Carswell Payroll Source Alert – June/July 2022 Issue

CRA Updates T4127 Guide

The Canada Revenue Agency (CRA) has updated its *Payroll Deductions Formulas* (T4127) to include information to help employers update their payroll systems in preparation for upcoming changes to the Canada/Quebec Pension Plan (C/QPP)

Beginning January 1, 2023, amendments to federal Income Tax Regulations will require employers 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. For the CPP, the federal government is implementing the enhancement in two phases. The first phase, from 2019 to 2023, involves gradually raising the CPP contribution rate by 1% to 5.95% for earnings up to the yearly maximum pensionable earnings (YMPE).

In the second phase, beginning in 2024, the government 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 per cent of the YMPE. In 2025, it will rise to 114 per cent of the YMPE.

With the change, 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. Other amounts deducted before calculating income tax deductions include those for employee registered pension plan contributions and union dues.

The regulatory change will also mean that, for payroll calculations, employers will 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.

To give employers enough time to adjust their payroll systems, the CRA added two appendices to the July 1, 2022 edition of the T4127 guide. The appendices set out new factors and updated formulas for 2023 and 2024. The CRA advises employers not to implement the changes in 2022.

The updated guide also removes from chapter 8 a British Columbia provincial labour sponsored funds tax credit rate and amount. In addition, it updates the basic personal amount for New Brunswick. (See the story "New Brunswick Government Raises Basic Personal Amount" for more information.)

For more details on the changes, please see https://www.canada.ca/en/revenue-agency/services/forms-publications/payroll/t4127-payroll-deductions-formulas/t4127-jul.html.

Third Quarter Prescribed Interest Rates Set

The prescribed rate for taxable benefits to employees and shareholders from interest-free and low-interest loans is 2% from July 1, 2022 to September 30, 2022. The rate is one percentage point higher than it was in the previous quarter.

The interest rate for unpaid source deductions, overdue taxes and insufficient instalments is 6% for the third quarter.

CLC Medical and Bereavement Leave Amendments in Force by Dec. 1/22

In June, Canada's Parliament passed legislation that will implement paid medical leave and extend bereavement leave for certain federally regulated workers by December 1, 2022 at the latest.

The provisions were included in Bill C-19, the *Budget Implementation Act, 2022, No. 1*, which received royal assent on June 23, 2022. The bill amended previously passed legislation (Bill C-3) that added 10 days of paid medical leave to the *Canada Labour Code* and broadened bereavement leave to include stillbirths and more time off for the death of a child, but did not provide specific implementation dates.

With the passage of Bill C-19, employees in federally regulated workplaces with at least 100 employees will be covered under the following paid medical leave provisions no later than December 1, 2022:

- After completing 30 days of continuous employment with their employer, employees will be entitled to three paid days of medical leave. After the 30-day period, they will 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.
- For each paid day of medical leave, employers will have to pay employees their regular wage rate for their normal work hours. The pay will be considered wages under the Code.
- Any days employees do not take will be 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 will not have to take the days consecutively, but employers could require that each period of leave not be less than one day.
- For medical leaves of absence lasting five or more days, whether paid or not, employers will be allowed to 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.
- "Personal illness or injury" will be removed from the list of reasons for which an employee may take a personal leave under the Code. The Code allows employees to take up to five days of personal leave each year, with the first three days paid if the employee has at least three consecutive months of continuous employment with the employer.

The amendments in C-3 added the following provisions to the bereavement leave standards:

- In the event of the death of an employee's child or the child of the employee's spouse or common-law partner, the employee will be entitled to take up to eight weeks of bereavement leave. Employees may take the leave during the period that begins on the day of the death and ends 12 weeks after the latest of the days of the funeral, burial or memorial service.
- A "child" refers to someone who is under 18 years of age or to a person for whom the employee or the employee's spouse or common-law partner, as applicable, may claim the Canada caregiver credit.
- In the event of a stillbirth for the employee or the employee's spouse or common-law partner or where the employee would have been a parent of a child born as the result of a pregnancy if not for the stillbirth, the employee will be entitled to take up to eight weeks of bereavement leave. Employees will be allowed to take the leave during the period that begins on the day of the stillbirth and ends 12 weeks after the latest of the days of the funeral, burial or memorial service.

We will update 15.4, *Canada Labour Code*, to incorporate the changes in an upcoming release.

ESDC Proposing CLSR Amendments to Increase Minimum Age

Employment and Social Development Canada (ESDC) is proposing to revise the Canada Labour Standards Regulations to align them with amendments to the *Canada Labour Code* that raised the minimum age of employment from 17 to 18 years.

The amendments were included in the *Budget Implementation Act, 2018, No. 2* (Bill C-86), which received royal assent on December 13, 2018. The minimum age amendments are not yet in force, but are expected to take effect by next spring.

The proposed regulatory amendments would stipulate that an employer could only employ someone under 18 years of age in a federal work, undertaking or business if the work the person would be doing was not one which is listed as a hazardous occupation, including in underground mines and in other work that is likely to be injurious to the person's health or safety and the individual was not required to be in school. In addition, the amendments would not allow a person under 18 years of age to work between 11:00 p.m. and 6:00 a.m.

The proposed amendments would also require employers to keep records of the age of employees who are under 18 years old.
For more information on the proposals, see https://gazette.gc.ca/rp-pr/p1/2022/2022-07-02/pdf/g1-15627.pdf.

Reminder: New Record-keeping Requirements for CLC Apply

Just a reminder…Effective June 2, 2022, federally regulated employers have additional record-keeping responsibilities.

Amendments to the Canada Labour Standards Regulations that took effect that date add the following documents to the records that employers must keep:

- a copy of any certificate from a health care practitioner related to an employee's or a student intern's medical breaks or medical leave and any employer request for the certificate;
- records describing situations in which an employer postponed or cancelled an employee's break, required the employee to work extra hours, leaving the employee with a rest period of fewer than eight hours, or could not give the employee at least 24 hours' notice of a shift change due to unforeseeable emergencies that the employee had to handle;
- all work schedules and modifications to work schedules that an employer provides to a student intern; and
- any refusal to work that a student intern makes due to the employer not providing at least 96 hours' written notice of the work schedule.

The amendments also require that any certificate that a health care practitioner issues regarding an employee's medical breaks specify the beginning and end dates of the period in which the employee needs to take the breaks.

Reminder: Upcoming Statutory Holidays

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

- Tues., Jun. 21/22: Northwest Territories and Yukon—National Indigenous People's Day (N.W.T.)/National Aboriginal Day (Yukon)
- Fri., Jun. 24/22: Quebec—National Holiday
- Fri., Jul. 1/22: All jurisdictions—Canada Day (Memorial Day in Newfoundland and Labrador)
- Sat., Jul. 9/22: Nunavut—Nunavut Day
- Mon., Aug. 1: 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. 15: Yukon—Discovery Day
- Mon., Sept. 5: All jurisdictions—Labour Day
- Fri., Sept. 30: *Canada Labour Code* and Prince Edward Island—National Day for Truth and Reconciliation
- Mon. Oct. 10: 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.

Alberta ESC Amendments affecting Bereavement and Reservist Leaves in Force

Effective May 31, 2022, amendments to Alberta's *Employment Standards Code* that expand access to bereavement and reservist leaves came into force.

The amendments were included in Bill 17, the *Labour Statutes Amendment Act, 2022*, which received royal assent on May 31, 2022.

The amendments allow employees to take an unpaid bereavement leave if their pregnancy, their spouse or common-law partner's pregnancy, or the pregnancy of another person from whom they were going to become a parent because of the pregnancy ends other than in a live birth.

The amendments also eliminate a 20-day limit on the number of days an employee may take reservist leave for annual training.

Reminder: B.C. Minimum Wage Rates Going up Jun. 1

Just a reminder… Effective June 1, 2022, the provincial government raised the general minimum wage rate from $15.20 an hour to $15.65.

The rate increase is tied to the province's average annual inflation rate. Earlier this year, the B.C. government announced that it would begin indexing the province's minimum wage to increases in the rate of inflation calculated for the previous calendar year.

Other minimum wage rates also went up because of indexation on June 1, 2022. For more information, see https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/wages/minimum-wage.

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, 2022:

- Manitoba: $12.35/hour (currently $11.95)*
- New Brunswick: $13.75/hour (currently $12.75)
- Newfoundland and Labrador: $13.70/hour (currently $13.20)
- Nova Scotia: $13.60/hour (currently $13.35)
- Ontario: $15.50/hour (currently $15.00)
- Saskatchewan: $13.00/hour (currently $11.81)

In Ontario, the following minimum wage rates are also slated to rise on October 1, 2022:

- Homeworkers (110% of general rate): $17.05 per hour (currently $16.50)
- Students under 18 working fewer than 28 hours per week (or more than 28 hours during school vacation): $14.60 per hour (currently $14.10)

- Hunting/fishing/wilderness guides
  - working for fewer than five consecutive hours a day: $77.60 (currently $75.00)
  - working five or more hours, whether or not consecutive: $155.25 (currently $150.05)

**Note: See story "Manitoba ESC Amendments allow for Larger Minimum Wage Increases" for information on proposed changes to the Manitoba minimum wage rate.*

Manitoba ESC Amendments allow for Larger Minimum Wage Increases

Amendments to the Manitoba *Employment Standards Code* allow the government to raise the provincial minimum wage rate beyond indexation.

The changes were included in Bill 44, *The Employment Standards Code Amendment Act (Minimum Wage)*, which was tabled on May 30, 2022 and received royal assent on June 1, 2022.

The amendments authorize the provincial cabinet to raise the minimum wage rate by an additional amount if Manitoba's inflation rate, measured by the consumer price index, exceeds 5% in the first quarter of a calendar year. Normally, Manitoba adjusts the minimum wage rate on October 1 each year to reflect changes in the province's consumer price index. The rate is currently scheduled to rise from $11.95 an hour to $12.35 on October 1, 2022.

Minister of Labour, Consumer Protection and Government Services Reg Helwer said while the normal method of setting the minimum wage works well under more normal economic conditions, the government needs flexibility to implement higher rates when the economy is facing extraordinary pressures. He said the amendments would help make life more affordable for provincial residents struggling to recover from the COVID-19 pandemic while dealing with high inflation and other challenging global economic conditions.

The amendments require that any additional rate increases take effect within the period of October 1 to December 31 of the applicable year. The government would implement the additional amount through regulations under the Code, but would have to make the regulation at least 30 days before it took effect. If the government did approve an additional amount, it could determine that there not be any further adjustments to the rate in the following year.

New Brunswick Government Raises Basic Personal Amount

The New Brunswick Legislative Assembly has passed amendments that raise the basic personal amount that employees claim on a *New Brunswick Personal Tax Credits Return* (TD1NB) from $10,817 to $11,720 for the 2022 tax year.

The amendments were included in Bill 103, *An Act to Amend the New Brunswick Income Tax Act*, which received royal assent on June 10, 2022.

Although the increase to the basic personal amount took effect January 1, 2022, the CRA implemented the change for July 1, 2022. As a result, for the last six months of the year, the basic personal amount is prorated to $12,623, beginning with the first payroll in July.

New Brunswick ESA Amendments Expand Leave for Reservists

The New Brunswick Legislative Assembly has passed amendments that expand leave for members of the Canadian Forces Reserves.

The changes were included in Bill 112, *An Act to Amend the Employment Standards Act*, which received royal assent on June 10, 2022. The bill includes the following amendments:

- The definition of “service” is expanded to include: deployment to a Canadian Forces operation (whether within Canada or elsewhere); taking part in mandatory pre-deployment or post-deployment activities (inside or outside the country); deployment in the event of a national emergency; training that members of the Reserves are ordered to take; military skills training; time spent travelling from the member’s residence to the deployment or training location; rest in relation to the deployment or training; and time spent in treatment, recovery or rehabilitation related to physical or mental health problems resulting from the deployment or training.
- The definition of “annual training” is repealed.
- The eligibility period for the leave is shortened to a minimum of three months of continuous employment.
- Employees may take a total of 24 months of leave in any 60-month period. This does not apply in situations where the leave is related to a national emergency.
- The maximum period for a leave of absence increases from 18 months to 24 months.
- The name of the leave changes from Leave for Reservists to Leave for Members of the Reserves.

N.W.T. ESA Amendments Make National Day for Truth and Reconciliation a Statutory Holiday

The Northwest Territories Legislative Assembly has passed amendments that make the National Day for Truth and Reconciliation a statutory holiday under the territory’s *Employment Standards Act*.

The amendments were included in Bill 47, *An Act to Amend the Employment Standards Act, No. 2*, which received royal assent on June 3, 2022. They designate September 30 as the day to observe the holiday every year.

With the day now a holiday under the Northwest Territories employment standards legislation, employers must give eligible employees in the territory the day off with pay. For more information on payment requirements, please see 19.7, Northwest Territories.

LSA Amendments Make National Day for Truth and Reconciliation a Statutory Holiday in Nunavut

The Nunavut Legislative Assembly has passed amendments that make the National Day for Truth and Reconciliation a statutory holiday under the territory’s *Labour Standards Act*.

Bill 5, *An Act to Amend Certain Acts respecting the National Day for Truth and Reconciliation*, which received royal assent on June 13, 2022, designates September 30 as the holiday.

With the day a holiday under the *Labour Standards Act,* employers must give eligible employees in the territory the day off with pay.

New Pay Transparency Rules in Effect in P.E.I. Jun. 1

On June 1, 2022, amendments that add pay transparency rules to the province's *Employment Standards Act* came into force.

The changes were included in Bill 119, *An Act to amend the Employment Standards Act*, which received royal assent on November 17, 2021. The amendments add the following pay transparency rules to the *Employment Standards Act*:

- Employers are prohibited from asking job applicants for their pay history; however, applicants may voluntarily disclose the information. Employers are permitted to seek information about pay ranges or total pay for positions that are comparable to the one for which the applicant is applying. Employers can use the information they obtain to determine pay for the job applicant.
- Employers who publicly advertise a job must include information about the expected pay or pay range for the position in the posting.
- Employers or persons acting for them are prohibited from intimidating, dismissing or otherwise penalizing employees, or threatening to do so, because the employees asked about their pay or their employer's pay policies; disclosed their pay to another employee; provided information to the Employment Standards Board about whether the employer is complying with the pay transparency rules; or asked the employer to comply with the pay transparency provisions.

P.E.I. WCB Proposing to Change the Way it Sets Maximum Assessable Earnings

Prince Edward Island's Workers Compensation Board (WCB) is proposing to change the way it sets maximum annual earnings for employer assessments and worker benefits, beginning in 2024.

The proposal would see the board move from indexing the maximum amount every year based on the consumer price index (CPI) to using the province's Average Weekly Earnings Industrial Aggregate to reset the maximum annually. If implemented, the change would take effect on January 1, 2024.

The board said the change would better align the maximum with current wage rates in P.E.I. The current maximum stems from a base amount that the WCB set in 1995, using the Average Weekly Earnings Industrial Aggregate for PEI, as determined by Statistics Canada. In 1996, the WCB began adjusting the maximum using the CPI.

The board said that while the adjustments accurately reflect cost of living increases, actual wage growth no longer lines up with the indexed maximum annual earnings amount. Currently, the maximum is set at $58,300. “If the MAE was calculated using the current Average Weekly Earnings Industrial Aggregate for PEI, the amount would be $72,600.” it said.

The WCB is also proposing increases to wage-loss benefits, cost of living adjustments, and financial supports for dependants of workers who die because of a workplace injury or disease. It said the increases would better reflect the financial cost of injuries and death and help workers and their dependants with the rising cost of living.

The board said its strong funded status would allow it to make the changes with “minimal financial impact to employer costs.”

The proposed changes would require amendments to the *Workers Compensation Act* and its regulations. Before making recommendations on amendments to the government, the board asked for public feedback on the proposals by July 17, 2022.

For more information on the proposed changes, please see http://wcb.pe.ca/DocumentManagement/Document/leg_benefitenhancementsconsultation.pdf.

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

2023 QPIP Rates to remain at 2022 Levels

Premium rates for the Quebec Parental Insurance Plan (QPIP) will remain unchanged for 2023.

The Conseil de gestion de l’assurance parentale announced in June that the premium rates in place for 2022 would continue into 2023. As a result, the rate for employees will remain 0.494% in 2023, while the rate for employers will stay at 0.692%.
The government has not yet announced the QPIP maximum insurable earnings for 2023.

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

Quebec Finance Ministry Proposes Tax Credit Changes

The Quebec Ministry of Finance is proposing changes to two payroll-based refundable tax credits for employers.

In a June 9, 2022 *Information Bulletin* (2022-4), the ministry said the revisions would allow more corporations to claim the tax credits. The tax credits affected are the Refundable Tax Credit to Foster the Retention of Experienced Workers and the Tax Credit for Small and Medium-sized Businesses in respect of Persons with a Severely Limited Capacity for Employment.

The first tax credit encourages employers to employ workers aged 60 years and older, while the second one promotes the hiring and retention of workers with severe and prolonged physical or mental impairments. The tax credits are calculated on employer contributions to the Quebec

Pension Plan, Quebec Parental Insurance Plan, Health Services Fund, labour standards levy, and workers' compensation premiums.

The ministry proposes to remove two eligibility conditions for the tax credits that require a corporation's paid-up capital to be less than $15 million and the number of paid hours of its employees to be more than 5,000. Eligible corporations (excluding those that are exempt from tax or are a Crown corporation) would be those that carry on a business in Quebec and that have an establishment there. Similar changes would apply for partnerships. The amendments would come into force for taxation years or fiscal periods ending after December 30, 2022 and would apply to employer payroll contributions for calendar years after 2021.

It also proposes to rename the second tax credit the Refundable Tax Credit for the Retention of Persons with a Severely Limited Capacity for Employment.

In the bulletin, the ministry also noted that it had not yet decided whether to harmonize Quebec tax law with recent federal proposals concerning electronic filing, certification of tax and information returns and electronic payments.

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

For more information, please see http://www.finances.gouv.qc.ca/documents/Bulletins/en/BULEN_2022-4-a-b.pdf.

Revenu Québec allows Electronic Signatures on certain Forms

Revenu Québec is now accepting electronic signatures on certain forms, including the *Summary of Source Deductions and Employer Contributions* (RLZ-1.S-V).

It said the change, which it implemented on June 20, 2022, would help make filing forms easier for businesses and individuals.

Acceptable electronic signatures include those with a digital certificate produced using a specialized tool, a signature made with a stylus, touchscreen, mouse or similar tool, and a scanned image of a hand-written signature. Revenu Québec will not accept typed signatures.

Despite allowing electronic signatures, Revenu Québec still has the authority to ask for a signed version of the original form. It also states that anyone submitting a form with an electronic signature must "take all necessary steps to protect its integrity throughout its life cycle."

For more information, please see https://www.revenuquebec.ca/en/press-room/news/details/2022-06-22/electronic-signatures-a-convenient-option-for-more-and-more-forms/.

Quebec Bill Proposes Amendments to Reduce Administrative Burden for Employers

In June, the Quebec government tabled legislation that would amend a number of laws to reduce regulatory and administrative work for employers.

The changes were included in Bill 44, *An Act to amend various provisions for the purpose of reducing regulatory and administrative burden*, which passed first reading on June 7, 2022. Among other amendments, the bill proposes the following changes:

- It would amend regulations under the *Act to promote workforce skills development and recognition* to eliminate a requirement for certain employers to provide an annual declaration of their eligible training expenditures.
- It would amend the *Act respecting labour standards* and other employment-related laws to eliminate requirements for personnel placement agencies, temporary foreign worker recruitment agencies and labour-referral services in the construction industry to renew their licences.
- It would amend the *Act respecting hours and days of admission to commercial establishments* to repeal provisions mandating when commercial businesses may be open. Instead of being set out in law, days and hours of admission would be determined by government regulation to allow municipalities to set their own times.
- It would amend the *Act respecting labour relations, vocational training and workforce management in the construction industry* to allow the Commission de la construction du Québec to recover the following amounts from employers who fail to remit on time amounts they are required to remit under the Act or under a collective agreement: 7% of the amount for remittances that are no more than seven days late, 11% for remittances that are not more than 14 days late, and 20% in other cases.

For more information, please see http://www.assnat.qc.ca/en/travaux-parlementaires/projets-loi/projet-loi-44-42-2.html.

Reminder: Quebec Legislation giving Better Protection to Workplace Trainees in effect Aug. 24

Just a reminder...Effective August 24, 2022, legislation that gives on-the-job trainees the right to be absent from training on statutory holidays, take time off for sickness or family obligations, and work in an environment free of psychological harassment will come into force.

The measures were included in Bill 14, *An Act to ensure the protection of trainees in the workplace*, which passed third reading and received assent on February 24, 2022.

The legislation applies to any person, including salaried employees, who trains with an employer in order to acquire skills required to obtain a permit to practice issued by a professional order or that is part of a program of studies or a training program at a secondary school, vocational school, college, or university that leads to a diploma, certificate or attestation of studies. An employer is any person, partnership or other entity that receives a trainee for the purposes of training.

Trainees are covered under the legislation regardless of where they do their workplace training. The Act also applies to trainees who train both in Quebec and outside of the province with an employer in Quebec and to trainees who are Quebec residents who do training outside of the province with an employer who resides in or has an office in Quebec.

The Act includes the following requirements:

- Employers and the educational institution or professional order, as applicable, must take "reasonable measures" to ensure a trainee's success is not negatively affected because the trainee exercised a right under the Act during the training.
- Employers and the educational institution or professional order, as applicable, must take reasonable measures to accommodate trainees who are absent for reasons related to the following sections of the *Act respecting labour standards* for the durations and periods set out in the sections: 79.1, 79.8 to 79.12, 79.15, 81.2, 81.4 to 81.5.2, 81.10 and 81.11. The sections cover leaves for sickness, organ/tissue donation, accidents, domestic/sexual violence, criminal offences and leaves for family or parental reasons.
- Employers, educational institutions and professional orders are required to notify every trainee of their rights under the Act.
- The statutory holidays that trainees may take off are the holidays permitted under the *Act respecting labour standards*, as well as the National Holiday (June 24). Compensatory holidays apply in situations where trainees had to take part in training on a holiday.
- Trainees may take time off of training for the following reasons:
  - 10 days a year for sickness or for fulfilling obligations related to the care, health or education of their child or the child of their spouse, or to care for a relative;
  - five days on the death or for the funeral of their spouse, child (including the child of their spouse), father, mother brother or sister;
  - five days for the birth or adoption of their child or where there is a pregnancy loss in or after the 20th week of pregnancy;
  - one day on the death or for the funeral of their son-in-law, daughter-in-law, grandparent or grandchild, or of the father, mother, brother or sister of their spouse;
  - one day for their wedding or civil union; and
  - one day on the day of the wedding or civil union of their child (including the child of their spouse), father, mother, brother or sister.
- For the 10 days off for sickness or family obligations, the trainee must notify the employer as soon as possible and take reasonable measures to limit the length of the absence. Employers may ask for proof of the need for the leave if the circumstances warranted it.
- Trainees are permitted to be absent from their training for examinations related to their pregnancy.
- For the five days off related to birth, adoption or pregnancy loss, the trainee may divide the leave into individual days. Trainees are limited to taking the leave within 15 days after the child arrived at their residence or after the termination of the pregnancy.
- Employers and the educational institution or professional order, as applicable, must take reasonable measures to prevent psychological harassment and, where they became aware of it, protect the trainee and stop the behaviour.
- Employers must provide all of their trainees with the relevant sections of their

psychological harassment prevention and complaint policy.
- Employers are prohibited from ending training or dismissing, suspending or transferring a trainee, discriminating against a trainee or taking reprisals against a trainee or imposing other sanctions because the trainee exercised their rights under the Act or provided information to the Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST).
- Trainees may file complaints with the CNESST if they believe that the employer or educational institution or professional order violated a provision of the Act.
- Any person who hinders the CNESST in an investigation or who contravened any other provision in the Act is liable for a fine of $600 to $1,200 for a first offence and a fine ranging from $1,200 to $6,000 for a subsequent offence.

For more information, please see http://www.assnat.qc.ca/en/travaux-parlementaires/projets-loi/projet-loi-14-42-2.html.

Saskatchewan WCB Ends its COVID-19 Cost Relief for Employers

The Saskatchewan Workers' Compensation Board (WCB) ended its COVID-19 cost relief for employers as of July 1, 2022.

The cost relief program covered employer costs for workers' COVID-19 claims between March 1, 2020 and June 30, 2022 that the board accepted. The WCB may provide benefits to workers who contract COVID-19 at work in certain circumstances.

Funding for the cost relief came from the board's occupational disease reserve instead of assigning the costs for COVID-19 claims to individual employers, which would have affected their experience rating and assessment rate.

With the support concluding, the board will not provide COVID-10 cost relief to employers for COVID-19-related workplace injuries that happen on or after July 1, 2022. Board-accepted injuries that occurred before that date are still eligible for cost relief.

Reminder: New Workers' Compensation Law in Force in Yukon Jul. 1

Just a reminder...On July 1, 2022, the Yukon government will bring into force new legislation that amalgamates the territory's workers' compensation and occupational health and safety laws.

The *Workers' Safety and Compensation Act*, which received royal assent on December 2, 2021, aims to modernize workers' compensation and occupational health and safety rules in the territory, including:
- changing the rules around coverage for work outside of the territory to include a condition that a worker's employment elsewhere in Canada last for less than six consecutive months (compared to the current requirement of up to 12 months) and employment outside of Canada be for no more than 14 consecutive days, although employers will be allowed to apply for an extension;
- simplifying the appeal process for workplace health and safety, compensation, assessment

and administrative penalties and reducing the period for appealing decisions from two years to one year for compensation claims and from 180 days to 90 days for assessment issues;
- allowing the use of administrative penalties as an alternative to prosecution for contraventions of compensation provisions and increasing maximum fines and penalties for offences under the Act; and
- increasing loss of earnings benefits to 100% of pre-work-related injury earnings for low-income workers and extending the length of loss of earnings benefits from a maximum of 24 months to 48 months for workers aged 61 years or older.

The new legislation will also change the name of the Workers' Compensation Health and Safety Board to the Workers' Safety and Compensation Board.

Provincial/Territorial Budget Round-up

Alberta: Feb. 24/22. No payroll-related changes proposed.

British Columbia: Feb. 22/22. There were no new payroll-related tax rate changes proposed. The budget did include the following proposals that might interest payroll professionals:

- The budget would amend the *Provincial Sales Tax Act* to clarify that gift cards and gift certificates are not subject to provincial sales tax when acquired. The amendment would apply as of February 23, 2022.

- The budget would extend training tax credits for employers who employ apprentices for two years to December 31, 2024.

- The budget would amend the *Employer Health Tax Act* to standardize and clarify rules on filing appeals to the Minister of Finance. The amendments would take effect on October 1, 2022.

Manitoba: Apr. 12/22. The budget proposes to raise the thresholds that apply to the province's Health and Post-Secondary Education Tax Levy next year. The tax applies to employers who have a permanent establishment in the province:

- Beginning January 1, 2023, the government plans to increase the threshold for registering for the levy from $1.75 million of annual remuneration to $2 million. The change would mean that employers whose annual payroll was $2 million or less would be exempt from the tax.

- The government also proposes to raise the thresholds that determine which tax rate employers pay for the levy. Beginning January 1, 2023, employers with an annual payroll between $2 million and $4 million would 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 would 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 $3.5million.

New Brunswick: Mar. 22/22. The budget proposes to increase the basic personal amount that employees claim on a New Brunswick *Personal Tax Credits Return* (TD1PE) from $10,817 to $11,720, effective January 1, 2022.

Newfoundland and Labrador: Apr. 7/22. No payroll-related changes proposed.

Nova Scotia: Mar. 29/22. There were no new payroll-related tax rate changes proposed. The budget did include the following proposal that might interest payroll professionals:

- The budget proposes to introduce a More Opportunities for Skilled Trades program that would see the government returning provincial personal income tax paid on the first $50,000 of earnings for eligible people under the age of 30 who work in industries with labour shortages. The proposed measure is aimed at attracting and retaining young workers in those industries. The program would begin in the 2022 tax year. The government said it would provide more details on the program at a later date.

Northwest Territories: Feb. 22/22. No payroll-related changes proposed.

Nunavut: May 26/22. No payroll-related changes proposed.

Ontario: Apr. 28/22. There were no new payroll-related tax rate changes proposed. The budget did include the following proposals that might interest payroll professionals:

- The budget proposes to amend the *Workplace Safety and Insurance Act, 1997* to eliminate a requirement that the Workplace Safety and Insurance Board (WSIB) head office be located in Toronto.
- The government plans to consult with stakeholders on proposed regulations to implement a permanent target benefit pension plan framework next year. The permanent framework would replace temporary regulations—set to expire in 2024—under which specified Ontario multi-employer pension plans providing these types of benefits have been operating.
- The government proposes to publicly report on its progress to reduce red tape beginning in September 2023.
- The government proposes to invest an extra $114.4 million over three years in its Skilled Trades Strategy, including providing support to small- and mid-size employers.

P.E.I.: Feb. 24/22. The budget proposes to increase the basic personal amount that employees claim on a P.E.I. *Personal Tax Credits Return* (TD1PE) from $11,250 to $12,000, effective January 1, 2023.

Quebec: Mar. 22/22. The budget did not propose any payroll-related tax rate changes. It did include the following proposals that might interest payroll professionals:

- The government proposes to spend $123.4 million over five years to launch a project called VISION to improve digital tax administration for individuals and businesses. The project would focus on simplifying the client experience; improving services to businesses; strengthening information security; fighting tax evasion and fraud; and modernizing computer systems. The budget also proposes funding for other initiatives to make it easier for taxpayers to meet their tax obligations.
- The government proposes to invest $29.3 million over five years on information security initiatives. It also proposes to provide funding to set up a joint investigation team made up of the Ministère du Travail, de l'Emploi et de la Solidarité sociale, the Sûreté du Québec and Revenu Québec to help prevent fraud.

Saskatchewan: Mar. 23/22. The budget proposes to expand the list of goods and services that are subject to the province's provincial sales tax (PST) to include admission and entertainment charges. The proposal could affect employer taxable benefits that include the PST. The change would mean that employers would have to include the PST when calculating taxable benefits that arise related to gym and golf fees and memberships and admissions to conferences, seminars, sporting events, concerts and shows, among other places and events. To simplify administration of the tax, the government said the change would follow the federal Goods and Services Tax base. The expanded base would apply as of October 1, 2022. The PST rate would remain 6%.

Yukon: Mar. 3/22. No payroll-related changes proposed.

Payroll Q & A

Question: I think that a recently hired employee has provided a fake social insurance number (SIN). What should I do?

Answer: Employers are not allowed to knowingly employ someone using a fraudulent SIN. The federal government requires employers who suspect that an employee has a fake social insurance number to immediately contact Service Canada at 1-866-274-6627 (or 1-506-548-7961 if outside of Canada) to report it. Employers will need to provide their Business Number and applicable identification.