new employee is still on probation and is not eligible for dental benefits on December 31st?**

   If an employee is not eligible for employer-provided dental benefits on December 31st of the current year, use reporting Code 1 – no access to any dental care insurance or coverage of dental services of any kind.

5. **We provide our employees with a Healthcare Spending Account, and they determine what expenses they will submit to the plan for reimbursement. What code would be reported if an employee utilized the plan for other health-related expenses and did not submit any dental expenses?**

The code reported on the T4 slip identifies an employee's eligibility for dental insurance or coverage of dental services of any kind, not whether they submitted any claims. If an employer's Healthcare Spending Account allows dental claims, report the applicable code (2 through 5) identifying the employee's coverage type.

6. **If a dental plan is offered, but the employee fully or partially pays the premiums through payroll deductions, are we still required to report a code in Box 45?**

   A code must be reported in Box 45 for all employees eligible for dental care benefits through a company-sponsored plan. It does not matter who pays the premiums, only whether dental insurance is provided.

7. **Our benefit plan is optional. An employee may choose whether or not to accept coverage. What code would we report if an employee opts-out of coverage under our plan?**

   The code reported in Box 45 of the T4 slip represents the type of employer-offered dental coverage an employee is eligible for, regardless of whether they choose to accept or opt-out of the plan. The employer should report the code that represents the type of coverage available for all employees who would be considered eligible.

8. **Our company pays the premium for employee dental coverage only. However, under our insurance policy, employees may opt for voluntary additional coverage for their spouse or dependant children. Do we report Code 2 based on the company-paid premium, or do we report Code 3 based on the availability of the optional coverage?**

   The code reported in T4 slip Box 45 represents the coverage available to the employee under a company-sponsored plan. Under this plan design, employees are eligible for full family coverage; therefore, Code 3 should be reported. It does not matter who pays the premiums or whether employees opt for the additional coverage. The only consideration is the type of dental insurance that is available.

9. **Does an employer need to produce a T4 slip to only to report the dental code, for example an employee is on leave of absence all year and has no earnings to report?**

   Reporting in Box 45 is only needed when the issuance of a T4 slip is already required.

   For instance, if taxable benefit values need to be reported for an employee on leave a T4 slip would be issued and Box 45 populated with a code. If there are no income amounts or deductions to report no T4 slip would be required.

10. **Our employees are covered for dental benefits under an insurance policy provided through their union. Who is responsible for reporting the dental benefit code?**
    In this situation the employer would report Code 1 on the T4 slip as they do not provide dental insurance to the employees.

    The union would only be required to report a code in Box 45 or Box 015 if they are required to issue a T4 or T4A slip to report income. Otherwise, no reporting is required.

    It is important to note that the T4/T4A requirement on reporting access to dental coverage is one of the attestation mechanisms used to confirm applicants' eligibility criteria for the CDCP but not the only one that will be used as part of the enrolment process.

11. **How do we handle the reporting in Box 45 when an employee has had a status change that will require multiple T4 slips? For example, they were part-time with no benefits but changed to full-time with eligibility for full benefits, which was the status on December 31st.**

    There may be circumstances where an employee will receive multiple T4 slips for a year, such as changing the province of employment or being moved from one payroll remittance account to another.

    When there are multiple T4 slips issued, the employer may populate Box 45 on both slips with the same code, representing the employee's eligibility for dental coverage on December 31st. Or, the employer may choose to report the code that represents each period of employment for that T4 slip.

    In this example, both slips could have Code 3 representing the employee's coverage on December 31st. Alternatively, the T4 slip for the period of part-time employment could be Code 1, and the T4 slip for the period of full-time employment could be Code 3.

12. **Our organization does not have an employer offered dental plan. However, we do provide our employees with a cash taxable allowance to purchase their own insurance. What code should we report in Box 45?**

    Because the employer does not offer a dental plan (no agreement between the employer and the employee regarding the dental plan) the Code reported in Box 45 is 1.

13. **We do not have a registered pension plan but provide a basic dental insurance plan for our retired employees. Will we need to start issuing T4A slips to these individuals?**

    T4A slips will not be required in this circumstance. The reporting in Box 015 of the T4A slip is only mandatory if a pension or superannuation amount is reported in Box 016.

14. We issue T4A slips for independent contractors with fees reported in Box 048. These individuals are not employees and will not be eligible for company benefits. Do we need to report 1 in Box 015?

The reporting in Box 015 of the T4A slip is only mandatory if a pension or superannuation amount is reported in Box 016. T4A slips issued for other types of payments, such as fees for services (Box 048) or other income (Box 028), will not require reporting in Box 015.