Carswell Payroll Source Alert – May 2022 Issue

Amendments will Require Employers to Deduct Enhanced C/QPP Contribution from Employee Remuneration to Calculate Income Tax Deductions

Beginning January 1, 2023, amendments to federal Income Tax Regulations will require employers to deduct enhanced Canada/Quebec Pension Plan (C/QPP) contributions from employees' remuneration before calculating income tax deductions each pay period.

The amendments, published in the March 16, 2022 *Canada Gazette Part II*, will align the regulations with changes the federal government made to the *Income Tax Act* in 2019 to allow for a tax deduction for the enhanced contributions.

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.

The Quebec government is making similar changes to the QPP.

In a statement published with the regulatory changes, the CRA said the amendments would help ensure that employers deduct the correct amount of income tax from employees.

"Should these Regulations not be amended, the amount of the employee's additional CPP and/or QPP contributions may not be taken into account when calculating the individual's base income for purposes of deducting or withholding income taxes. This could result in the employer withholding more income tax than necessary," said the CRA.

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.

The CRA said that when it began implementing the enhanced C/QPP in 2019, it temporarily relieved employers from the requirement to account separately for the two types of contributions in order to give employers, payroll software providers and payroll services providers time to make the necessary changes to their payroll systems. The administrative relief will end on December 31, 2022. After that date, the CRA may penalize employers who fail to comply with the requirement to account separately for the two types of contributions.

The CRA said it would update its payroll deductions formulas and other employer guides to incorporate information on the amendments.

The Quebec Finance Ministry announced in late April that it would amend its tax regulations to harmonize them with the federal regulatory amendments.

We will update 7.3.1, Manual Tax Calculation Using Tax Tables, and 7.3.2, Manual Tax Calculation Where Tables Cannot be Used, to incorporate the changes in an upcoming release.

ESDC Continuing to Consult on EI Reform

Employment and Social Development Canada (ESDC) is asking for feedback on ways to modernize its Employment Insurance (EI) program.

In late April, it launched the second phase of consultations on EI reform, asking for input on the adequacy of benefits and ways to ensure that the program remains financially sustainable.

The first phase of consultations ran from August 2021 to February 2022 and focused on access to the EI program. In a report called *What We Heard*, ESDC summarized key takeaways from the first round of consultations, including the following views:

- There were calls to simplify the EI program, including the *Record of Employment*, to make it easier to understand. Some labour representatives suggested that ESDC remove or ease disqualifications for employees who quit their job or are fired.
- Participants said there was not a lot of awareness about ESDC's EI premium reduction program, which reduces EI premium rates for employers with eligible short-term disability plans, and that the government should consider communicating its benefits to employers and employees. There were also calls to make the program more flexible, simplify the application process, and increase the amount of the premium reduction.
- Stakeholders said possible changes to the EI premium reduction program that the government might need to make when it extends EI sickness benefits from 15 to 26 weeks should not penalize employers whose short-term disability plans already meet the current eligibility rules. In last year's federal budget, the government announced that it would increase the maximum number of weeks of EI sickness benefits from 15 to 26, beginning this summer.
- Some participants called for the government to eliminate regional variations in eligibility rules for EI claimants. Workers' groups also suggested that the government lower the number of hours required for qualifying for EI benefits, eliminate a one-week waiting period for receiving benefits, and make it easier for workers to access EI benefits when they experience successive life events (e.g., lose their job right before taking a maternity leave).

- Some participants recommended that the government provide the same EI benefits for parents who adopt as they do for biological parents. The government has said it plans to introduce a 15-week benefit for adoptive parents.
- Employers raised concerns about possible changes to the EI program resulting in higher premium rates and suggested that the government revise the ratio of employer to employee contributions. Currently, the employer premium rate is 1.4 times the employee rate unless the employer has an ESDC-approved reduced rate.
- Employers and workers suggested that the government examine different models for financing EI. Options suggested included partial government financing of EI and no longer using EI premiums to fund special benefits.

The second phase of consultations will run until July 29, 2022. ESDC said the government plans to release its long-term plan for the future of EI later this year after the phase two consultations end.

For more information on the consultations, see https://www.canada.ca/en/employment-social-development/programs/ei/consultation-better-program.html.

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

Feds Table Amendments to CLC Medical Leave

The federal government recently tabled legislation that would implement paid medical leave for federally regulated workers and employers by December 1, 2022.

The proposal was included in Bill C-19, the *Budget Implementation Act, 2022, No. 1*, which passed first reading on April 28, 2022. Last December, the Canadian Parliament passed legislation (Bill C-3) to add 10 days of paid medical leave to the *Canada Labour Code* (CLC); however, it did not include an implementation date.

In addition to proposing that paid medical leave come into force no later than December, Bill C-19 would make the following changes to the medical leave provisions in the CLC:

- It would shorten the period before which an employee begins to earn one day of paid medical leave per month from 60 days to 30 days of continuous employment.
- It would standardize the conditions for providing a medical certificate after a medical leave so that they were the same regardless of whether the medical leave was paid or unpaid. The medical leave amendments in Bill C-3 pertaining to medical certificates differentiate between paid and unpaid leaves. For a paid leave, Bill C-3 allows employers to request in writing a medical certificate if an employee was absent for at least five consecutive days. The employer must do this within 15 days after the employee returns to work. For an unpaid leave, Bill C-3 allows employers to require a medical certificate if an employee was absence for three or more days. The new amendments in Bill C-19 would follow the medical certificate conditions set out in Bill C-3 for a paid leave for both paid and unpaid medical leaves.
- It would authorize the government to make regulations in certain situations, including to

modify certain provisions relating to paid medical leave.
- It would ensure that, for medical leave, employees were considered to be continuously employed with one employer if they changed employers due to the lease or transfer of a work, undertaking or business or due to a contract being awarded through a retendering process.

Reminder: New Record-keeping Requirements for CLC Coming

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

Amendments to the Canada Labour Standards Regulations that take effect that date will 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 will also designate violations of the new record-keeping rules as Type “A” violations for calculating administrative penalties under the *Canada Labour Code*, the same as violations of existing record-keeping requirements.

The amendments will 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:

- Mon., May 23/22: Alberta; British Columbia; Manitoba; Northwest Territories; Nunavut; Ontario; Quebec; Saskatchewan; Yukon; and under the *Canada Labour Code*—Victoria Day (National Patriots Day in Quebec) (In New Brunswick, the day is a holiday under the *Days of Rest Act*)
- 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

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 Legislature Passes ESC Amendments affecting Bereavement and Reservist Leaves

In late May, the Alberta Legislative Assembly passed legislation that would expand access to bereavement and reservist leaves allowed under the province's *Employment Standards Code*.

The amendments were included in Bill 17, the *Labour Statutes Amendment Act, 2022*, which Labour and Immigration Minister Kaycee Madu tabled in the provincial legislature on April 21, 2022. The bill passed third reading on May 24, 2022 and, at the time of writing, was awaiting royal assent. The *Employment Standards Code* amendments would come into force on royal assent.

The bill would 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 ended other than in a live birth.

Bereavement leave is available to employees who have at least 90 days of service with their employer. They are entitled to take up to three days of leave per calendar year.

The bill would also eliminate a 20-day limit on the number of days an employee could take reservist leave for annual training. Madu said the change would give reservists more time to complete their annual training without having to use other leaves such as vacation time. To be eligible for any type of reservist leave, employees who are reservists must be employed by their employer for at least 12 consecutive weeks.

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

Just a reminder… Effective June 1, 2022, the provincial government will raise 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 will also rise because of indexation on June 1, 2022:

- The rate for live-in camp leaders will increase from $121.65 for each day or partial day worked to $125.06.
- The rate for live-in home support workers will rise from $113.50 for each day or partial day worked to $116.68.
- The rate paid to resident caretakers working in apartment buildings with nine to 60 suites will rise from $912.28 per month plus $36.56 per suite to $937.82 per month plus $37.58 per suite.
- The rate paid to resident caretakers working in apartment buildings with more than 60 suites will go up from $3,107.42 per month to $3,194.43.

Beginning January 1, 2023, minimum piece rates for farm workers who hand-harvest certain crops will also rise due to indexation. For more information, see https://archive.news.gov.bc.ca/releases/news_releases_2020-2024/2022LBR0003-000337.pdf.

B.C. Government considering Regulations Banning Young Workers from certain Jobs

The British Columbia Ministry of Labour has asked for public feedback on what types of jobs are too hazardous for young workers under the age of 16, and in some cases, under age 19, to do.

The consultations, which run from April 21, 2022 to June 10, 2022, will help the government draft regulations that prohibit employers from employing young workers in jobs that it considers hazardous and unsuitable. In a news release, the ministry said its own review had identified a number of areas within industries such as construction, forestry, food processing, oil/gas and power, and asbestos abatement that could be hazardous for young workers.

The planned regulations would build on employment standards changes the ministry implemented last year when it raised the minimum working age from 12 years to 16 and listed "light work" jobs that youth aged 14 to 15 could do with parental permission.

We will continue to monitor this story and will report on further developments in upcoming releases. For more information on the consultations, see https://engage.gov.bc.ca/govtogetherbc/consultation/hazardous-work-protections-for-youth/.

N.B. Government Tables Bill to Raise Basic Personal Amount

The New Brunswick government has tabled legislation that would 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 amendment was included in Bill 103, *An Act to Amend the New Brunswick Income Tax Act*, which passed first reading in the provincial legislature on May 10, 2022.

The government first announced the increase to the basic personal amount in its 2022-2023 budget, released in March.

The change to the basic personal amount would also affect the spouse/common-law partner/eligible dependent maximum claim amounts.

N.B. Bill Proposes to Expand Leave for Reservists

The New Brunswick government has tabled legislation that would expand leave for members of the Canadian Forces Reserves.

The changes were contained in Bill: 112, *An Act to Amend the Employment Standards Act*, which passed first reading in the provincial legislature on May 10, 2022. The bill includes the following proposed amendments:

- The definition of "service" would be 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" would be repealed.
- The eligibility period for the leave would be shortened to a minimum of three months of continuous employment. Currently, employees must have at least six months of employment with their employer to be eligible for a first leave and there must be at least 12 months between the date the employee returns to work and the next leave.
- Employees would be allowed to take a total of 24 months of leave in any 60-month period. This would not apply in situations where the leave was related to a national emergency.
- The maximum period for a leave of absence would increase from 18 months to 24 months.
- The name of the leave would change from Leave for Reservists to Leave for Members of the Reserves.

The bill would also make minor wording changes to the *Employment Standards Act* to make it more gender neutral.

ON ESA Amendments Require Electronic Monitoring Policy, Expand Reservist Leave and Exclude certain Consultants

Recently passed amendments to Ontario's *Employment Standards Act, 2000* will require some employers to develop a policy on electronic monitoring of employees, expand eligibility for reservist leave, and exclude certain consultants from the Act's requirements.

The amendments were included in Bill 88, the *Working for Workers Act, 2022*, which received royal assent on April 11, 2022.

The amendments will require employers with at least 25 employees as of January 1 of any year

to establish a written policy on electronic monitoring of their workers before March 1 of that year. As a transitional measure, employers with at least 25 employees as of January 1, 2022 will have until October 11, 2022 to implement the policy.
The policy must inform employees of whether the employer electronically monitors them and, if so, the reason for it. The policy must also include the date the employer created it and the date of any changes. Regulations under the Act could prescribe other information to include. Employers must provide the policy to employees within 30 days of being required to create it or within 30 days of a new employee beginning employment. Employers will have to keep a copy of the policy for three years after it is no longer in effect.

The amendments to reservist leave took effect on April 11, 2022. They expand reservist leave to include time off for taking part in Canadian Armed Forces military skills training. They also reduce the eligibility period for the leave from six consecutive months of employment with the employer to three consecutive months.

Beginning January 1, 2023, the *Employment Standards Act, 2000* will not apply to business and information technology consultants if certain conditions apply:

- The business or information technology consultant provides services through a corporation for which they are a director or a shareholder who is party to a unanimous shareholder agreement or they provide services as a sole proprietor under a registered business bearing their 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 could prescribe additional conditions in regulations under the Act.

The *Working for Workers Act, 2022* also establishes a new *Digital Platform Workers' Rights Act, 2022*, which, once in force, would set out the rights of workers who perform digital platform work (i.e., ride share, delivery, courier work, etc., that operators offer to workers through an online service and that workers can accept or decline). The Act would give the workers the right to have a recurring pay period and payday, receive minimum wage, and keep their tips and other gratuities, among other rights.

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* will come 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 will 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.

Quebec: Proposed Amendments affect Employee Security Options and QPP Contributions

In May, the Quebec government tabled legislation that would officially implement an annual limit of $200,000 on certain employee security options that are eligible for a tax deduction.

The measure was included in Bill 33, *An Act amending the Taxation Act, the Act respecting the Québec sales tax and other provisions*, which passed first reading in the National Assembly on May 12, 2022.

The security options amendment would harmonize Quebec's *Taxation Act* with federal *Income Tax Act* amendments from 2021 that put an annual cap of $200,000 on the amount of certain employee security options eligible for a tax deduction. The cap applies to employees working for non-Canadian-controlled private corporations and mutual fund trusts whose gross annual revenue exceeds $500 million. It covers security options granted on or after July 1, 2021. Revenu Québec has already included the changes in the 2022 edition of its *Taxable Benefits* guide (IN-253-V).

The bill would also amend the *Act respecting the Quebec Pension Plan* to authorize the minister of Revenue to create a new source deduction table for the Quebec Pension Plan (QPP) for a new additional contribution rate, beginning in 2024. The new rate is part of a multi-year plan to fund benefit improvements to the QPP. Between 2019 and 2023, the Quebec government is gradually raising the QPP contribution rate from 5.4% to 6.4%. Beginning in 2024, it will implement an additional contribution rate of four per cent each for employers and employees for pensionable earnings between the YMPE and a new upper earnings limit, expected to be 107 per cent of the YMPE. In 2025, the rate is expected to rise to 114 per cent. The federal government is making similar changes to the Canada Pension Plan (CPP).

The bill also proposes amendments affecting employees of international financial centres. For more information, see http://www.assnat.qc.ca/en/travaux-parlementaires/projets-loi/projet-loi-33-42-2.html.

Reminder: Quebec Minimum Wage Increased May 1

Just a reminder… The province's general minimum wage rate rose from $13.50 an hour to

$14.25 on May 1, 2022.

Other minimum wage rates in Quebec also went up on May 1, 2022:

- Employees who receive tips: $11.40/hour (previously $10.80)
- Raspberry pickers: $4.23/kilogram (previously $4.01)
- Strawberry pickers: $1.13/kilogram (previously $1.07)

In addition, effective May 1, 2022, the government increased the maximum amounts that employers may require employees to pay if they provide the employees with board and lodging or if they must ensure that the employees find accommodation:

- $2.37 per meal, up to $30.91 per week (previously $2.29 and $29.89, respectively);
- $29.72 per week for a room (previously $28.74);
- $35.67 a week for a room and meals if the room can accommodate five or more employees (previously $34.50); and
- $53.47 a week for a room and meals if the room sleeps no more than four employees (previously $51.71).

Saskatchewan Minimum Wage Rising Oct. 1

On October 1, 2022, the province's minimum wage rate will rise from $11.81 an hour to $13.00, Labour Relations and Workplace Safety Minister Don Morgan announced in early May.

The rate will go up again on October 1, 2023 to $14 and on October 1, 2024 to $15.

Morgan said the multi-year rate increases reflect a market adjustment, rather than regular indexation. Normally, the Saskatchewan government adjusts the minimum wage rate each year on October 1 using an indexation formula based on percentage changes to both Saskatchewan's consumer price index and average hourly wage for the previous year.

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.

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: The Canada Revenue Agency (CRA) has sent us a Requirement to Pay (RTP) notice for an employee. We are already deducting amounts from the employee's salary for another garnishment order. Which requirement takes priority?

Answer: The CRA requires employers to comply with an RTP even if they are already deducting amounts under a garnishment order for another creditor. An RTP takes precedence over most other garnishments, although the CRA will give priority to garnishments for child support. The RTP will show the maximum amount that the employer must deduct from the employee and send to the CRA. The CRA advises employers to contact it (at the number listed on the RTP) if there is not sufficient money to pay both the CRA and the other creditor. It is important that employers comply with RTPs as they could be held responsible for any amounts they failed to deduct and remit.

For more information on garnishment orders, please see chapter 10, Garnishments, etc.