Carswell Payroll Source Alert – December *2022 Issue*

Federal Government Consulting on ePayroll System to Modernize Payroll Reporting

In December, the Canada Revenue Agency (CRA) and Employment and Social Development Canada (ESDC) began consultations on creating a real-time electronic payroll system to modernize and simplify the way employers report payroll, employment, and demographic information to the federal government.

In a news release, the CRA said it plans to have the new ePayroll system up and running by March 2024. The agency is leading the project in partnership with ESDC and the Office of the Chief Information Officer (OCIO) in the Treasury Board of Canada Secretariat.

During the consultations, which run from December 6, 2022 to January 27, 2023, the CRA and ESDC said they want to gather information from employers, stakeholder groups, and payroll software and service providers on the challenges they face with payroll reporting and hear their ideas for improvements.

In its 2021 budget, the federal government announced that it would provide $43.9 million over three years for the creation of a real-time e-payroll solution that would reduce the administrative burden for employers. At present, employers must send the same or similar information to multiple government departments at different times, including T4s to the CRA and *Records of Employment* to ESDC. In addition, government requests for information are not always aligned to the data that employers have readily available in their payroll systems.

"Our vision for ePayroll in Canada is a service through which Canadian employers can securely send payroll, employment and demographic information to a protected Government of Canada repository. Government departments and agencies could then access the information when they need it for programs and services without having to go back to employers to ask for the information repeatedly," said the CRA.

The CRA also noted that having access to more accurate and up-to-date employment data through an ePayroll system would improve the speed and accuracy of government-delivered benefits and services to Canadians.

It also pointed out that the ePayroll solution would not be a payroll processing system and that employers could still select their own system or provided for payroll processing.

Employers who want to provide comments or participate in consultations should e-mail the government at
ePayrollCWG-PaieelectroniqueGTC@cra-arc.gc.ca.

For more information on the ePayroll project, please see
https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-

cra/epayroll-project.html.

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

Reminder: Changes to Personal Income Tax Rates and Income Brackets for Jan. 1

Just a reminder…New Brunswick is the only Canadian jurisdiction, to date, that has announced changes to personal income tax rates for January 1, 2023.

The New Brunswick government has tabled legislation that would reduce personal income tax rates, beginning January 1, 2023. Bill 10, *An Act to Amend the New Brunswick Income Tax Act*, proposes to:

- reduce the tax rate for second income bracket ($47,715.01 - $95,431.00) from 14.82% to 14%;
- reduce the tax rate for third income bracket ($95,431.01 - $176,756.00) from 16.52% to 16%;
- eliminate the fourth income bracket, which currently has a tax rate of 17.84%; and
- reduce the highest income tax bracket ($176,756.01 and over) from 20.3% to 19.5%.

The new income brackets would be indexed and adjusted annually after 2023.

Other provinces, the territories and the federal government are expected to start the year with the same rates that apply in 2022, although in most jurisdictions the income brackets will change due to indexation. The Canada Revenue Agency (CRA) has published the updated income thresholds in the Jan. 1, 2023 edition of its *Payroll Deductions Formulas* (T4127), available at https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/t4127-payroll-deductions-formulas-computer-programs.html.

The Alberta government plans to resume annual indexing of the province's personal income tax system. In 2019, the government temporarily halted indexation until the province's economic and fiscal conditions improved. Late last summer, the government announced that indexation would resume, retroactive to 2022, with changes implemented January 1, 2023. The December 2022 *Report* incorrectly stated that indexation would remain suspended. We apologize for the error and any confusion it may have caused. The return to indexation affects provincial taxable income brackets and personal amounts claimed on an *Alberta Personal Tax Credits Return* (TD1AB).

Reminder: Employers Required to Deduct Enhanced C/QPP Contributions to Calculate Income Tax Deductions

Just a reminder... Effective January 1, 2023, employers will have to deduct enhanced C/QPP contributions from employees' remuneration before calculating income tax deductions each pay period.

Enhanced C/QPP contributions are the additional contributions that employers and employees must pay beyond the base contribution rate of 4.95% (CPP)/5.4% (QPP) to help increase C/QPP retirement benefits. The federal and Quebec governments are implementing the enhancement in two phases. The first phase, from 2019 to 2023, involves gradually raising the contribution rate by 1% to 5.95% (CPP)/6.4% (QPP) for earnings up to the yearly maximum pensionable earnings (YMPE).

In the second phase, beginning in 2024, the governments will implement a second additional contribution rate of 4% each for employers and employees on pensionable earnings between the YMPE and a new upper earnings limit. In 2024, the new upper earnings limit will be 107% of the YMPE. In 2025, it will rise to 114% of the YMPE.

Employers will have to include the enhanced contribution in the list of amounts they deduct from an employee's income before determining income tax source deductions. They will also have to separate C/QPP contributions into base contributions and enhanced contributions. This is because the CRA treats the two contributions differently. The base contributions entitle employees to a 15% federal tax credit, which reduces the amount of tax payable. The enhanced contributions give rise to a tax deduction, which reduces employees' taxable income.

For more information on the federal changes, see the *Payroll Deductions Formulas* (T4127), available at https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/t4127-payroll-deductions-formulas-computer-programs.html

Revenu Québec has implemented similar changes for calculating Quebec provincial income tax deductions. For more information, see https://www.revenuquebec.ca/en/press-room/tax-news/details/2022-08-11/harmonization-with-the-regulations-amending-the-income-tax-regulations-as-regards-additional-cpp-and-qpp-contributions/.

Reminder: Changes to TD1s for 2023

Just a reminder…The CRA has updated TD1 forms and worksheets to incorporate changes for 2023.

The basic personal amount that employees can claim on a federal TD1 (*Personal Tax Credits Return*) will rise from $14,398 to $15,000 for individuals whose annual net income is less than or equal to the amount at which the 29% tax bracket begins. In 2022, the 29% tax bracket started at $155,625.01. Tax brackets are indexed and are adjusted annually.

While all employees will be able to claim a basic personal amount of $15,000, those with net incomes higher than the 29% tax bracket threshold may owe additional income tax when filing their annual tax return. Alternatively, individuals with a net income over the 29% tax bracket threshold will be able to claim a partial amount on the TD1-WS, *Worksheet for the 2023 Personal Tax Credits Return*.

The government will also make similar adjustments to the maximum spouse or commonlaw partner amount and the maximum amount for an eligible dependant.

Similar changes will apply for the TD1YT for employees in Yukon.

The basic personal amount that employees in Prince Edward Island can claim on a TD1PE will rise from $11,250 to $12,000 on January 1, 2023. The maximum spouse and equivalent-to-spouse amounts will rise from $9,555 to $10,192.

In most other jurisdictions, the amounts claimed on provincial/territorial TD1 forms will be adjusted due to the indexing of provincial personal income systems.

2023 Ceilings for Housing Benefits Announced

The Canada Revenue Agency has announced the 2023 ceilings for housing benefits that employers provide to employees in prescribed zones without a developed rental market.

The changes reflect an increase in the shelter portion of the consumer price index.
For 2023, employers should use the following allowable ceiling amounts to determine the maximum value of housing benefits for employees in prescribed zones without a developed rental market:

For common shelter:	$227/month ($213 in 2022)
For an apartment or a duplex:	$612/month for rent only ($575 in 2022)
	$297/month for utilities only ($279 in 2022)
	$910/month for rent and utilities ($855 in 2022)
For a house or a trailer:	$1,024/month for rent only ($962 in 2022)
	$452/month for utilities only ($425 in 2022)
	$1,476/month for rent and utilities ($1,387in 2022)

For a listing of communities that qualify as prescribed zones, see https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-25500-northern-residents-deductions/line-25500-places-located-prescribed-zones.html.

Federal Government Increases CLC Unpaid Medical Leave to 27 Weeks

Effective December 18, 2022, the federal government implemented amendments to the *Canada Labour Code* that increased the maximum length of unpaid medical leave for federally regulated private-sector workers from 17 weeks to 27 weeks.

The changes align with amendments to the *Employment Insurance Act* (EIA), that extended the number of weeks of EI sickness benefits from 15 weeks to 26 weeks for new EI claims established on or after December 18, 2022.

The amendments to the Code and the EIA were included in Bill C-30, the *Budget Implementation Act, 2021, No. 1*, which received royal assent on June 29, 2021.

Other amendments to the Code that came into force on December 18, 2022 added quarantine to the list of reasons for which an employee may take an unpaid medical leave and repealed a separate 16-week leave for quarantine.

In announcing the changes, the federal government said the increase in EI sickness benefits would not immediately affect eligibility requirements for reduced employer EI premiums under the Premium Reduction Program. One of the qualifying criteria for the program is that employers provide a short-term disability plan that pay benefits for a minimum of 15 weeks. The government is currently studying feedback it received from EI consultations held in 2021 and 2022 and said any amendments to the Premium Reduction Program would not occur until it completed the review.

Reminder: New CLC Paid Medical Leave Standards in Force Dec. 1

Effective December 1, 2022, the federal government implemented amendments to the *Canada Labour Code* and its regulations that allow for paid medical leave for employees in federally regulated private-sector workplaces.

Note: The new provisions apply to all federally regulated employers, not just those with 100 or more employees. We reported in the December 2022 Report that they only applied to federally regulated workplaces with at least 100 employees; however, the federal government has clarified that it has no plans to implement an amendment to the Code passed last June that would have limited the paid leave to workplaces with 100 or more workers. As a result, all employees covered under Part III of the Code will be able to earn the paid days of leave, regardless of the number of employees that an employer employs.

Under the new provisions, federally regulated workplaces must comply with the following minimum standards for paid medical leave:

- Employees are entitled to three days of paid medical leave after they complete 30 days of continuous employment with their employer. After the 30-day period, the workers earn one day of paid medical leave at the beginning of each month after completing one month of continuous employment, to a maximum of 10 days in a calendar year.
- Employees may take paid medical leave for a personal illness or injury, medical appointments during work hours, to donate an organ or tissue, or to quarantine.
- For each paid day of medical leave, employers must pay employees their regular wage rate for their normal work hours. For employees paid on a basis other than time (e.g., commissions), employers must use the same calculation that they utilize for statutory holiday pay and other paid leaves (i.e., regular rate of wages is the employee's average daily earnings, excluding overtime pay, for the 20 days the employee worked immediately before the first day of the paid medical leave, or an amount determined using another method that the employer and a trade union representing the employee agreed to under a collective agreement that is binding on the employer and the employee). The pay is considered wages under the Code.

- Any days employees do not take are carried forward to January 1 of the next calendar year; Each carried-over day will decrease by one the maximum number of days that the employee can earn in that calendar year.
- Employees do not have to take the days consecutively, but employers may require that each period of leave not be less than one day.
- For medical leaves of absence lasting five or more consecutive days, whether paid or unpaid, employers may require employees to provide a certificate issued by a health care practitioner certifying that the employee was unable to work during that time. Employers who want a certificate must put the request in writing no later than 15 days after the employee returns to work.
- For annual paid medical leave entitlements, employers may use a calendar year or the year that they use to calculate employees' annual vacation entitlement.
- In their records of earnings paid each payday, employers must include any amount paid for paid medical leave.
- Employers must keep the following records for each period of paid medical leave that an employee takes:
    - the start and end dates of the leave;
    - the year of employment for which the employee earned the leave;
    - the number of days of leave the employee carried over from a previous year;
    - a copy of any written request for a medical certificate that the employer made; and
    - a copy of any medical certificate the employee provided to the employer.
- Employers must include paid sick leave in an employee's hours worked during an averaging period.

With the new provisions coming into force on December 1, 2022, as of December 31, 2022, employees who have been continuously employed for at least 30 days will be entitled to their first three days of paid medical leave. As of February 1, 2023, they will be entitled to a fourth day and will continue to accumulate one day of paid medical leave per month, to a maximum of 10 days a year.

As a result of the new paid medical leave provisions coming into force, the federal government has removed "Personal illness or injury" from the list of reasons for which an employee may take a personal leave under the Code.

Reminder: Upcoming Statutory Holidays

Just a reminder... The following statutory holidays are upcoming:

- Sun. Dec. 25/22: All jurisdictions—Christmas
- Mon. Dec. 26/22: *Canada Labour Code* and Ontario—Boxing Day
- Sun. Jan. 1/23: All jurisdictions—New Year's Day
- Mon. Jan. 2/23: Quebec—bank holiday
- Mon. Feb. 20/23: Alberta, British Columbia, Manitoba (Louis Riel Day), New Brunswick, Nova Scotia (Heritage Day), Ontario, P.E.I. (Islander Day), and

Saskatchewan—Family Day (other names for the holiday shown in parentheses)

For information on entitlement to the holidays and how to compensate employees for them, please refer to the applicable jurisdiction in chapter 19, Statutory Holidays.

2023 Workers' Compensation Maximum Assessable/Insurable Earnings

The following workers' compensation bodies have announced their maximum assessable/insurable earnings for 2023:

Alberta: $102,100 (2022: $98,700)
British Columbia: $112,800 (2022: $108,400)
Manitoba: $153,380 (2022: $150,000)
New Brunswick: $74,800 (2022: $69,200)
Newfoundland and Labrador: $72,870 ($69,005)
Northwest Territories: $107,400 (2022: $102,200)
Nova Scotia: $69,800 (2022: $69,000)
Nunavut: $107,400 (2022: $102,200)
Ontario: $110,000 (2022: $100,422)
Prince Edward Island: $65,000 (2022: $58,300)
Quebec: $91,000 (2022: $88,000)
Saskatchewan: $96,945 (2022: $94,440)
Yukon: $98,093 (2022: $94,320)

Reminder: B.C. to Impose New Age Restrictions on certain Jobs in Jan.

Just a reminder… Effective January 1, 2023, the British Columbia government will implement legislative and regulatory amendments that set a minimum age for certain types of work considered too hazardous for young people.

Employees will have to be at least 18 years of age to do the following types of work:

- tree falling and logging;
- operating a chainsaw;
- certain types of work in a processing facility that processes fish, poultry or other animals;
- drilling and well servicing in the oil and gas industry;
- powerline construction work or maintenance where there are possible electrical hazards;
- work in a production process at a paper, pulp, shake, shingle or saw mill;
- work in a production process at a foundry, metal processing or metal fabrication operation, refinery or smelter;
- work in a confined space or in underground workings;
- work that involves exposure to harmful levels of radiation;
- work in a silica process or where the employee could be exposed to silica dust;
- work where a worker could be exposed to possibly harmful levels of asbestos; and

- work where a worker is or might be exposed to hazardous levels of air contaminants.

Employees will have to be at least 16 years of age to do the following types of work:
- construction work;
- silviculture activities;
- forest fighting; and
- work that requires working from height that requires a fall protection system.

The new restrictions will not apply to trainees or apprentices that SkilledTradesBC oversees. The new age limits will also not apply to employees hired before January 1, 2023 if their position and duties stay the same after that date and if they will reach the applicable minimum age by April 1, 2023.

For more information on the changes, please see https://www.bclaws.gov.bc.ca/civix/document/id/oic/oic_cur/0512_2022.

Reminder: B.C. Minimum Piece Rates for Farm Workers Rising Jan. 1

Just a reminder…Effective January 1, 2023, the British Columbia government will raise the minimum piece rates for farm workers who hand-harvest certain crops.

The rates will be set at the following amounts due to indexation:
- apples: $21.65/bin (currently $21.06)
- apricots: $24.91/1/2 bin (currently $24.23)
- beans: $0.297/lb or $0.655/kg (currently $0.289/lb or $0.637/kg)
- blueberries: $0.502/lb or $1.107/kg (currently $0.488/lb or $1.077/kg)
- Brussels sprouts: $0.207/lb or $0.456/kg (currently $0.201/lb or $0.443/kg)
- cherries: $0.285/lb or $0.628/kg (currently $0.277/lb or $0.610/kg)
- daffodils: $0.174/bunch (10 stems) (currently $0.169)
- grapes: $23.01/1/2 bin (currently $22.38)
- mushrooms: $0.298/lb or $0.657/kg (currently $0.290/lb or $0.639/kg)
- peaches: $23.01/1/2 bin (currently $22.38)
- pears: $24.38/bin (currently $23.72)
- peas: $0.370/lb or $0.816/kg (currently $0.360/lb or $0.794/kg)
- prune plums: $24.38/1/2 bin (currently $23.72)
- raspberries: $0.452/lb or $0.996/kg (currently $0.440/lb or $0.971/kg)
- strawberries: $0.436/lb or $0.961/kg (currently $0.424/lb or $0.934/kg)

** Note: Piece rates for hand-harvested crops include 4% vacation pay, with the exception of daffodils, which require vacation pay to be paid on top of the piece rate.*

Reminder: Manitoba Payroll Tax Thresholds to Rise

Just a reminder…Effective January 1, 2023, the Manitoba government will raise the thresholds that apply to the province's Health and Post-Secondary Education Tax Levy next year.

The threshold for registering for the levy will rise from $1.75 million of annual remuneration to $2 million. Employers with an annual payroll between $2 million and $4 million will pay the tax at a rate of 4.3% of accumulated payroll exceeding $2 million. Currently, this rate applies to employers with an annual payroll between $1.75 million and $3.5 million.

Employers with an annual payroll of more than $4 million will pay the tax at a rate of 2.15% of monthly payroll. Currently, the 2.15% rate applies to employers whose annual payroll is more than $3.5 million.

Manitoba Minimum Wage Rising on Apr. 1

The Legislative Assembly of Manitoba has passed legislation that will raise the province's minimum wage rate to $14.15 an hour on April 1, 2023.

The rate change was included in Bill 4, *The Minimum Wage Adjustment Act, 2022 (Employment Standards Code Amended)*, which received royal assent on December 1, 2022.

In a news release, Labour, Consumer Protection and Government Services Minister Reg Helwer said the increase was part of the government's plan to raise the minimum wage rate to $15 on October 1, 2023.

"This phased-in approach to raising the minimum wage would help relieve some of the economic pressures on Manitoba workers while lessening the impact on small businesses' bottom lines as much as possible," Helwer said.

The government last raised the rate on October 1, 2022, increasing it from $11.95 to $13.50. Last summer, the provincial legislature passed amendments to *The Employment Standards Code* that allow the government to implement minimum wage increases above the rate of inflation when inflation, as measured by the Consumer Price Index (CPI), exceeds 5% in the first quarter of a calendar year.

Also on October 1, 2022, the government eliminated a separate minimum wage rate of $12.50 per hour for security guards. With the change, the general minimum wage rate now applies to security guards.

Reminder: N.S. to provide Leave for End of Pregnancy

Just a reminder…Effective January 1, 2023, employees covered under the Nova Scotia's *Labour Standards Act* will be entitled to take unpaid time off work if their pregnancy ends other than in a live birth.

The new standards were included in Bill 203, the *Labour Standards Code Act (amended)*, which received royal assent on November 9, 2022. Under the new provisions:

- Employees will be entitled to take up to five consecutive working days of leave without pay, at their option, if they experience an end of pregnancy. An end of pregnancy means a pregnancy that ends other than in a live birth.
- Employees will also be entitled to the five-day leave if their spouse experiences an end of pregnancy, or their former spouse does if the employee would have been the biological parent of the child. The leave will also be available to employees who would have become a parent of a child born to another person under an adoption or surrogacy agreement if the person had not experienced an end of pregnancy.
- Employees will be entitled to take up to 16 weeks of unpaid leave if they experience an end of pregnancy after the 19th week of their pregnancy.
- An employee who was already on pregnancy leave when the loss occurred will be entitled to the remainder of their pregnancy leave or, if they had already taken more than 10 weeks of pregnancy leave, up to an extra six weeks, beginning of the day that the end of pregnancy occurred. It will be up to the employee to choose.
- Employees who take the five-day leave may also take the 16-week leave for the same end of pregnancy if they take the leaves consecutively. Any of the days taken under the five-day leave will be subtracted from the amount of leave available for the 16-week leave. Employees who take the 16-week leave first will not be permitted to then take the five-day leave for the same end of pregnancy.

Sections in the Code covering provision of benefits, return to work, entitlement to other leaves, and confidentiality requirements for leaves will apply to these leaves.

Reminder: Some Business and IT Consultants No longer Covered under Ontario ESA

Just a reminder…Effective January 1, 2023, Ontario's *Employment Standards Act, 2000* will no longer apply to certain business and information technology (IT) consultants.

Amendments to the Act included in Bill 88, the *Working for Workers Act, 2022*, exclude business and IT consultants if the following conditions apply:

- The business or IT consultant provides services through a corporation for which the consultant is a director or a shareholder who is party to a unanimous shareholder agreement or the consultant provides services as a sole proprietor under a registered business bearing the consultant's name.
- The consultant's services are covered under an agreement that sets out when and how much the consultant will be paid. The amount paid will have to be expressed as an hourly rate set at at least $60 per hour (excluding bonuses, commissions, expenses and travelling allowances and benefits).
- The consultant is paid the amount stipulated in the agreement.

The Ministry of Labour may prescribe additional conditions in regulations under the Act.

P.E.I. Government Changes Emergency Leave Rules

Effective December 10, 2022, the provincial government implemented Emergency Leave Regulations to allow employees to use emergency leave for certain types of communicable diseases, including COVID-19

The government originally implemented the leave in 2020 in response to the COVID-19 pandemic to allow employees to take unpaid time off work if they could not work because they had to isolate or quarantine or were subject to a control measure (such as self-isolation), their employer directed them not work out of concern that they might expose others in the workplace to COVID-19, or they were out of the province and could not return because they were directly affected by travel restrictions.

With the province's Chief Public Health Officer recently ending a mandatory isolation requirement for COVID-19, the government made the regulations to allow employees to take emergency leave if they have been diagnosed with certain types of communicable diseases, including COVID-19 and influenza, and a medical practitioner or nurse practitioner has advised them to stay home from work. Employees may take the leave for the duration of their contagious period based on the advice of a medical professional.

The government also announced in early December that it would extend its COVID-19 Special Leave Fund until March 31, 2023.

The government uses the fund to reimburse employers without a paid sick leave program if they pay eligible employees who take time off work because they are sick with COVID-19, being tested for it, have to self-isolate, are being vaccinated against COVID-19, or have to care for their child or family member needing supervised care who cannot attend their school or regular care provider due to COVID-19. Self-employed workers are also eligible to apply to the fund.

Employers can apply to be reimbursed for up to five days of wages per week, per employee, to a maximum of 10 days per employee. The reimbursement is calculated on eligible wages paid to a maximum of $20 an hour or $160 per day. For more information on the fund, see https://www.princeedwardisland.ca/en/service/covid-19-special-leave-fund.

Reminder: PEI Minimum Wage Rate will Increase on Jan. 1

Just a reminder... On January 1, 2023, the Prince Edward Island government will raise the province's minimum wage rate from $13.70 an hour to $14.50. It will increase the rate again on October 1, 2023 to $15.

Quebec 2023 TP-1015.3-V Amounts Announced

The Quebec Finance Ministry has released the 2023 indexation changes to amounts claimed on the *Source Deductions Return* (TP-1015.3-V). Effective January 1, 2023, the following maximum amounts will apply:

Basic amount: $17,183
Amount transferred from one spouse to another: $17,183
Amount for other dependants who are 18 or over: $4,810
Amount for a child under 18 years who is enrolled in post-secondary studies (per term): $3,301
Amount for a severe and prolonged physical or mental impairment: $3,815
Amount for a person living alone: $1,969
Additional amount for a person living alone (single-parent family): $2,431
Amount with respect to age: $3,614
Amount for retirement income: $3,211
Reduction threshold used to calculate net family income: $38,945

The indexation factor for 2023 is 6.44%.

Quebec Bonus Method Threshold Increases for 2023

Effective January 1, 2023, the Quebec government will raise the threshold for determining whether to use the "bonus method" to calculate income tax source deductions on bonuses and retroactive pay increases from $16,143 to $17,183.

If an employee's total annual remuneration (including the bonus or retroactive payment) is no more than $17,183, employers must calculate the provincial income tax deduction on the bonus or retroactive pay at 8% rather than using the bonus method. If it is higher than $17,183, employers must use the bonus method. For more information on the bonus method, please see 8.4.1 Bonuses, Incentives, and Awards.

Quebec HSF Threshold Rises to $7.2 Million

Effective January 1, 2023, the threshold used to determine whether employers are eligible to pay reduced rates for the province's Health Services Fund (HSF) will rise from $7 million to $7.2 million.

The Quebec government has been gradually raising the threshold used to determine whether employers pay contributions to the fund at the full 4.26% rate or whether they are eligible for a reduced rate. For 2018, the threshold increased from $5 million to $5.5 million. For 2019 and 2020, it was $6 million. In 2021, the threshold was $6.5 million. In 2022, it is $7 million. Beginning in 2023, the government is indexing the threshold and automatically adjusting it each year.

HSF rates will remain unchanged from 2022.

Reminder: Quebec Labour Standards Levy Rate Rising for Previously Exempt Employers

Just a reminder…Effective January 1, 2023, the Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST) will raise the contribution rate for the province's labour standards levy from 0.02% to 0.03% for some previously exempt employers who became subject to the levy this year. The rate for other employers will remain 0.06%.

To the ease the transition to the new contribution requirement for the following employers, the CNESST is gradually phasing-in the contribution rate over three years, setting it 0.02% in 2022, 0.03% in 2023 and 0.05% in 2024:

- metropolitan communities;
- municipalities;
- public transit authorities;
- school service centres;
- school boards;
- the Comité de gestion de la taxe scolaire de l'île de Montréal;
- educational institutions;
- day care centres; and
- public institutions within the meaning of the *Act respecting health services and social services*.

Beginning in 2025, all employers subject to the levy will pay the levy at the same rate.

Yukon ESA Amendments Make National Day for Truth and Reconciliation a Statutory Holiday

In November, the Yukon Legislature passed amendments to the *Employment Standards Act* that make September 30 a statutory holiday for the National Day for Truth and Reconciliation.

The amendments were included in Bill 305, the *National Day for Truth and Reconciliation Act*. The private member's bill received assent on November 24, 2022. The bill came into force on assent.

Last fall, the Yukon government said it planned to table amendments in the spring of 2023 to make the day a holiday. With the passage of Bill 305, the National Day for Truth and Reconciliation statutory holiday will be observed on September 30 every year, beginning in 2023.

The federal government created a National Day for Truth and Reconciliation statutory holiday in 2021 to implement one of the calls to action that the Truth and Reconciliation Commission put forward in its 2015 report on the history and legacy of residential schools in Canada on First Nations, Inuit and Métis people. The federal holiday, which applies to federal government employees and workers in federally regulated industries, is observed on September 30 every year. For the day to be a statutory holiday in the provinces and territories, each government must pass its own legislation.

Payroll Q & A

Question: Is there a minimum number of T4s that employers must submit to the CRA before they are allowed to file over the Internet?

Answer: No. The CRA encourages all employers to file electronically, using either Internet File Transfer (XML) or Web Forms. Beginning with 2022 year end reporting (i.e., information returns due by February 28, 2023), the federal government has proposed lowering the threshold for mandatory electronic filing from 50 returns of the same type to five. At the time of writing, the government had not yet finalized the regulations that would implement the change. Employers below the threshold can choose whether to file on paper or over the Internet.

For more information on filing requirements, please see 9.2, General Filing Information.