

Payroll changes as of January 1, 2024

Canada

The **electronic** production of T4 forms becomes mandatory when the production is **6 sheets or more**. Prior to January 1, 2024, electronic production of T4 forms was mandatory when producing 50 sheets or more.

An additional field has been added in the employee's record, under the 'Additional Information' tab. This field is for 'Dental Insurance'.

The screenshot shows the 'Employees (33 of 33 - New)' window with the 'Additional Information' tab selected. A yellow warning banner at the top states 'Value required for field 'Code''. The 'Dental Insurance' dropdown menu is currently set to 'No dental insurance'. Other visible fields include:

- Tax Table: Quebec
- EI Rate: 1.4000
- Pay Period: 52
- Pay Method:
 - Hourly Base: 0.0000 (selected)
 - Hours per Week: 40.00
 - Fixed Weekly Salary: 0.00
 - Yearly Salary: 0.00
- CNESST:
 - Classification Unit: [empty]
 - Personal Coverage:
- Exemptions:
 - Taxes:
 - EI:
 - QPP:
 - QPIP:
 - HC:
- Federal Exemptions:
 - Personal Tax Credit Amount: 0.00
 - Additional Tax: 0.00
 - Year of completed TD1 form: 2023
- Provincial Exemptions:
 - Personal Tax Credit Amount: 0.00
 - Additional Tax: 0.00
 - Year of completed TP1015 form: 2023
- Commission:
 - Commission Percentage: [empty] %

After the update, the default value will be 'No dental insurance.' Here is the list of other available options:

- Beneficiary
- Beneficiary and dependent children
- Beneficiary and spouse
- Beneficiary, spouse, and dependent children

Our clients will need to update this information on each of their employee records before producing T4 statements.

A second additional contribution to the CPP, “CPP2” will be calculated on the payrolls of employees whose province of employment is other than “Quebec”.

This contribution will be calculated once the employee has finished contributing to the basic Canada Pension Plan.

Starting January 1, 2024, the maximum CPP contribution amount will be **\$3,867.50**. The CPP contribution rate for employees and employers remains at **5.95%**. The maximum earnings subject to CPP will increase to **\$68,500** as of January 1, 2024, instead of **\$66,600**.

The contribution rate for the second CPP contribution, “CPP2”, for employees and employers will be **4%**. Employees with earnings subject to pension between **\$68,500** and **\$73,200** will be required to contribute to CPP2. The total amount of this contribution for the year 2024 is **\$188** for both the employee and the employer.

The employment insurance contribution rate for employees outside Quebec will be **1.66%**, while for employees in Quebec, the rate will be **1.32%**.

On the T4 statement produced for the 2023 calendar year, starting in January 2024:

The image shows a T4 Statement of Remuneration Paid form. The following boxes are highlighted in yellow:

- Box 45: Employer-offered dental benefits (Prestations dentaires offertes par l'employeur)
- Box 16A: Employee's second CPP contributions – see over (Deuxièmes cotisations de l'employé au RPC – voir au verso)
- Box 17A: Employee's second QPP contributions – see over (Deuxièmes cotisations de l'employé au RRQ – voir au verso)

The box 45 must be completed for the calendar year 2023.

Boxes 16A and 17A have been added but will be used starting with the production of T4 statements for the **2024 calendar year**. These boxes will be used to report the

amounts of the second additional CPP contribution or the second additional QPP contribution.

*The configuration for these two new boxes has been added to the T4 box configuration screen.

The T4 summary has been modified to account for this second contribution.

Use remittance payments from		
From	To	
2023-01-01	2023-12-31	
Employment income	14	3,847,046.60
RPP contributions	20	1,350.00
Pension Adjustment	52	0.00
Employee's CPP contributions	16	315.68
2nd CPP Employee Contribution	16A	0.00
Employer CPP contributions	27	315.68
2nd CPP Employer Contribution	27A	0.00
Employee's EI premiums	18	12,593.47
Employer EI premiums	19	17,630.90
Income tax deducted	22	876,867.83
Total deductions reported	80	907,723.56
Remittances	82	0.00
Difference		907,723.56
Overpayment	84	0.00
Balance Due	86	907,723.56

Boxes 16A and 27A have been added to this screen and on the paper form.

*Penalty for T4 statement production starting from January 2024:

Will you be penalized if you do not file electronically?

As of January 2024, if you file more than 6 information returns (slips) for a calendar year and you do not file by Internet file transfer or Web Forms, you may be charged a penalty. Every information return is considered a slip. The following table lists the penalties for not filing electronically.

Number of information returns (slips)	Penalty
6 to 50	\$125
51 to 250	\$250
251 to 500	\$500
501 to 2,500	\$1,500
2,501 or more	\$2,500

Transmitter number

required MM + 6 numeric, example: MM555555

- If you are filing 1 return only and do not have an existing Transmitter number please use generic transmitter number MM555555 to file this return. If you still wish to obtain a Transmitter number, please call **1-800-665-5164** to obtain one.
- If you will be filing more than 1 return please use the Transmitter (MM) number that we have assigned to you. If you do not have a transmitter number and will be filing more than 1 return, please call **1-800-665-5164** to obtain one.
- If you are filing 1 return and currently have an existing transmitter number (MM) use that number.

Transmitter type indicator

1 numeric

- 1 if you are submitting your returns
- 2 if you are submitting returns for others (service providers)
- 3 if you are submitting your returns using a purchased software package
- 4 if you are a software vendor

Prince-Edouard Island

Two new tax brackets will be in effect starting January 1, 2024.

Quebec

A second additional contribution to the QPP, "QPP2", will be calculated on the payrolls of employees whose province of employment is "Quebec".

This contribution will be calculated once the employee has finished contributing to the basic Quebec Pension Plan.

Starting January 1, 2024, the maximum QPP contribution amount will be **\$4,160**. The maximum earnings subject to QPP will increase to **\$68,500** as of January 1, 2024,

instead of **\$66,600**. The contribution rate for the second QPP contribution, “QPP2”, for employees and employers will be **4%**. Employees with earnings subject to pension between **\$68,500** and **\$73,200** will be required to contribute to QPP2. The total amount of this contribution for the year 2024 is **\$188** for both the employee and the employer.

The employment insurance contribution rate for employees in Quebec will be **1.32%**.

To manage the remittance of the second additional QPP and CPP contributions, ledger accounts have been added in the payroll settings.

General Ledger Accounts	
2nd Canadian Pension Plan [Expense]	7002 - 2nd Canadian Pension Plan
2nd Canadian Pension Plan [Liability]	2014 - 2nd Canadian Pension Plan to pay
2nd Quebec Pension Plan [Expense]	7003 - 2e Régime des rentes du Québec
2nd Quebec Pension Plan [Liability]	2015 - 2nd Quebec Pension Plan to pay
Canadian Pension Plan [Deferred Expense]	
Canadian Pension Plan [Expense]	7031 - Canadian Pension Plan - Expense
Canadian Pension Plan [Liability]	2022 - Canadian Pension Plan - Payable
CNESST [Deferred Expense]	
CNESST [Expense]	7001 - Health and security commission of Qu...
CNESST [Liability]	2028 - Health and security commission of Qu...
Employment Insurance [Deferred Expense]	
Employment Insurance [Expense]	7030 - Employment Insurance

The remittance report has been updated to account for these 2 new contributions.

Agency : RECEIVER - General Receiver

Number of Employees : 2

EI Rate : 1.4000		Number of Employees : 2		Gross Salary: \$3,600.00		
2014	2nd Canadian Pension Plan to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2020	Federal Tax to Pay	\$0.00	\$0.00	\$0.00	\$568.35	\$568.35
2021	U.I.C. Payable	\$0.00	\$0.00	\$0.00	\$128.73	\$128.73
2022	Canadian Pension Plan - Payable	\$0.00	\$0.00	\$0.00	\$206.20	\$206.20
EI Rate : 1.4000		\$0.00	\$0.00	\$0.00	\$903.28	\$903.28
Agency Total: RECEIVER - General Receiver		\$0.00	\$0.00	\$0.00	\$903.28	\$903.28

Agency : REVENU - Ministère du Revenu

Number of Employees : 2

2015	2nd Quebec Pension Plan to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2023	Provincial Tax - Payable	\$0.00	\$0.00	\$0.00	\$235.26	\$235.26
2024	Provincial Pension Plan - Payable	\$0.00	\$0.00	\$0.00	\$221.78	\$221.78
2025	Health Insurance - Payable	\$0.00	\$0.00	\$0.00	\$29.70	\$29.70