

## **Carswell Payroll Source Alert – December 2019 Issue**

### **Feds Proposing to Raise Basic Personal Amount to \$15,000**

The federal government is proposing to raise the basic personal amount for some individuals to \$15,000 by 2023, Finance Minister Bill Morneau recently announced.

Employees claim the amount on a TD1, *Personal Tax Credits Return*. The increase would be phased-in over four years, with the basic personal amount proposed to rise to \$13,229 in 2020, \$13,808 in 2021, \$14,398 in 2022, and \$15,000 in 2023 and later years.

However, the full increase would not apply to all individuals, Morneau said. The government wants to target the proposed measure to people who need it the most. As a result, the amount of the increase that individuals would receive would depend on their annual income. The government would gradually reduce the amount of the increase for individuals whose net incomes were over \$150,473 in 2020 (the bottom of the fourth tax bracket). The increase would not apply at all to those with net incomes over \$214,368 in 2020 (the threshold for the top tax bracket). For them, the basic personal amount would be \$12,298 in 2020, rising with indexation to a projected \$12,554 in 2021, \$12,783 in 2022, and \$13,038 in 2023.

Similar changes would be made to the spouse/common-law partner amount and the eligible dependant amount.

We will continue to monitor this story and will report on further developments in upcoming releases.

### **2020 Maximum Assessable/Insurable Earnings**

The following workers' compensation bodies have announced their maximum assessable/insurable earnings for 2020:

Alberta: \$98,700 (2019: \$98,700)  
British Columbia: \$87,100 (2019: \$84,800)  
Manitoba: \$127,000 (2019: \$127,000)  
New Brunswick: \$66,200 (2019: \$64,800)  
Newfoundland and Labrador: \$66,980 (2019: \$65,600)  
Northwest Territories: \$94,500 (2019: \$92,400)  
Nova Scotia: \$62,000 (2019: \$60,900)  
Nunavut: \$94,500 (2019: \$92,400)  
Ontario: \$95,400 (2019: \$92,600)  
Prince Edward Island: \$55,300 (2019: \$55,000)  
Quebec: \$78,500 (2019: \$76,500)  
Saskatchewan: \$88,906 (2019: \$88,314)  
Yukon: \$90,750 (2019: \$89,145)

## **Alberta Legislature Passes Changes to Employment Rules for Farm Workers**

The Legislative Assembly of Alberta has passed legislation that will change which farm and ranch workers are covered under employment standards rules.

Bill 26, the *Farm Freedom and Safety Act, 2019*, was tabled on November 20, 2019 and received royal assent on December 5, 2019. Effective January 31, 2020, the amendments will exempt farms and ranches with five or fewer employees (excluding family members) from the *Employment Standards Code*. Farm and ranch employees who are employed by their employer for fewer than six consecutive months will also be exempt from all employment standards rules.

Farms and ranches with more than five paid, non-family employees will continue to be covered under a number of provisions in the Code.

The amendments will also add mushrooms, sod, greenhouses, and nurseries to the definition of farms and ranches in the Code.

In addition, the amendments will require farms and ranches with more than five paid, non-family members to have workplace insurance, but will allow them to choose between workers' compensation coverage and private insurance. It will also exempt farms and ranches from the *Labour Relations Code*.

The amendments affecting workers' compensation coverage will take effect January 31, 2020, while the changes to the *Labour Relations Code* apply as of November 20, 2019.

## **Alberta to Implement ESR Changes Affecting Teachers and Amateur Athletes**

The Alberta government will make changes to its *Employment Standards Regulation* affecting teachers and amateur athletes.

The teacher-related amendments, which will take effect January 1, 2020, stipulate that provisions in the *Employment Standards Code* covering statutory holidays and vacations do not apply to employees who are teachers.

The term "teacher" refers to teachers as defined in the province's *Education Act* who are employed in a position that requires them to hold a teaching certificate from a board defined in the *Education Act*, a Francophone regional authority under the *Education Act*, an accredited private school or a charter school under the *Education Act*, or a board under the *Northland School Division Act*.

Teachers who are not a party to a collective agreement under the *Public Education Collective Bargaining Act* on January 1, 2020, will continue to be covered under the Code's statutory holiday and vacation provisions. Teachers who are covered by a collective agreement or an employment agreement that includes specific entitlements to

statutory holiday pay or vacation pay or both under the Code will also continue to be covered under the Code's requirements to the extent that the contract or agreement provides for the specific entitlements until the collective agreement or employment contract expires. If an employment contract does not have an expiry date, the teachers will be excluded from the Code's statutory holiday and vacation requirements as of January 1, 2022.

The amendments will also clarify that, effective January 1, 2020, amateur athletes taking part in activities directly or indirectly related to their athletic endeavours are not employees under the Code. The term "amateur athletes" refers to athletes who are registered players or registered participants with or members of an amateur athletic association, an amateur sports league, or a development sports league, including players on a Western Hockey League team

### **2020 Reminder: B.C. MSP Premiums to be Eliminated**

Just a reminder...Effective January 1, 2020, the provincial government will eliminate premiums for the province's Medical Services Plan (MSP).

Last spring, B.C.'s legislature passed legislation to abolish MSP premiums in 2020. Individuals and employers who pay premiums on behalf of their employees are still required to remit premiums owing up to the end of 2019. Any outstanding amounts for premiums due before January 1, 2020 must still be paid.

### **B.C. Government Releases Piece-work Study**

A recently released study of the province's piece-work system for paying agricultural workers recommends that the government re-examine the piece rate system, focusing on whether piece rates are still relevant and whether they reflect current practices.

The study, by University of British Columbia agricultural economist Karen Taylor, is the first B.C.-specific review of how piece rates have been used in the province. It provides an economic analysis of the 15 agricultural crops harvested under the province's piece rate system. Under the system, which has been in place since 1981, workers are paid a government-mandated minimum rate per piece picked rather than a minimum hourly wage rate.

The Ministry of Labour retained Taylor in July 2018 to study the system after a report from the province's Fair Wages Commission showed that there were significant gaps in information on the sector. While Taylor completed the report in January 2019, the government did not release it until this month.

"Piece rates do not match optimal productivity levels and should be further studied to set appropriate rates. The current piece rates represent the latest in a series of proportional increases to the rates first set in 1981. There has been no adjustment for the new agricultural practices developed and adopted in the almost three decades since," said the study report.

“Are piece rates still relevant? For example, peaches and apricots are a sensitive tender fruit, and their harvest is currently paid per hour. Perhaps there is no longer a need to have regulated piece rates for these crops,” it said. “There have been changes to varieties in the berry, cherry, and apple industries over the past decade. The piece rate has not been adapted to represent changes to the fields and orchards that have been made.”

For the study, Taylor contacted 31 growers, 17 industry experts, and 216 harvest workers between September and December 2018. The following findings are among those set out in the study’s report:

- 90% of the growers said they wanted the government to continue setting minimum piece rates. However, all of the growers surveyed said any increases to piece rates or changes to the piecework system should occur gradually, with the government seeking input from industry representatives and giving growers advance notice of rate changes.
- Growers use piece rates as an incentive for workers. A number of growers pay their workers more than the minimum piece rates, with some paying a combination of hourly wage and piece rates.
- 94% of 178 harvest workers who completed an online survey said they preferred being paid by piece rate, with 53% saying they would earn less if they were paid minimum wage instead of a piece work rate. In addition, 87% said they would stop being a harvest worker if they were only paid minimum wage.
- Some workers paid by piece rate earn less than the minimum wage. Taylor said this was especially true in blueberry picking, where all of the workers surveyed earned less than minimum wage.
- Setting the minimum wage as a floor for compensation would affect employment and mechanization in the industry, especially in the Lower Mainland. For instance, the study said “(b)erry growers surveyed claimed that two-thirds of their existing labour force would not be hireable if they are required to pay the harvest workers the minimum hourly wage, and that they would need to increase harvest mechanization significantly.”

The report also recommended that workers’ hours be recorded on picker cards with one picker per card and that the cards be provided in triplicate to the grower, harvest worker, and labour contractor, if applicable. “This would facilitate the determination of how much harvest workers earn per hour,” the study said.

In addition, it suggested that better record-keeping methods be put in place and that audits and inspections be carried out without notice.

The labour ministry said it is reviewing the report, along with the Ministry of Agriculture, and will use the report to help determine whether to increase or change the piece rates. The government last raised the piece rates on January 1, 2019.

We will continue to monitor this story and will report on further developments in upcoming releases.

## **Manitoba Expands Domestic Violence Leave Rules**

Recently passed amendments to Manitoba's *Employment Standards Code* extend time-off work protections to all survivors of sexual violence, regardless of whether they are in a domestic relationship with the person responsible for the violence.

The amendments were included in Bill 7, *The Employment Standards Code Amendment Act (Leave for Victims of Interpersonal Violence)*, which was tabled in the provincial legislature on November 25, 2019. The bill received royal assent on December 5, 2019 and came into force that day. The amendments allow eligible employees to take time off work for interpersonal violence leave if they experience domestic violence, stalking, or sexual violence. Previously, the leave was only available to victims of domestic violence. The amendments also allow employees to take the leave to help their child or other dependant if they experience or are exposed to interpersonal violence.

To be eligible for the leave, employees continue to have to be employed by their employer for at least 90 days. The leave continues to consist of up to 10 consecutive or intermittent days off work and up to 17 continuous weeks off for the purposes of seeking medical attention, obtaining victims' services, obtaining professional counselling, seeking legal assistance, or relocating. Employers continue to be required to pay employees for up to five days of the leave, provided that the employee notifies the employer of which days off are to be paid days.

The government said the changes align the rules in Manitoba with those in a number of other provinces. Manitoba was the first jurisdiction in Canada to include provisions for domestic violence leave in its employment standards legislation when it added them in 2016.

## **Manitoba Sunday Work Protections Moving to *Employment Standards Code***

The Manitoba government is proposing to repeal provincial legislation that governs when retail businesses must close for holidays and give local governments authority over the issue.

As part of the change, it proposes to amend *The Employment Standards Code* to ensure that retail workers continue to have the right to refuse to work on Sundays. That right is currently provided through *The Retail Businesses Holiday Closing Act*.

The amendments are included in Bill 2, *The Retail Business Hours of Operation Act (Various Acts Amended or Repealed)*, which received first reading in the provincial legislature on November 22, 2019. The amendments would stipulate that, subject to regulations under the Code, employees in retail businesses may refuse to work on a Sunday if they give their employer at least 14 days' notice before the Sunday. If the employee was scheduled to work less than 14 days before the Sunday, the employee would have to give the employer as much notice as is reasonable and practicable in the circumstances.

Employers would continue to be prohibited from laying off or terminating an employee's employment or changing their working conditions or wage rate because they refused to work on a Sunday after giving the required notice.

### **Manitoba Proposes “Significant Changes” to Workers’ Compensation**

The Manitoba government is proposing to make “significant changes” to workers’ compensation, Finance Minister Scott Fielding announced when he tabled amendments to *The Workers Compensation Act* in late November.

Bill 21, *The Workers Compensation Amendment Act*, which received first reading on November 28, 2019, would implement changes affecting coverage, compensation, administration, governance, and enforcement. The following payroll-related proposals are among the amendments included in the bill:

Fielding said the bill would implement a number of recommendations from a 2016-2017 review by the province’s Legislative Review Committee.

“The bill implements the majority of recommendations from the legislative changes made by the Legislative Review Committee. It also introduces several changes to the corporate governance structure of the Workers Compensation Board that are designed to increase its financial and operation independence from government,” he said.

### **New N.B. Rules Allow for Seizure of Employment Income**

Recently implemented legislation in the province allows for employees’ wages to be seized under payment orders if they owe money to creditors. Previously, employees’ wages could only be garnished to enforce a payment of family support.

On December 1, 2019, the government brought into force the *Enforcement of Money Judgments Act*, which includes employment income among the property that can be seized when an individual owes amounts to a creditor. The legislation received royal assent in 2013, but was not implemented until December 2019.

Under the new rules, employers who receive payment orders from a sheriff under the Act must deduct the amount of money specified in the order and send it to the sheriff. Employers who fail to comply with the requirements set out in the order will become liable for any loss it causes the creditor. The Act prohibits employers from dismissing, suspending, laying off, penalizing, disciplining, or discriminating against an employee for a reason related to a payment order.

The new legislation does not affect payment orders for family support. They continue to be governed by the *Support Orders Enforcement Act*.

## **N.B. Bill Proposes Workers' Compensation Changes**

The New Brunswick government is proposing changes to the rules for re-employing workers who suffer a workplace accident and to the penalties levied against employers who contravene provisions in the *Workers' Compensation Act*.

The amendments are included in Bill 27, *An Act to Amend the Workers' Compensation Act*, which received first reading on November 28, 2019. The following are among the amendments set out in the bill:

- Employers would continue to be prohibited from dismissing or otherwise penalizing employees who suffer a workplace injury for which they are entitled to apply for workers' compensation. The bill proposes that this obligation apply until the later of the date that the Workplace Health, Safety and Compensation Commission ruled on the employee's application for compensation and either one or two years after the employee was entitled to compensation, depending on the number of employees working for the employer. The one-year timeframe would be for employers with fewer than 20 workers, while the two-year period would apply to employers with 20 or more employees.
- Employers would be required to re-employ injured workers once the commission determined that the employees were medically able to perform the essential duties of their pre-injury job or do suitable work. The phrase "medically able to perform the essential duties" is not part of the current legislation. Suitable work would take into account an employee's functional abilities. Employees who were medically able to carry out the essential duties of their pre-injury job would have to be reinstated in that position or in another job that was comparable in nature and earnings. Employees who could only do suitable work would have to be offered suitable work to the extent that it did not cause the employer undue hardship.
- The re-employment obligation would apply only to employees who have worked for their employer for at least 12 continuous months on the date of the workplace injury. The Act currently limits the obligation to employees who have worked for their employer for at least one year. The obligation would last for one year after the date the worker was entitled to compensation if the employer employed fewer than 20 workers at the beginning of that period. (The one-year obligation now applies to employers with more than 10, but fewer than 20 workers.) For employers with 20 or more employees, the duty to re-employ would continue to apply for two years.
- Employers who dismissed workers within six months after re-employing them or within six months after they stopped receiving workers' compensation would not have met their re-employment obligations unless they could show that the dismissal was not related to the workplace injury.
- The commission would be authorized to levy administrative penalties against employers who contravened provisions in the Act, such as deducting workers' compensation assessments from employees, failing to file an annual return, or failing to keep proper records of wages paid. The penalty would be up to \$500 for a first conviction, up to \$2,000 for a second one, and a maximum of \$10,000 for a third or subsequent conviction. In addition, employers who failed to comply with

the duty-to-re-employ obligations could face a penalty equal to the worker's average net earnings for the 12 months immediately before the injury.

### **Newfoundland and Labrador Parental Leave Changes in Effect**

The Newfoundland and Labrador government recently implemented amendments to the province's labour standards law that remove a requirement for employees to begin parental leave no more than 35 weeks after the day their child is born or comes into their care and custody for the first time.

Instead, effective December 6, 2019, parental leave now ends either 61 weeks after it began or 96 weeks after the day the child is born or comes into the employee's care and custody for the first time, whichever is earlier. Employees continue to be allowed to end the leave earlier if they give their employer at least four weeks' written notice.

The changes were included in Bill 8, *An Act to Amend the Labour Standards Act*, which received royal assent on December 6, 2019.

The government said the changes align the *Labour Standards Act* with federal legislative changes that introduced an Employment Insurance Parental Sharing Benefit on March 17, 2019.

### **New N.W.T. Employment Standards Rules in Force Jan. 1**

On January 1, 2020, the Northwest Territories government will implement recently passed amendments to the territorial *Employment Standards Act*, including adding new leaves and extending others.

The changes were part of Bill 57, *An Act to Amend the Employment Standards Act*, which *received royal assent on August 23, 2019*. Among the changes to be implemented:

- **Parental Leave:** The maximum period of parental leave will increase from 37 weeks to 61 weeks. If employees share parental leave, the maximum period of leave for the same birth or adoption will be 69 weeks. The period within which employees must complete parental leave will be extended from one year after the birth or adoption to 78 weeks afterwards if one employee is taking the leave and 86 weeks if more than one employee takes the leave for the same birth or adoption. Combined pregnancy and parental leave for employees sharing leave will be a maximum of 86 weeks.
- **Compassionate Leave:** The maximum period for compassionate leave will increase from eight weeks to 27 weeks. The period within which employees must complete the leave will be extended from 26 weeks after it begins to 52 weeks afterwards.
- **Family Caregiver Leave:** A new Family Caregiver Leave will allow eligible employees to take unpaid time off work to provide care or support to a critically ill family member. The period of leave will be up to 37 weeks if the family



- member is a child under 18 years of age and up to 17 weeks if the family member is an adult. To be eligible for the leave, employees will have to work for their employer for at least six consecutive months. Employees will be allowed to take the leave in separate periods as long as each period lasts at least one week.
- **Family Violence Leave:** A new Family Violence Leave will allow eligible employees to take time off work for specific purposes if they or their child experiences family violence. Employees will be allowed to take the leave for the following purposes related to the violence: to seek medical care; to obtain services from a victim services organization; to obtain psychological or other professional counselling; to temporarily or permanently relocate; to seek legal or law enforcement assistance; and for other reasons that may be listed in regulations. The period of leave will be up to 10 days and up to 15 weeks. While the 15-week leave will be unpaid, employers will have pay employees for the first five of the 10 days of leave. To be eligible for the unpaid leave, employees will have to work for their employer for at least one month. For the paid leave, the eligibility period will be a minimum of three consecutive months. For the paid time off, employees will be entitled to the wages they would have earned had they not taken the time off. If their work hours or wages vary from day to day, employees will be entitled to their daily wages based on an average of their daily wages for the four weeks that they worked right before taking the leave. Employees will not be entitled to more than their regular rate for the time off if a paid day of leave falls on a day or at a time when overtime pay is payable to them. Employees will be allowed to take the 15-week leave in separate periods as long as each period lasts at least one week. Employers will have to keep records related to the leave confidential unless the employee consents to disclosure or disclosure is necessary for an employee, consultant, or agent of the employer to do their job or is required by law.
  - **Youth Employment:** The amended Act will specify which occupations are prohibited for employees under 17 years of age. They will include: construction sites; production processes at pulp mills, saw mills, woodworking establishments, smelters, foundries, refineries or metal processing or fabricating operations; confined spaces; forestry or logging operations; operating powered mobile equipment, cranes or hoists; where they would be exposed to chemical or biological substances likely to endanger them; power line construction or maintenance, and domestic worker.

The amendments will also add new definitions of “care” and “support” to the *Employment Standards Act* for compassionate leave and family caregiver leave to clarify that care and support do not need to be medical care provided by a medical professional but can include psychological or emotional care or support.

The N.W.T. government said the amendments will better align the Act’s leave provisions with Employment Insurance benefits.

**Reminder: New Ontario WSIB Rate-setting Model coming in 2020**

Just a reminder... Effective January 1, 2020, the province's Workplace Safety and Insurance Board (WSIB) will change the way it classifies employers and sets their premium rates.

Under a new Rate Framework, the board will switch from its current classification method, which divided employers into more than 150 rate-setting groups, to using a model adapted from the North American Industry Classification System (NAICS), which categorizes employers into 34 classes/subclasses, based on their business activity. Businesses with more than one business activity are grouped based on their predominant business activity (i.e., the one with the highest amount of insurable earnings). In some cases, the WSIB may assign businesses with multiple business activities more than one premium rate.

The WSIB said moving to NAICS makes it easier for employers to understand how their business is categorized for rate setting.

Under the new Rate Framework, the board will use a two-step process to set premium rates. First, it will set an average premium rate for each industry class, based on the class' risk profile and its share of responsibility for maintaining the board's insurance fund. Next, to set an individual employer's rate, the WSIB will compare the employer's claims history to other employers in the same class. The board will take into account insurable earnings, claims costs, and the number of claims allowed over a six-year period. For 2020 premium rates, the board will use the period 2013 to 2018.

In setting the 2020 premium rates, the WSIB will determine a "starting point" rate for each employer, based on its 2019 rate group under the old rate-setting model. If, in previous years, an employer took part in the board's experience rating programs (e.g., MAP, CAD-7, NEER, the employer's starting point will also include any experience rating adjustments between 2016 and 2018.

The WSIB will also provide each employer with a projected premium rate, which shows where its premium rates are headed in the future if there is no change to the employer's individual or class claims experience. If an employer has a projected rate decrease, the board will move it down to its projected risk band right away. If there is a projected rate increase, the board will phase it in over three years, from 2020 to 2022.

Risk bands are hierarchical divisions within each rate class that represent a level of risk compared to the risk profile for the class. The WSIB assigns a rate to each risk band that is either above or below the class rate, with the rate difference between each band being approximately 5%.

Beginning with 2021 rate setting, employers with projected premium rate increases will move up a maximum of one risk band from their 2020 risk band, while those with a projected decrease will move down to their projected risk band. In 2022, employers with a projected increase will move up a maximum of two risk bands over their 2021 risk band, while those with projected decreases will move down to their projected risk band right away.

Beginning in 2023, employers with projected premium rate hikes will see their rate increase up to three risk bands a year until they reach their projected premium rate. For employers with projected premium rate decreases, the board will reduce rates up to three risk bands a year until they reach their projected premium rate.

With the new rate-setting model, the WSIB will eliminate its experience rating programs. The board will issue final statements for NEER next November, with final rebates being sent in January 2021 and final surcharges by December 31, 2020. For CAD-7, the board will issue final statements in September 2020, with final surcharges on October 31, 2020 and final rebates coming in November 2020. For MAP, the board issued final statements last December and provided final rebates/surcharges this year.

### **P.E.I. Amendments Broaden Domestic Violence Leave**

Recently passed amendments to the province's *Employment Standards Act* allow eligible employees covered by a collective agreement to take domestic violence leave if they need it.

The amendments were included in Bill 109, *An Act to Amend the Employment Standards Act (No. 2)*, which was tabled in the provincial legislature on November 12, 2019. The bill received royal assent and came into force on November 28, 2019.

Employees whose terms and conditions of work are set by collective agreement are only covered under specified provisions in the *Employment Standards Act*. The amendments ensure that the Act's domestic violence leave provisions apply to them. On November 1, 2019, the government implemented new rules allowing eligible employees to take time off work for domestic violence, intimate partner violence, and sexual violence leave.

### **Revenu Québec Revises Deduction Codes**

Effective January 1, 2020, Revenu Québec will implement a new method for setting its source deduction codes and the change may affect employees whose deduction code in 2019 is a code other than "A".

The codes, which employers use to determine income tax source deductions, are based on amounts employees claim on a *Source Deductions Return* (TP-1015.3-V).

Under the change, the range of amounts that apply for each code will be no more than \$1,000. Currently, the intervals between the amounts are as much as \$4,000. For instance, the range for claim code "D" is \$17,533 - \$18,532 for 2020, compared to \$20,001 - \$24,000 in 2019. (The amounts are indexed annually.)

Revenu Quebec said it was making the change to reduce the gap between the income tax source deductions employers take based on amounts employees enter on a *Source*

*Deductions Return* and the amount of income tax individuals owe based on the tax credits they report on their personal income tax return.

As a result of the change, Revenu Québec is advising employers that, for 2020, they may have to change an employee's code so that the total amount of the personal tax credits claimed on their *Source Deductions Return* corresponds to the code that applies in 2020. Alternatively, employers may ask affected employees to complete a 2020 *Source Deductions Return*.

### **Quebec Bonus Method Threshold Increasing for 2020**

The threshold for determining whether to use the “bonus method” to calculate income tax source deductions on bonuses and retroactive pay will increase from \$15,269 to \$15,532 for 2020, Revenu Québec has announced.

If the employee's total annual remuneration (including the bonus or retroactive payment) for 2020 will be no more than \$15,532, calculate the provincial income tax deduction on the bonus or retroactive pay at 8% rather than using the bonus method. For more information on the bonus method, please see 8.4.1 Bonuses, Incentives, and Awards.

### **New RL-1 Reporting Requirements for Certain Self-Employed Building Services Workers**

Next year, Revenu Québec will require organizations to report fees and other amounts paid to self-employed building services workers for work performed inside or outside a public building on an RL-1 even if they do not withhold provincial income tax on the payments.

The change, which only affects work and public buildings defined in the *Decree respecting building service employees in the Québec region* and the *Decree respecting building service employees in the Montréal region*, will apply to RL-1 slips filed for 2020 and later tax years.

The payments are reported in box (O), using code RD.

In other situations, organizations will only need to report fees and other amounts paid to self-employed workers in box (O) if they deduct provincial income tax from the payments.

### **Quebec Bill Proposes QPIP and Labour Standards Changes**

The Quebec government has tabled legislation that would increase the number of weeks of benefits under the Quebec Parental Insurance Plan (QPIP) in certain situations and extend the period in which employees may take some job-protected leaves.

The amendments are included in Bill 51, *An Act mainly to improve the flexibility of the parental insurance plan in order to promote family-work balance*, which received first reading on November 28, 2019. Among the amendments in the bill are the following proposed changes to the *Act respecting parental insurance*:

- Individuals who receive adoption benefits would be eligible for 32 weeks of benefits, which both parents would share, plus five additional weeks for each parent's exclusive use. In the case of multiple adoptions at the same time, each parent would be eligible for an extra five weeks of benefits. If the adoption took place outside of Quebec, each parent would also be eligible for an extra five weeks each. Currently, the government provides a maximum of 37 weeks of adoption benefits.
- Individuals who receive parental benefits would continue to be eligible for 32 weeks of benefits, however, if there were multiple births from a single pregnancy, each parent would be entitled to an additional five weeks of parental benefits for their exclusive use.
- Parents who share parental or adoption benefits would be entitled to receive an extra four weeks of shared benefits if they each took at least 10 weeks of leave. This would apply where parents opt for benefits to be paid at a rate of 55% of average weekly earnings. For those opting for benefits paid at 75% for a shorter period, the amendments would allow for an extra three weeks of shareable benefits if each parent received at least eight weeks of shareable benefits.
- The period in which individuals could receive maternity benefits would be extended from 18 weeks after the week of delivery to 20 weeks afterwards (with a longer period if the child hospitalized)

The bill proposes to make the following changes to the *Act respecting labour standards*:

- The period for taking maternity leave would be extended from 18 weeks after the week of delivery to 20 weeks afterwards.
- The period for taking paternity leave would be extended from 52 weeks after the week of the birth to 78 weeks afterwards.
- The period for taking parental leave would be extended from 70 weeks after the birth or adoption to 78 weeks afterwards.

Many of the changes would apply beginning with births or adoptions where the child comes into the parent's care on or after January 1, 2021.

### **Saskatchewan Bill Proposes to Extend Parental Leave**

The Legislative Assembly of Saskatchewan is considering amendments to the province's employment standards legislation that would increase the amount of parental leave employees may take.

Bill 200, *An Act to amend the Saskatchewan Employment Act*, which was tabled on November 27, 2019, would increase parental leave from 63 weeks to 71 weeks. The government said the change would allow employees who are entitled to shared parental benefits under Employment Insurance to have job protection while accessing the benefits.

Parental leave would remain a maximum of 59 weeks for employees who have taken maternity or adoption leave.

The bill would also extend the period in which employees must take parental leave from 78 weeks after the birth or adoption of a child to 86 weeks afterwards if two employees are taking the leave for the same child. If only one employee is taking the leave for the child, the period would remain 78 weeks.

Bill 200 also proposes to add First Nations Band Council to the list of reasons for which an employee may take time off work to be nominated, run, or serve in public office.

## **Payroll Q & A**

**Question:** One of our employees is turning 65 years old soon and plans to apply for a Canada/Quebec Pension Plan (C/QPP) retirement pension while continuing to work part-time. What do we do about the employee's C/QPP contributions once the employee is 65 and receiving a C/QPP pension? Do we stop them or do we continue deducting them (and paying the employer's share) since the employee is still working?

**Answer:** For the CPP, employers must continue to deduct contributions from an employee and pay the employer's share until the last pay dated in the month in which the employee turns 70 years old unless the employee is between 65 and 70 years of age and has submitted a CPT30 form to opt out of CPP contributions. These requirements apply even if the employee is receiving a C/QPP retirement pension. For more information on the CPT30 (*Election to Stop Contributing to the Canada Pension Plan, or Revocation of a Prior Election*) and opting out, see 5.2.2, Prorating C/QPP Maximum Annual Contribution.

For the QPP, employers must continue to take deductions and pay their share as long as the employee is working in pensionable employment, even if the employee is receiving a C/QPP retirement pension. Unlike the CPP, there is no age limit for stopping QPP contributions.

For more information on C/QPP contributions, see 5.1, Determining Eligibility for C/QPP Contributions.