

ITA Amendments Lower Threshold for Mandatory Electronic Filing of Information Returns

In June, Canada's Parliament passed legislation that will lower the threshold for mandatory electronic filing of information returns and implement other measures affecting payroll administration.

Bill C-47, the *Budget Implementation Act, 2023, No. 1*, passed third reading in the Senate and then received royal assent on June 22, 2023. It includes the following payroll-related amendments to the *Income Tax Act* and its regulations that the federal government put forward in this year's budget or previously announced:

- **Mandatory Electronic Filing:** The amendments will lower the threshold for mandatory electronic filing of information returns from 50 returns of the same type for a calendar year to five. The change affects T4s, T4As, NR4s, T4A-NRs, and other returns employers prepare. The new threshold applies to returns filed after 2023. The penalty for failing to file electronically where the number of returns is more than five, but less than 51 will be \$125. The existing penalties for 51 or more returns will continue to apply.
- **Electronic Distribution of T4As:** The amendments allow issuers of T4As to distribute them electronically as a single document rather than providing two paper copies to recipients, without requiring the recipient's prior consent, if the issuers meet criteria specified by the government. (For the T4, which employers are already allowed to distribute electronically, the specified criteria is that the form be accessible on a secure portal with a secure printer.) T4A issuers must provide paper copies instead of electronic access if they do not meet the government's specified criteria, the recipient requests paper copies, or, at the time the return is issued, the recipient could not reasonably be expected to have access to the return in an electronic format. The measure applies to returns filed after 2021.
- **Electronic Remittances:** Remittances and payments to the Receiver General that are over \$10,000 will have to be paid electronically unless the remitter or payor cannot reasonably remit or pay that way. The requirement will apply to remittances and payments made after the 2023 tax year. Electronic payments may be made through a designated financial institution's electronic services or by any electronic method that the minister of National Revenue specifies. Remitters or payors who fail to make remittances or payments electronically as required will be liable for a penalty of \$100 for each failure.
- **Reporting Requirements for Canadian Dental Care Plan:** Employers and administrators of employer pension plans will be required to report on information returns (e.g., T4 and T4A) whether they provided an employee or former employee or any of the individual's family members with dental care insurance or coverage for dental services during the calendar year. The new reporting obligation is part of the government's new Canadian Dental Care Plan, which will provide dental care to

Canadians without dental plan coverage if their annual family income is below \$90,000. The T4/T4A reporting is a way for the government to ensure that the new program is restricted to individuals without private insurance. The reporting obligation applies for 2023 and later tax years.

- **Automobile Benefits:** Amendments to the automobile standby charge provisions (paragraph 6(1)(e) of the *Income Tax Act*) replace the phrase “a person related to” with the phrase “a person who does not deal at arm’s length.” The change means that employers must include the standby charge in an employee’s income if they make an automobile that they own or lease available for personal use to the employee or to person who does not deal at arm’s length with the employee. Similar amendments are made to the automobile operating expense benefits provisions. The changes apply to tax years after 2022.

While the *Income Tax Act* does not specifically define the term “arm’s length,” the categories used in s. 251 for determining an arm’s length (and non-arm’s length) relationship show that the term encompasses a wider range of relationships than just a person related to the employee (i.e., someone connected by a blood relationship, marriage or a common-law partnership or adoption.) The Finance Department has previously said the wording change would make paragraph 6(1)(e) more consistent with the wording used for other taxable benefits in the Act.

- **Pension Adjustments:** Amendments allow administrators of defined contribution registered pension plans to correct contribution errors (for both under and over contributions) and require that the contributions or refunds be reported to the Canada Revenue Agency (CRA) so that it can correct individual’s RRSP deduction limit. The amendments apply retroactively to January 1, 2021. Plan administrators do not have to amend T4 slips to report the contribution. Instead, they must file a prescribed information return with the CRA within 120 days of making the contribution.

Plan administrators also have to report pension adjustment corrections for a distribution from a registered pension plan to the CRA, using a prescribed form. If the distribution occurs in the first, second or third quarter of a calendar year, they must report it on or before the day that is 60 days after the last day of the quarter in which the distribution occurred. If the distribution happens in the fourth quarter, they must report it before February of the following calendar year. While the amendment applies retroactively to January 1, 2021, for distributions made before June 22, 2023, administrators are not required to file the prescribed information return before the day that is 60 days after the date of royal assent.

- **Electronic Certification of Forms:** Employers are no longer required to provide a handwritten signature for forms such as the T2200, *Declaration of Conditions of Employment*, and T1223, *Clergy residence Deduction*.
- **Maximum Deduction for Tools:** The annual maximum deduction for a tradesperson’s tools rises from \$500 to \$1,000. The change applies to 2023 and later tax years.

Bill C-47 also includes the following amendments to other acts:

- Amendments to the *Canada Labour Code* increase the maximum length for a leave related to the death or disappearance of an employee's child from 104 weeks to 156 weeks where the death or disappearance is likely the result of a crime. Related amendments repeal a provision that denied the leave in cases where the child who died was 14 years of age or older and, under the circumstances, it was probable that the child was a party to the crime.
- The *Pension Benefits Standards Act, 1985* and the *Pooled Registered Pension Plans Act* are amended to create new frameworks for variable payment life annuities.
- A new independent tripartite Board of Appeal to hear cases where claimants disagree with a decision on their Employment Insurance (EI) claims is established under the *Department of Employment and Social Development Act*.
- Amendments to the *Employment Insurance Act* extend a temporary measure that provides up to five additional weeks of EI regular benefits to seasonal claimants in 13 regions to October 2024.

We will update applicable sections in the manual to incorporate amendments in upcoming releases. For more information on the legislation, see <https://www.parl.ca/legisinfo/en/bill/44-1/c-47>.

Third Quarter Prescribed Interest Rates Set

The prescribed rate for taxable benefits to employees and shareholders from interest-free and low-interest loans is 5% from July 1, 2023 to September 30, 2023. The rate is unchanged from the previous quarter.

The interest rate for unpaid source deductions, overdue taxes and insufficient instalments is 9% for the third quarter.

CRA Implements Manitoba's BPA Increase

Effective July 1, 2023, the Canada Revenue Agency (CRA) updated its *Manitoba Personal Tax Credits Return* (TD1MB) form, as well as its payroll deductions tables and formulas (T4127) to incorporate a new basic personal amount of \$15,000 for the province.

In this year's provincial budget, the Manitoba government announced that it would raise the basic personal amount from \$10,855 to \$15,000 for 2023. In April, the provincial legislature passed Bill 14, *The Budget Implementation and Tax Statutes Amendment Act, 2023*, to enact the measure.

The updated TD1MB lists the basic personal amount at \$15,000; however, the CRA notes that since employees have received a lower basic personal amount for the first half of 2023, a

prorated basic personal amount of \$19,145 will apply from July 1, 2023 to December 31, 2023, beginning with the first payroll in July.

Reminder: CLC Amendments Raising Minimum Age in Force June 12

Just a reminder...Amendments to the *Canada Labour Code* that raise the minimum age of employment from 17 years to 18 years came into force on June 12, 2023.

The amendments were included in the *Budget Implementation Act, 2018, No. 2* (Bill C-86), which received royal assent on December 13, 2018. Related amendments to the Canada Labour Standards Regulations also took effect on June 12, 2023.

The amended regulations stipulate that an employer may only employ someone under 18 years of age in a federal work, undertaking or business if the work is not listed as a hazardous occupation, is not likely to be injurious to the person's health or safety and the individual is not required to be in school.

In addition, the regulatory amendments do not allow a person under 18 years of age to work between 11:00 p.m. and 6:00 a.m. The amendments also require employers to keep records of the age of employees who are under 18 years old.

CLC Amendments affecting Individual Terminations in Force Feb. 1/24

On February 1, 2024, the federal government will implement amendments to the *Canada Labour Code* requiring employers to provide employees with graduated notice of termination based on their length of employment.

Another amendment coming into force on that date will oblige employers to provide a written statement of benefits to employees whose employment is terminated.

The amendments were included in the *Budget Implementation Act, 2018, No. 2* (Bill C-86), which received royal assent on December 13, 2018. The *Canada Labour Code* applies to federally regulated private-sector workplaces.

The new notice-of-termination standards will apply to individual terminations, not group terminations (i.e., 50 or more employees within a four-week period). They will require employers to provide the following amount of notice, pay in lieu of notice, or a combination of notice and pay in lieu when terminating an employee's employment:

Length of Employment

Less than 3 months
At least 3 consecutive months
At least 3 consecutive years
At least 4 consecutive years
At least 5 consecutive years
At least 6 consecutive years
At least 7 consecutive years
At least 8 consecutive years

Notice Period

No notice required
2 weeks
3 weeks
4 weeks
5 weeks
6 weeks
7 weeks
8 weeks

Currently, for an individual termination, employers must give employees at least two weeks' notice or two weeks' pay in lieu of notice if the employees have at least three months of continuous employment with the employer.

If a unionized employee's position becomes redundant and the employer is party to a collective agreement that allows the employer to displace another employee based on seniority, the employer will have to give the employee and the union written notice equal to at least the amount required for an individual termination that the position is redundant.

The statement of benefits employers will have to give to employees whose employment is being terminated must include information on the employee's right to wages, vacation benefits, severance pay, and other benefits and pay arising from their employment as of the statement date.

The date for providing the statement will depend on the type of notice the employer is providing the employee. Employers giving notice of the termination will have to give the statement to the employee as soon as possible, but no later than two weeks before the termination date. Employers providing wages in lieu of notice will be required to give the employee the statement no later than the termination date. Employers providing a combination of notice and wages in lieu will have to give the employee the statement as soon as possible, but no later than two weeks before the termination date. If the notice period is shorter, employers must provide the statement on the date they give notice of termination.

The new termination and statement requirements will not apply to employees whose employment is terminated for just cause.

Reminder: Upcoming Statutory Holidays

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

- Wed., Jun. 21: Northwest Territories and Yukon—National Indigenous People's Day
- Sat., Jun. 24: Quebec—National Holiday
- Sat., Jul. 1: All jurisdictions—Canada Day (Memorial Day in Newfoundland and Labrador)
- Sun., Jul. 9: Nunavut—Nunavut Day
- Mon., Aug. 7: British Columbia, New Brunswick, Northwest Territories, Nunavut, and

Saskatchewan—First Monday in August (The day is also a holiday, although not a statutory holiday, in Alberta. Municipalities in some Canadian jurisdictions may also designate the day as a holiday.)

- Mon., Aug. 21: Yukon—Discovery Day
- Mon., Sept. 4: All jurisdictions—Labour Day
- Sat., Sept. 30: *Canada Labour Code*, British Columbia, Northwest Territories, Nunavut, Prince Edward Island, and Yukon—National Day for Truth and Reconciliation
- Mon. Oct. 9: All jurisdictions, except New Brunswick, Newfoundland and Labrador, Nova Scotia and, Prince Edward Island—Thanksgiving

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.

New B.C. Workers' Compensation Re-employment Requirements in Force Jan. 1/24

The British Columbia government will implement new re-employment requirements for workers injured on the job on January 1, 2024, the provincial Ministry of Labour recently announced.

The province's *Workers Compensation Act* currently does not require employers to re-employ workers who are off work due to a work-related injury.

The new re-employment requirements were included in Bill 41, the *Workers Compensation Amendment Act (No. 2)*, 2022, which received royal assent last fall. The amendments will introduce the following re-employment requirements once they take effect:

- Employers who regularly employ at least 20 workers will be required to re-employ workers injured on the job. The requirement will apply to employees who have worked for their employer on a continuous basis for at least 12 months before the date that they were injured. It covers both part-time and full-time workers.
- Employers will be required to reinstate injured workers in their pre-injury job or offer them alternative employment that is comparable in kind and wages to their pre-injury job if the workers are deemed fit to perform the essential duties of their pre-injury job.
- If workers are not fit to perform the essential duties of their pre-injury job, but are fit to work, their employer will be required to offer them the first suitable work that becomes available.
- Employers and workers will have a duty to co-operate with each other and with WorkSafeBC on an employee's return to work.
- Employers will be required to make any changes necessary to the work or the workplace to accommodate the returning worker, up to the point of undue hardship for the employer.
- The obligation to re-employ a worker deemed fit to do the essential duties of the pre-injury job will apply until two years after the date the worker is injured if, by that date, the worker is performing suitable work. All of an employer's re-employment obligations will last until two years after the date of the injury in cases where a worker has not yet returned to work.
- Employers who terminate the employment of a worker within six months after the worker's return to work will violate the provisions, unless they can prove that the termination was not related to the worker's injury.

- If an employer fails to comply with the duty to co-operate or with any of the return-to-work provisions, WorkSafeBC will be authorized to levy an administrative penalty on the employer. The amount of the penalty cannot exceed the maximum assessable earnings amount.

WorkSafeBC is developing policies to support the new requirements. It plans to hold public consultations on the policies in July and August. We will continue to monitor this story and will report on further developments in upcoming releases.

Reminder: B.C. Minimum Wage Rates Rose Jun. 1

Just a reminder... Effective June 1, 2023, the provincial government raised the general minimum wage rate from \$15.65 an hour to \$16.75.

The rate change is based on increases in the rate of inflation calculated for the previous calendar year.

Other minimum wage rates also went up on June 1, 2023:

- Live-in camp leaders: \$133.69/day or partial day worked (previously \$125.06).
- Live-in home support workers: \$124.73/day or partial day worked (previously \$116.68).
- Resident caretakers working in apartment buildings with nine to 60 suites: \$1,002.53/month plus \$40.17/suite (previously \$937.82/month plus \$37.58/suite).
- Resident caretakers working in apartment buildings with more than 60 suites: \$3,414.85/month (previously \$3,194.43).

The minimum piece rates for farm workers who hand-harvest certain crops will rise on January 1, 2024. For more information, see <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/hiring/farm-workers>.

Manitoba Employment Standards Amendments Expand Bereavement Leave

In May, the Manitoba Legislature passed amendments to *The Employment Standards Code* that increase the length of unpaid bereavement leave and allow for a bereavement leave in situations where there is a loss of pregnancy.

The amendments were included in Bill 235, *The Employment Standards Code Amendment Act*, which received royal assent on May 30, 2023. The amendments came into force on royal assent. The amendments expand unpaid bereavement leave from three days to five days for employees whose family member dies. They also create a new unpaid leave of up to five days if an employee or their spouse or common-law partner (including a former spouse or common-law partner and their current spouse or common-law partner) experiences a loss of pregnancy.

To be eligible for the pregnancy loss leave, an employee must have at least 30 days of employment with their employer. The leave is also available to employees who had undertaken to be the guardian of the child who would have been born if not for the pregnancy loss and to their spouse or common-law partner.

N.S. Implements New Rules for Sick Notes

Effective July 1, 2023, the Nova Scotia government put limits on when employers may ask employees to provide sick notes if they are absent.

A new *Medical Certificates for Employee Absence Act* only allows employers to request sick notes if an employee is absent for more than five consecutive working days or has had at least two non-consecutive absences of five or fewer working days due to sickness or injury in the last 12 months. The Act is part of a new *Patient Access to Care Act* that received royal assent on April 12, 2023. Previously, employers could ask for a sick note regardless of the length of an employee's absence.

The new Act allows healthcare workers besides physicians to issue sick notes. It specifies that a qualified health professional providing a diagnosis, treatment, or care to the employee may provide the note.

If an employer requires a sick note in situations where it is not permitted, an employee may file a complaint with the director of Labour Standards. If the director finds that the employer violated the Act, the employer may issue an administrative penalty against the employer.

Ontario Employers can now Report and Pay WSIB Premiums through CRA

Ontario employers can now report insurable earnings and pay their Workplace Safety and Insurance Board (WSIB) premiums online through the Canada Revenue Agency (CRA).

The two organizations announced in early July that they have teamed up to give employers the option of reporting and paying WSIB premiums through the CRA's My Business Account. Employers can use the service by signing in or registering for the service.

Jeffery Lang, president and CEO of the WSIB, said the new service makes it simpler for businesses to manage their accounts, allowing them to pay their WSIB premiums at the same time that they file their business taxes.

In addition to the CRA My Business Account, employers may also report and pay their premiums online through their bank or by using the WSIB's online services.

For more information on the CRA My Business Account, see <https://www.canada.ca/en/revenue-agency/services/e-services/digital-services-businesses/business-account.html>.

Ontario Licensing Rules for Recruiters and Temporary Help Agencies in Force Jan. 1/24

Beginning January 1, 2024, recruiters and temporary help agencies in Ontario will be required to have a license in order to operate in the province.

The Ontario legislature passed amendments to the *Employment Standards Act, 2000* to require

licensing of recruiters and temporary help agencies in December 2021 (Bill 27, *Working for Workers Act, 2021*).

Once the amendments are in force, employers will not be allowed to knowingly use the services of a recruiter who is not licensed and clients will be prohibited from using the services of unlicensed temporary help agencies. Employers will be able to check the ministry's online database before hiring a recruiter or an agency to see if it is licensed.

Monte McNaughton, minister of Labour, Immigration, Training and Skills Development, said in a news release that the licensing requirement would prevent unscrupulous temporary help agencies from illegally paying people less than the minimum wage rate and denying them other basic employment rights in order to undercut rates and gain an unfair competitive advantage over law-abiding agencies.

When applying for a license, recruiters and temporary help agencies will have to provide \$25,000 in the form of an irrevocable letter of credit that can be used to repay owed wages to employees. Offenders could face up to a \$50,000 penalty based on repeat violations. Once licensed, agencies will have to apply to renew the license each year.

P.E.I. Legislation brings Personal Income Tax Changes

In June, the Prince Edward Island Legislative Assembly passed legislation to change the number of provincial personal income tax brackets and tax rates, eliminate a surtax, and increase certain non-refundable tax credits.

The measures were included in Bill 14, *An Act to Amend the Income Tax Act*, which received royal assent on June 21, 2023. The amendments will implement measures that the government announced in its 2023-2024 budget on May 25, 2023.

The amendments increase the number of tax brackets and rates from three to five, beginning January 1, 2024. The new brackets and rates will be as follows:

Tax Bracket	Rate (%)
\$0.01 - \$32,656.00	9.65
\$32,656.01 - \$64,313.00	13.63
\$64,313.01 - \$105,000.00	16.65
\$105,000.01 - \$140,000.00	18
\$140,000.01 and over	18.75

Currently, the following tax brackets and rates apply:

Tax Bracket	Rate (%)
\$0.01 - \$31,984.00	9.8
\$31,984.01 - \$63,969.00	13.8
\$63,969.01 and over	16.7

In addition, the province levies a 10% surtax on basic provincial tax payable over \$12,500. The amendments will eliminate the surtax, beginning January 1, 2024.

The amendments also increase the non-refundable tax credits for the basic personal amount, spouse or common-law partner amount, and the age amount in 2023 and 2024. Employees can claim these amounts on a *Prince Edward Island Personal Tax Credits Return* (TD1PE).

The basic personal amount increases from \$12,000 to \$12,750 for 2023 and \$13,500 for 2024.

The maximum amount for the spouse or common-law partner amount rises from \$10,192 to \$10,829 for 2023 and \$11,466 for 2024. The income threshold for claiming the full amount increases from \$1,020 to \$1,083 for 2023 and \$1,147 for 2024.

The maximum amount for the age amount rises from \$3,764 to \$4,679 for 2023 and \$5,595 for 2024. The income threshold for claiming the full amount increases from \$28,019 to \$30,879 for 2023 and \$33,740 for 2024.

Reminder: Proposed Quebec Tax Rate Changes take Effect Jul. 1

Just a reminder... Effective July 1, 2023, the Quebec government proposes to implement payroll-related personal income tax changes.

The 2023-2024 provincial budget, released on March 21, 2023, proposed reducing the tax rates for the first two taxable income brackets, effective for the 2023 tax year, with the changes applying to payments made after June 30, 2023. The rate for the first income bracket would go down from 15% to 14%, while the rate for the second income bracket would decrease from 20% to 19%. The tax rates for the remaining two income brackets would not change.

The budget also included the following rate reductions:

- The tax rates for lump-sum payments (e.g., retiring allowances, certain payments from a pension plan or deferred profit sharing plan, etc.) would decrease from 15% to 14% for single payments that do not exceed \$5,000 and from 20% to 19% for payments that are more than \$5,000. The change would apply to payments made after June 30, 2023.
- The conversion rate used to calculate certain personal tax credits claimed on a *Source Deductions Return* (TP-1015.3-V) would decrease from 15% to 14%. In addition, the government plans to raise the maximum amount that employees may claim on the *Source Deductions Return* for certain personal income tax credits in 2023 to ensure that the amount that they can claim is not reduced because the conversion rate is reduced.
- The tax rate used to calculate income tax deductions on a bonus or a retroactive pay increase for employees whose estimated annual pay, including the bonus or retroactive increase, does not exceed an annual threshold (\$17,183 for 2023) would decrease from 8% to 7%. The change would apply to amounts paid after June 30, 2023.
- The amount used to calculate tax credits for volunteer firefighters and search and rescue volunteers would increase from \$3,000 to \$5,000, effective for the 2023 tax year. Beginning in 2024, the amount would be indexed. With the government proposing to reduce the tax rate for the first taxable income bracket from 15% to 14%, the rate used to

determine the tax credits for volunteer firefighters and search and rescue volunteers would also decrease from 15% to 14%.

Revenu Québec has published updated source deduction tables and formulas for Quebec income tax that apply as of July 1, 2023 to incorporate the tax rate reductions and their mid-year implementation.

For more information on the proposed changes, please see the March 21, 2023 Quebec Provincial Budget Bulletin in the Budget Bulletin section.

Quebec to Harmonize Tax Rules with Recent Federal Changes

The Quebec government will incorporate some new federal income tax amendments into its tax regime, including lowering the threshold for mandatory electronic filing of information returns.

In a recent *Information Bulletin* (2023-4, June 27, 2023), the province's Ministry of Finance announced that it would harmonize its tax rules with the following payroll-related federal changes included in Bill C-47, the *Budget Implementation Act, 2023, No. 1*, which received royal assent on June 22, 2023:

- lowering the threshold for mandatory electronic filing of information returns from 50 returns of the same type for a calendar year to five and penalizing those who fail to comply;
- allowing certain information returns to be issued electronically without needing a recipient's prior consent;
- mandating electronic income tax payments and penalizing those who fail to comply;
- revising the standby charge and operating expense benefit for automobile taxable benefits;
- allowing for electronic signatures on certain forms;
- increasing the maximum deduction for a trade person's tool expenses; and
- Implementing amendments related to registered pension plans, past-service pension adjustments and pooled registered pension plans.

The changes to Quebec's tax rules will apply on the same dates as the federal measures with which they are harmonized. For more information on the federal amendments, see the story "ITA Amendments Lower Threshold for Mandatory Electronic Filing of Information Returns" earlier in this issue.

2024 QPIP Rates to remain at 2023 Levels

Premium rates for the Quebec Parental Insurance Plan (QPIP) will remain unchanged for 2024.

The Conseil de gestion de l'assurance parentale announced in June that the premium rates in place for 2023 would continue into 2024. As a result, the rate for employees will remain 0.494% in 2024, while the rate for employers will stay at 0.692%.

The government has not yet announced the QPIP maximum insurable earnings for 2024.

Quebec Labour Standards Amendments Restrict Employment of Children under 14

The Quebec National Assembly has passed legislation that prohibits employers in the province from employing children under the age of 14 years, with some exceptions.

Bill 19, *An Act respecting the regulation of work by children*, passed third reading and received assent on June 1, 2023.

Effective June 1, 2023, the legislation amends the *Act respecting labour standards* and the Regulation respecting labour standards to prohibit employers from employing children who are less than 14 years of age, except in the following jobs:

- a creator or performer in a field of artistic endeavour;
- a person who delivers newspapers or other publications;
- a babysitter;
- a tutor or a person who provides help with homework;
- an employee of a family business with fewer than 10 employees if the child is a child of the employer or the employer's spouse or a child of the director (for a corporation) or partner (for a partnership), or the director's or partner's spouse;
- an employee of an agricultural business with fewer than 10 employees where the child performs light manual labour to harvest fruits or vegetables, take care of animals or prepare or maintain soil, provided the child is at least 12 years old;
- an employee working for a non-profit organization with a social or community purpose, such as a vacation camp or recreational organization; and
- an employee of a non-profit sports organization who helps another person or provides support, such as an assistant instructor, assistant coach or a scorekeeper.

For the exceptions for family businesses, agricultural businesses, and non-profit social, community and sports organizations, the child employees must be supervised at all times by someone 18 years of age or older.

Before employing children in these jobs, employers must complete a Commission des normes, de l'équité, de la santé et de la sécurité du travail form that specifies the child's main tasks, maximum number of hours of work and periods of availability. The child's parents or guardian (referred to as a "tutor" in the legislation) must sign the form to provide their consent for employment. If there are any changes to the information provided on the form, the employer must complete an updated form and obtain new written consent from the parents or the guardian. Employers must keep the consent form on file for at least three years. The amendments gave employers already employing children under 14 in one of the excepted jobs until July 1, 2023 to obtain the required consent.

The amendments gave employers until July 1, 2023 to provide written notice of termination to any employees they employed who were under 14 years of age, unless they were covered by one of the exceptions. The minimum notice was one week for children with three months to less than one year of uninterrupted service, two weeks for one year to less than two years of uninterrupted service, and three weeks if the child had two or more years of uninterrupted service.

Instead of having the children work the notice period, the amendments allowed employers to pay them a compensatory indemnity equal to the child's regular wages, excluding overtime pay, for the notice period. For commission-based employees, the indemnity was based on the child's weekly wage calculated over complete pay periods in the three months prior to the termination. The employer had to pay the indemnity when it terminated the child's employment.

The bill also amends the *Act respecting labour standards* to prohibit children who are required to attend school from working more than 17 hours a week or more than 10 hours from Monday to Friday. An exception would apply to periods of more than seven consecutive days where school is not open. This amendment takes effect September 1, 2023.

In addition, the maximum fines for contravening the child employment provisions in the *Act respecting labour standards* have increased from \$600 to \$6,000 for a first offence and from \$1,200 to \$12,000 for a subsequent conviction.

N.W.T. Minimum Wage Rising Sept. 1

On September 1, 2023, the Northwest Territories government will raise the territorial minimum wage rate from \$15.20 an hour to \$16.05.

The rate increase reflects the government's move to index the minimum wage rate on an annual basis. Beginning September 1, 2023, it adjusts the rate annually using a formula based on the percentage change in the consumer price index (CPI) for Yellowknife and the percentage change in the average hourly wage in the Northwest Territories for the prior calendar year. Previously, the minimum wage rate was based on input from a territorial Minimum Wage Committee, which reviewed the rate every two years

The government will announce minimum wage changes by August 1 each year.

Reminder: Minimum Wage Rates Rising on Oct. 1

Just a reminder... Minimum wage rates will rise in a number of Canadian jurisdictions to the following amounts on October 1, 2023:

- Manitoba: \$15.30/hour (currently \$14.15)
- Newfoundland and Labrador: \$15.00/hour (currently \$14.50)
- Nova Scotia: \$15.00/hour (currently \$14.50)
- Ontario:* \$16.55/hour (currently \$15.50)
- Prince Edward Island: \$15.00/hour (currently \$14.50)
- Saskatchewan: \$14.00/hour (currently \$13.00)

*In Ontario, the following minimum wage rates are also slated to rise on October 1, 2023:

- Homeworkers (110% of general rate): \$18.20 per hour (currently \$17.05)
- Students under 18 working fewer than 28 hours per week: \$15.60 per hour (currently \$14.60)

(or more than 28 hours during school vacation)

- Hunting/fishing/wilderness guides
 - working for fewer than five consecutive hours a day: \$82.85 (currently \$77.60)
 - working five or more hours, whether or not consecutive: \$165.75 (currently \$155.25)

Provincial/Territorial Budget Round-up

P.E.I.: May 25/23. The budget proposes the following changes:

1. Changes to Tax Rates and Tax Brackets Proposed: The budget proposes to reform the provincial personal income tax system by replacing the current three tax brackets and rates with a new five-bracket system. It also proposes to eliminate the surtax that applies on basic provincial tax payable exceeding \$12,500. The changes would take effect January 1, 2024.

Current Tax Rates and Brackets:

Tax Bracket	Rate (%)
\$0.01 - \$31,984.00	9.8
\$31,984.01 - \$63,969.00	13.8
\$63,969.01 and over	16.7
Provincial Surtax on basic provincial tax payable over \$12,500	10

Proposed Tax Rates and Brackets, effective January 1, 2024:

Tax Bracket	Rate (%)
\$0.01 - \$32,656.00	9.65
\$32,656.01 - \$64,313.00	13.63
\$64,313.01 - \$105,000.00	16.65
\$105,000.01 - \$140,000.00	18
\$140,000.01 and over	18.75

2. Some Non-refundable Tax Credits Rising: The budget proposes to increase the basic personal amount non-refundable tax credit from \$12,000 to \$12,750 for 2023 and \$13,500 for 2024.

The maximum amount for the spouse or common-law partner amount would rise from \$10,192 to \$10,829 for 2023 and \$11,466 for 2024. The income threshold for claiming the full amount would rise from \$1,020 to \$1,083 for 2023 and \$1,147 for 2024.

It also proposes to raise the age amount non-refundable tax credit from \$3,764 to \$4,679 for 2023 and \$5,595 for 2024. The income threshold for claiming the full amount would rise from \$28,019 to \$30,879 for 2023 and \$33,740 for 2024.

Employees can claim the non-refundable tax credits on a *Prince Edward Island Personal Tax Credits Return* (TD1PE).

Payroll Q & A

Question: Our company recently bought another business in our industry. We will be employing some of the employees from the other company. When they join our firm next month, what date do I use for calculating vacation entitlement, their original date of hire or the date they became part of our company? We are not unionized.

Answer: To calculate vacation entitlement in this situation, use the employee's original date of hire with the predecessor employer. If one business buys another business and employs employees from the first firm, employment/labour standards laws across the country stipulate that the employees' employment before and after the purchase is continuous and uninterrupted. For more information on successor employers and employment/labour standards, see VI.4, Successor Employers.