



SERENIC CORPORATION
Enabling Strong Communities By Supporting Those Who Serve

Canadian Payroll Tax Update for Navision

January 2006

Versions 2.00 to 3.10

**PLEASE ENSURE TO BACK-UP YOUR
CURRENT DATABASE PRIOR TO
PERFORMING ANY IMPORTS OR UPDATES**

Information contained in this document uses version 3.10 as a basis for all instructions and screen shots

Please note: The following changes are included with the Tax Data Update. Your Pay Control Codes must match the listed Pay Control Codes listed throughout this document for the respective records to be *automatically* updated by the Import Tax Data routine.

If a Pay Control Code that you use is NOT the same as the Pay Controls listed throughout this document, or if you have modified the Brackets, you will have to manually add the changes shown below.

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FEDERAL CHANGES

Basic Federal Tax

Basic Federal Tax

Payroll Control Code = BFT

(See Bracket Line Figure BFT1)

Bracket Header:

- Name = **W/H TABLE**,
- Effective Date = **01/01/06**,
- Description = T4127(E) Table 1,
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure BFT1

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	15	0.00	0.00	0.00
36,378.00	22	5,456.70	0.00	0.00
72,756.00	26	13,459.86	0.00	0.00
118,285.00	29	25,297.40	0.00	0.00

Payroll Control Code = BFT

(See Bracket Line Figure BFT2)

Bracket Header:

- Name = **LOWRATE**,
- Effective Date = **01/01/06**,
- Description = Lowest Tax Rate in Table 1,
- Filing Status Code = N/A
- Brackets Type = Tax Credit

Bracket Line – Figure BFT2

%	Amount	Min. Amount	Max. Amount	Per Allowance	From Allowance
15	0.00	0.00	0.00	0	0

Canada Pension Plan

Canada Pension Plan, Employee

Payroll Control Code = CPP EE

(See Bracket Line Figure CPP1)

Bracket Header:

- Name = **CPP,**
- Effective Date = **01/01/06,**
- Description = CPP Rate, incl. CPP Basic Exemption and Ann. Limit,
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure CPP1

Amount Over	Tax %	Tax Amount	Limit	Max W/H
▶ 3,500.00	4.95	0.00	1,910.70	0.00

Payroll Control Code = CPP EE

(See Bracket Line Figure CPP2)

Bracket Header:

- Name = **CPP EARN,**
- Effective Date = **01/01/06,**
- Description = CPP Maximum Pensionable Earnings,
- Filing Status Code = N/A
- Brackets Type = Limit + Tax

Bracket Line – Figure CPP2

Limit

Tax %

Canada Pension Plan, Employee (Bonus)

Payroll Control Code = CPP EE BONUS

(See Bracket Line Figure CPP3)

Bracket Header:

- Name = **CPP,**
- Effective Date = **01/01/06,**
- Description = CPP Rate (no CPP Basic Exemption) and Ann. Limit,
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure CPP3

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	4.95	0.00	1,910.70	0.00

Payroll Control Code = CPP EE BONUS

(See Bracket Line Figure CPP4)

Bracket Header:

- Name = **CPP EARN,**
- Effective Date = **01/01/06,**
- Description = CPP Maximum Pensionable Earnings,
- Filing Status Code = N/A
- Brackets Type = Limit + Tax

Bracket Line – Figure CPP4

Limit 42,100.00
Tax % 0

Employment Insurance

Employment Insurance, Employee

Payroll Control Code = EI EE

(See Bracket Line Figure E11)

Bracket Header:

- Name = **EI LIMIT,**
- Effective Date = **01/01/06,**
- Description = EI Annual Amount Limit,
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure E11

	Amount Over	Tax %	Tax Amount	Limit	Max W/H
▶	0.00	1.87	0.00	729.30	0.00

Employment Insurance, Employee (Quebec) (NEW – refer to Appendix B)

Payroll Control Code = EI EE Q

(See Bracket Line Figure E12)

Bracket Header:

- Name = **EI MAX Q,**
- Effective Date = **01/01/06,**
- Description = EI Quebec Maximum using Bracket,
- Filing Status Code = N/A
- Brackets Type = Limit + Tax%

Bracket Line – Figure EI2

Limit 39,000.00
 Tax % 0

Help

Payroll Control Code = EI EE Q
 (See Bracket Line Figure EI3)

Bracket Header:

- Name = **EI W/H Q,**
- Effective Date = **01/01/06,**
- Description = EI Withholding Quebec - Employee,
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure EI3

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	1.53	0.00	596.70	0.00

Help

PROVINCIAL CHANGES

British Columbia

Income Tax Withheld

Payroll Control Code = BC TAX

(See Bracket Line Figure BC1)

Bracket Header:

- Name = **W/H TABLE**,
- Effective Date = **01/01/06**,
- Description = British Columbia Tax Table (TONI),
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure BC1

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	6.05	0.00	0.00	0.00
33,755.00	9.15	2,042.18	0.00	0.00
67,511.00	11.7	5,130.85	0.00	0.00
77,511.00	13.7	6,300.85	0.00	0.00
94,121.00	14.7	8,576.42	0.00	0.00

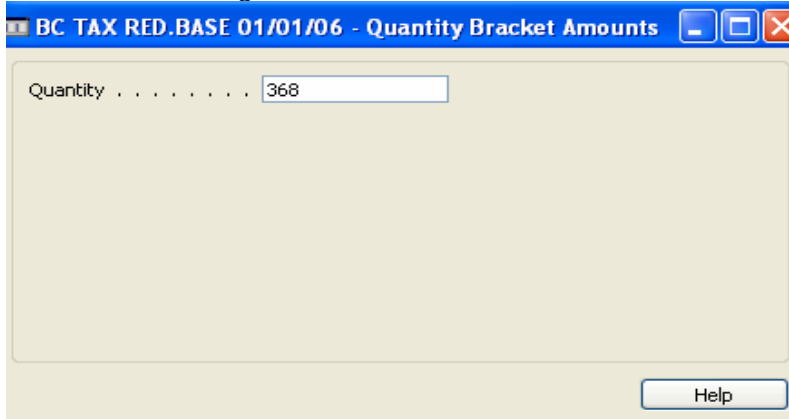
Payroll Control Code = BC TAX

(See Bracket Line Figure BC2)

Bracket Header:

- Name = **RED.BASE**,
- Effective Date = **01/01/06**,
- Description = British Columbia Tax Reduction Base,
- Filing Status Code = N/A
- Brackets Type = Quantity

Bracket Line – Figure BC2



Payroll Control Code = BC TAX

(See Bracket Line Figure BC3)

Bracket Header:

- Name = **RED.TABLE**,
- Effective Date = **01/01/06**,
- Description = British Columbia Tax Reduction Table,
- Filing Status Code = N/A
- Brackets Type = Exemption

Bracket Line – Figure BC3

%	Amount	Min. Amount	Max. Amount	Per Allo...	From All...	Limit
0	0.00	0.00	0.00	0.00	0	0.00
3.6	16,336.01	0.00	0.00	0.00	0	0.00
0	26,558.23	368.00	0.00	0.00	0	0.00

Manitoba

Income Tax Withheld

Payroll Control Code = MB TAX

(See Bracket Line Figure NB1)

Bracket Header:

- Name = **W/H TABLE**,
- Effective Date = **01/01/06**,
- Description = Manitoba Tax Table (TONI),
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure MBI

	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	0.00	10.9	0.00	0.00	0.00
	30,544.00	13.5	3,329.30	0.00	0.00
▶	65,000.00	17.4	7,980.86	0.00	0.00

New Brunswick

Income Tax Withheld

Payroll Control Code = NB TAX

(See Bracket Line Figure NB1)

Bracket Header:

- Name = **W/H TABLE**,
- Effective Date = **01/01/06**,
- Description = New Brunswick Tax Table (TONI),
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure NB1

	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	0.00	9.68	0.00	0.00	0.00
	33,450.00	14.82	3,237.96	0.00	0.00
	66,902.00	16.52	8,195.55	0.00	0.00
▶	108,768.00	17.84	15,111.81	0.00	0.00

Northwest Territories

Income Tax Withheld

Payroll Control Code = NT TAX

(See Bracket Line Figure NT1)

Bracket Header:

- Name = **W/H TABLE**,
- Effective Date = **01/01/06**,
- Description = NWT Tax Table (TONI),
- Filing Status Code = N/A

- ❑ Brackets Type = Withholding

Bracket Line – Figure NT1

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	5.9	0.00	0.00	0.00
34,555.00	8.6	2,038.75	0.00	0.00
69,110.00	12.2	5,010.48	0.00	0.00
112,358.00	14.05	10,652.74	0.00	0.00

Nunavut

Income Tax Withheld

Payroll Control Code = NN TAX

(See Bracket Line Figure NN1)

Bracket Header:

- ❑ Name = **W/H TABLE**,
- ❑ Effective Date = **01/01/06**,
- ❑ Description = Nunavut Tax Table (TONI),
- ❑ Filing Status Code = N/A
- ❑ Brackets Type = Withholding

Bracket Line – Figure NN1

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	4	0.00	0.00	0.00
36,378.00	7	1,455.12	0.00	0.00
72,756.00	9	4,001.58	0.00	0.00
118,285.00	11.5	8,099.19	0.00	0.00

Ontario

Income Tax Withheld (Step 1)

Payroll Control Code = ON TAX 1

(See Bracket Line Figure ON1)

Bracket Header:

- ❑ Name = **W/H TABLE**,
- ❑ Effective Date = **01/01/06**,
- ❑ Description = Ontario Tax Table (TONI),

- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure ON1

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	6.05	0.00	0.00	0.00
34,758.00	9.15	2,102.86	0.00	0.00
69,517.00	11.16	5,283.31	0.00	0.00

Payroll Control Code = ON TAX 1

(See Bracket Line Figure ON2)

Bracket Header:

- Name = **SURTAX,**
- Effective Date = **01/01/06,**
- Description = Ontario Surtax,
- Filing Status Code = N/A
- Brackets Type = W/H Deduction

Bracket Line – Figure ON2

Amount Over	Tax %	Tax Amount	Limit	Max W/H
4,016.00	20	0.00	0.00	0.00
5,065.00	56	209.80	0.00	0.00

Income Tax Withheld

Payroll Control Code = ON TAX

(See Bracket Line Figure ON3)

Bracket Header:

- Name = **ON CREDIT,**
- Effective Date = **01/01/06,**
- Description = Ontario Tax Credit,
- Filing Status Code = N/A
- Brackets Type = Deduction

Bracket Line – Figure ON3

	%	Amount	Min. Amount	Max. Amount	Per Allo...	From All...
▶	0	194.00	0.00	0.00	<input type="checkbox"/>	0
	0	357.00	0.00	0.00	<input checked="" type="checkbox"/>	0

Quebec

Québec Income Tax Withheld

Payroll Control Code = QC TAX

(See Bracket Line Figure QC1)

Bracket Header:

- Name = **QC RED,**
- Effective Date = **01/01/06,**
- Description = QC Taxable Income Reduction,
- Filing Status Code = N/A
- Brackets Type = Deduction

Bracket Line – Figure QC1

	%	Amount	Min. Amount	Max. Amount	Per Allo...	From All...
▶	6	0.00	0.00	500.00	<input type="checkbox"/>	0

Payroll Control Code = QC TAX

(See Bracket Line Figure QC2)

Bracket Header:

- Name = **W/H TABLE,**
- Effective Date = **01/01/06,**
- Description = Chapter 3, Section E Income Tax Table,
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure QC2

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	16	0.00	0.00	0.00
28,710.00	20	4,593.60	0.00	0.00
57,430.00	24	10,337.60	0.00	0.00

QC Parental Insurance Plan, EE (NEW)

Payroll Control Code = QPIP EE

(See Bracket Line Figure QC3)

Bracket Header:

- Name = **QPIP EE,**
- Effective Date = **01/01/06,**
- Description = **QPIP EE Withholding Rate and limit,**
- Filing Status Code = **N/A**
- Brackets Type = **Withholding**

Bracket Line – Figure QC3

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	0.416	0.00	237.12	0.00

Payroll Control Code = QPIP EE

(See Bracket Line Figure QC4)

Bracket Header:

- Name = **QPIP MAX,**
- Effective Date = **01/01/06,**
- Description = **QPIP Maximum using Bracket,**
- Filing Status Code = **N/A**
- Brackets Type = **Limit + Tax%**

Bracket Line – Figure QC4

QPIP EE QPIP MAX 01/01/06 - Limit + Tax% Bracket Amounts

Limit 57,000.00

Tax % 0

Help

QC Parental Insurance Plan, ER (NEW)

Payroll Control Code = QPIP ER
 (See Bracket Line Figure QC5)

Bracket Header:

- Name = **QPIP ER,**
- Effective Date = **01/01/06,**
- Description = **QPIP ER Withholding Rate and limit,**
- Filing Status Code = **N/A**
- Brackets Type = **Withholding**

Bracket Line – Figure QC5

QPIP ER QC Parental Insurance Plan, ER QPIP ER 01/01/06 - Withholding Bracket Amounts

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	0.583	0.00	332.31	0.00

Help

Payroll Control Code = QPIP ER
 (See Bracket Line Figure QC6)

Bracket Header:

- Name = **QPIP MAX,**
- Effective Date = **01/01/06,**
- Description = **QPIP Maximum using Bracket,**
- Filing Status Code = **N/A**
- Brackets Type = **Limit + Tax%**

Bracket Line – Figure QC6

Quebec Pension Plan, Employee

Payroll Control Code = QPP EE

(See Bracket Line Figure QC7)

Bracket Header:

- Name = **QPP**,
- Effective Date = **01/01/06**,
- Description = QPP Rate, incl. QPP Basic Exemption and Ann. Limit,
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure QC7

Amount Over	Tax %	Tax Amount	Limit	Max W/H
▶ 3,500.00	4.95	0.00	1,910.70	0.00

Payroll Control Code = QPP EE

(See Bracket Line Figure QC8)

Bracket Header:

- Name = **QPP EARN**,
- Effective Date = **01/01/06**,
- Description = QPP Maximum Pensionable Earnings,
- Filing Status Code = N/A
- Brackets Type = Limit + Tax

Bracket Line – Figure QC8

Quebec Pension Plan, Employee (Bonus)

Payroll Control Code = QPP EE BONUS

(See Bracket Line Figure QC9)

Bracket Header:

- Name = **QPP,**
- Effective Date = **01/01/06,**
- Description = QPP Rate (no QPP Basic Exemption) and Ann. Limit,
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure QC9

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	4.95	0.00	1,910.70	0.00

Payroll Control Code = QPP EE BONUS

(See Bracket Line Figure QC10)

Bracket Header:

- Name = **QPP EARN,**
- Effective Date = **01/01/06,**
- Description = QPP Maximum Pensionable Earnings,
- Filing Status Code = N/A
- Brackets Type = Limit + Tax

Bracket Line – Figure QC10

QPP EE BONUS QPP EARN 01/01/06 - Limit + Tax% Bracket Amounts

Limit 42,100.00

Tax % 0

Help

Saskatchewan

Income Tax Withheld

Payroll Control Code = SK TAX
 (See Bracket Line Figure SK1)

Bracket Header:

- Name = **W/H TABLE**,
- Effective Date = **01/01/06**,
- Description = Saskatchewan Tax Table (TONI),
- Filing Status Code = N/A
- Brackets Type = Withholding

Bracket Line – Figure SK1

SK TAX Income Tax Withheld W/H TABLE 01/01/06 - Withholding Bracket Amounts

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	11	0.00	0.00	0.00
37,579.00	13	4,133.69	0.00	0.00
107,367.00	15	13,206.13	0.00	0.00

Help

Yukon Territory

Income Tax Withheld

Payroll Control Code = YT TAX
 (See Bracket Line Figure YT1)

Bracket Header:

- Name = **W/H TABLE**,

- ❑ Effective Date = **01/01/06**,
- ❑ Description = Yukon Tax Table (TONI),
- ❑ Filing Status Code = N/A
- ❑ Brackets Type = Withholding

Bracket Line – Figure YTI

Amount Over	Tax %	Tax Amount	Limit	Max W/H
0.00	7.04	0.00	0.00	0.00
36,378.00	9.68	2,561.01	0.00	0.00
72,756.00	11.44	6,082.40	0.00	0.00
▶ 118,285.00	12.76	11,272.71	0.00	0.00

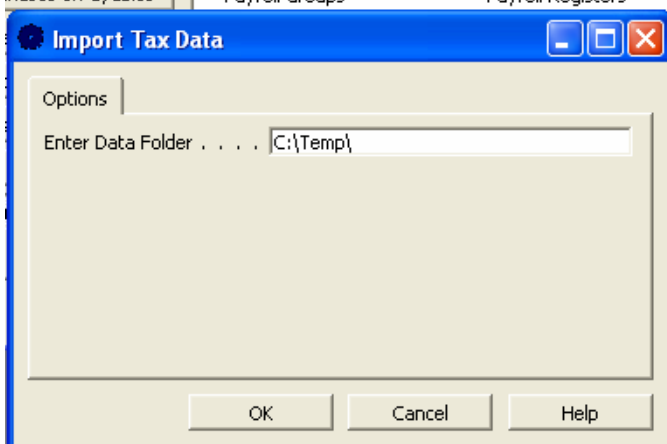
APPENDIX A

Import Instructions

Using the Import Payroll Control Data periodic activity

1. Extract the import files contained in the 200-310CAControlDatX.zip to a folder on your network or your local hard drive.
2. Extract the files contained in the ...TaxDat.zip file that corresponds to your existing Navision Version. (i.e. 200-310CATaxDat.zip)
3. Open Navision to the Payroll Main Menu.
4. Select “Periodic Activities>>Update Tax Data...”
5. Enter the path to the data file extracted in step 2
(See *Import Tax Data – Figure 1*)
6. Click “OK” on the Import Payroll Control Data form:

Import Tax Data – Figure 1 (example only)



APPENDIX B

New/Modified Payroll Controls

The following section contains screen shots depicting the setup of new Federally and/or Provincially regulated Payroll Controls.

EI EE Q (NEW)

Employment Insurance, Employee

This control was created in order to allow for a new reduced rate granted to residents of Quebec. Your Quebec Employees will use this control in place of the existing EI EE control. Non-Quebec employees may continue to use the EI EE control.

The screenshot shows the 'General' tab of the 'EI EE Q Employment Insurance, Employee - Payroll Control Card' window. The fields are as follows:

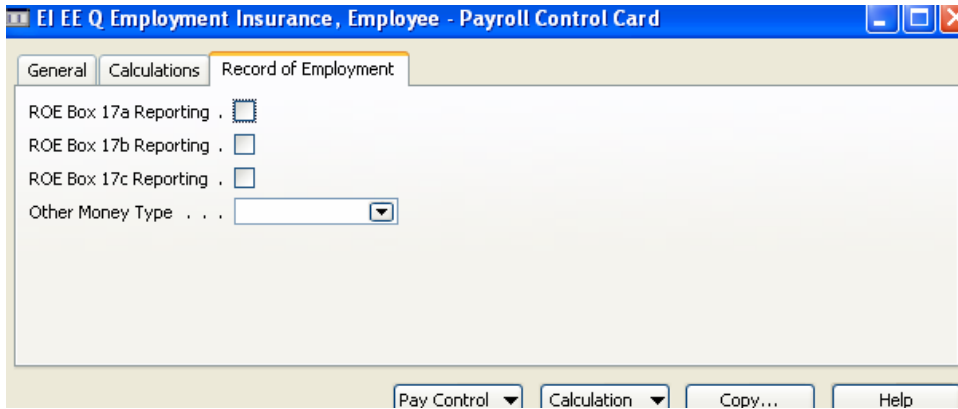
Code	EI EE Q	G/L Post Type	Post Liability a...
Type	Unemployem...	Payroll Posting Group . .	
Name	Employment Insurance, Employee	Print on Check	Current+YTD
Government Type	Federal	Normal Sign	Negative
State		Post as Absence	<input type="checkbox"/>
Locality		Cause of Absence Code .	
Tax Form Class Code . .	T4-18		

Buttons at the bottom: Pay Control, Calculation, Copy..., Help.

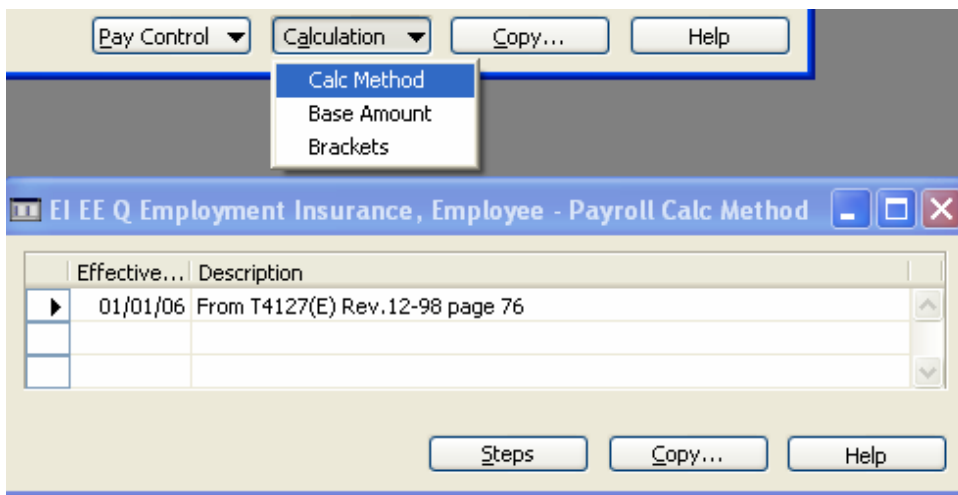
The screenshot shows the 'Calculations' tab of the 'EI EE Q Employment Insurance, Employee - Payroll Control Card' window. The fields are as follows:

Calculated	<input checked="" type="checkbox"/>	Calc Methods	<input checked="" type="checkbox"/>
Payroll Rate Code		Base Amounts	<input checked="" type="checkbox"/>
Net Pay Test	Do not test	Brackets	<input checked="" type="checkbox"/>
Arrears Payroll Control...			

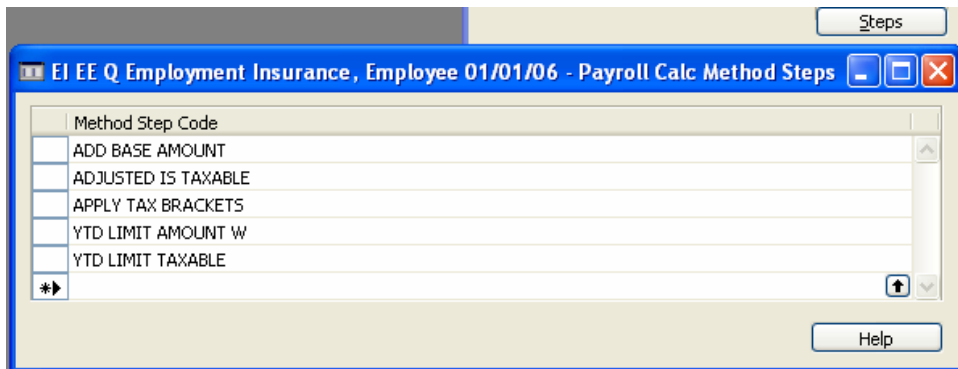
Buttons at the bottom: Pay Control, Calculation, Copy..., Help.



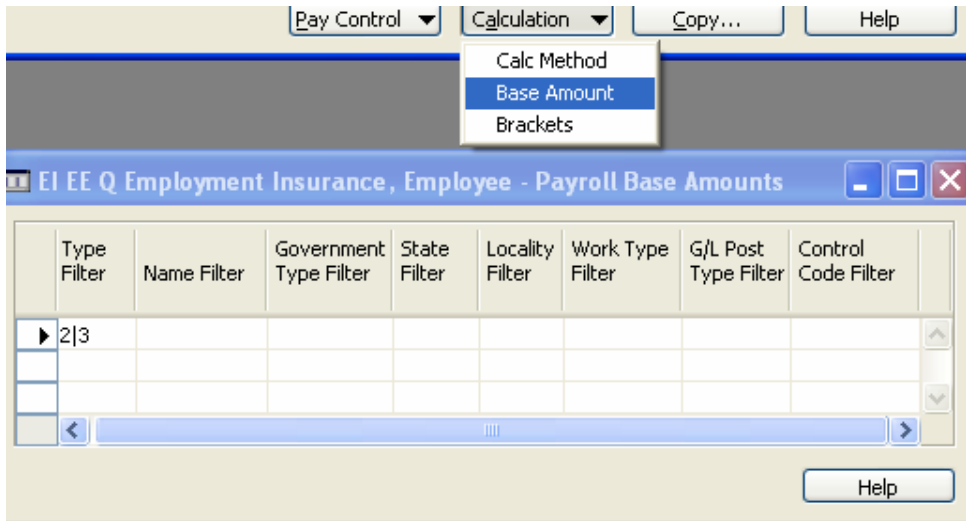
From the Payroll Control card choose Calculation>Calc Method



From the Payroll Calc Method form choose “Steps”
Add the Method Steps in the order illustrated below.



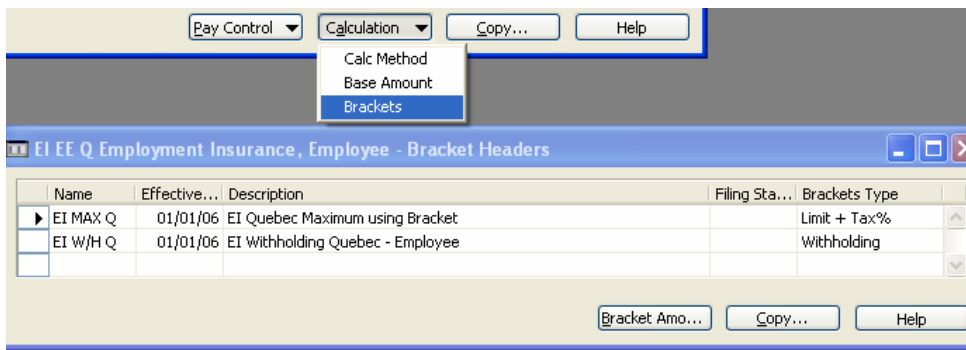
Exit from the Payroll Calc Method Steps form and the Payroll Calc Method form.
From the Payroll Control card choose Calculation>>Base Amounts and fill in the fields as illustrated below.



Note: Not all customers use the same base amount filters. Please check with your customers to see which controls are subject to this tax.

Exit from the Payroll Base Amounts form.

From the Payroll Control card choose Calculation>>Brackets and fill in the fields as illustrated below.



Refer to pages 8 and 9 of this document to complete the Bracket setup

QPIP EE (NEW)

QC Parental Insurance Plan, EE

This control was created in order to comply with the introduction of a Parental Insurance Plan in the province of Quebec. You are required to withhold additional taxes from your Quebec Employees using this control. Non-Quebec employees are not required to have this control.

The screenshot shows the 'General' tab of the 'QPIP EE QC Parental Insurance Plan, EE - Payroll Control Card' window. The fields are as follows:

Code	QPIP EE	G/L Post Type	Post Liability a...
Type	Unemployem...	Payroll Posting Group	
Name	QC Parental Insurance Plan, EE	Print on Check	Current+YTD
Government Type	Federal	Normal Sign	Negative
State		Post as Absence	<input type="checkbox"/>
Locality		Cause of Absence Code	
Tax Form Class Code			

Buttons at the bottom: Pay Control, Calculation, Copy..., Help.

The screenshot shows the 'Calculations' tab of the 'QPIP EE QC Parental Insurance Plan, EE - Payroll Control Card' window. The fields are as follows:

Calculated	<input checked="" type="checkbox"/>	Calc Methods	<input checked="" type="checkbox"/>
Payroll Rate Code		Base Amounts	<input checked="" type="checkbox"/>
Net Pay Test	Do not test	Brackets	<input checked="" type="checkbox"/>
Arrears Payroll Control...			

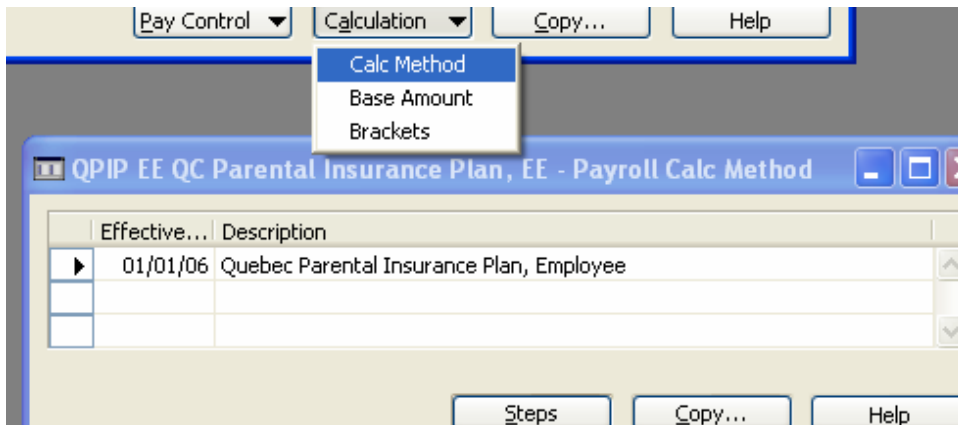
Buttons at the bottom: Pay Control, Calculation, Copy..., Help.

The screenshot shows the 'Record of Employment' tab of the 'QPIP EE QC Parental Insurance Plan, EE - Payroll Control Card' window. The fields are as follows:

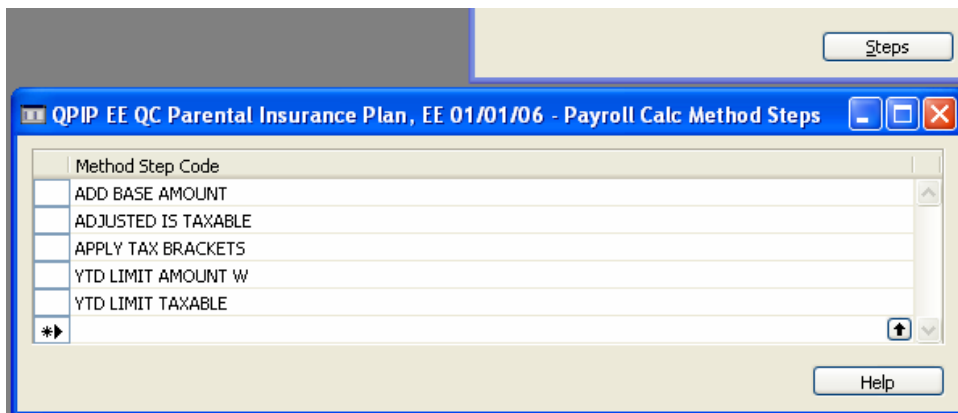
ROE Box 17a Reporting	<input checked="" type="checkbox"/>
ROE Box 17b Reporting	<input type="checkbox"/>
ROE Box 17c Reporting	<input type="checkbox"/>
Other Money Type	

Buttons at the bottom: Pay Control, Calculation, Copy..., Help.

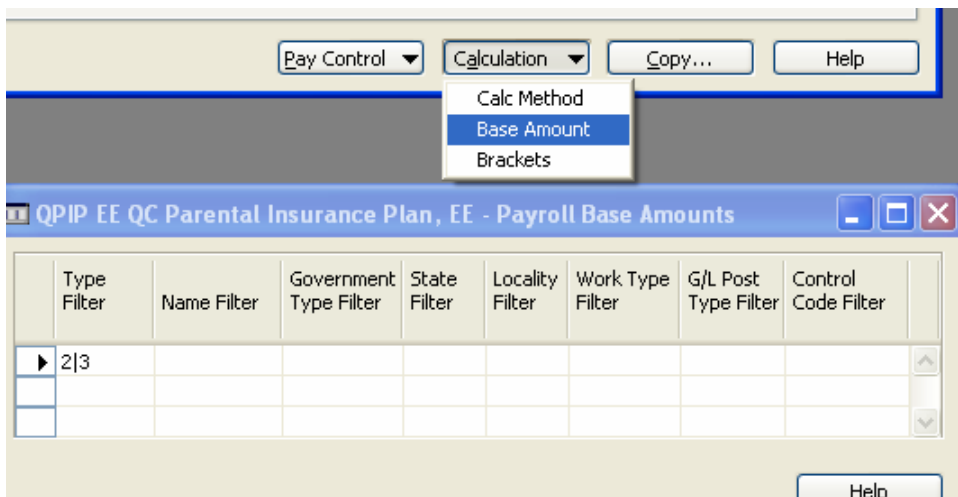
From the Payroll Control card choose Calculation>Calc Method



From the Payroll Calc Method form choose “Steps”
Add the Method Steps in the order illustrated below.



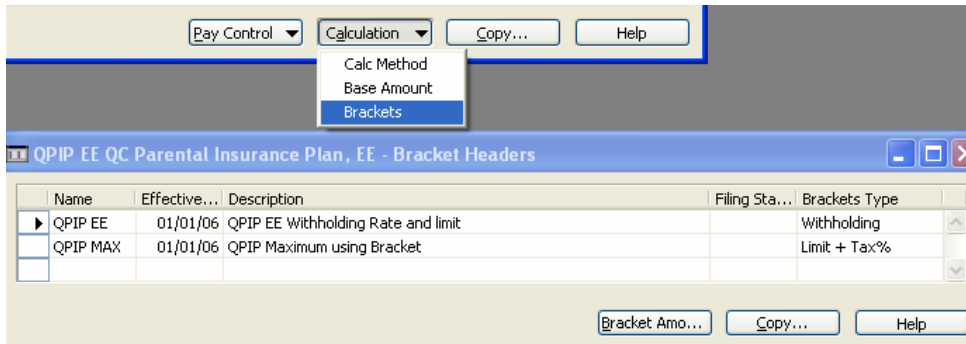
Exit from the Payroll Calc Method Steps form and the Payroll Calc Method form.
From the Payroll Control card choose Calculation>>Base Amounts and fill in the fields as illustrated below.



Note: Not all customers use the same base amount filters. Please check with your customers to see which controls are subject to this tax.

Exit from the Payroll Base Amounts form.

From the Payroll Control card choose Calculation>>Brackets and fill in the fields as illustrated below.

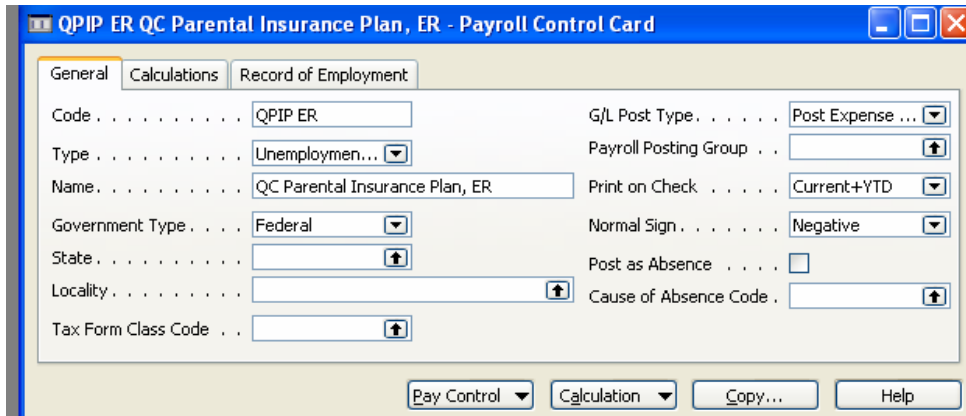


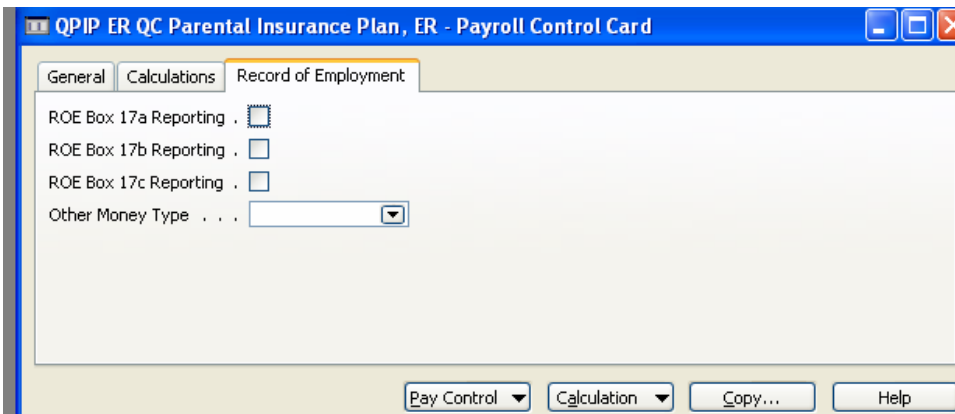
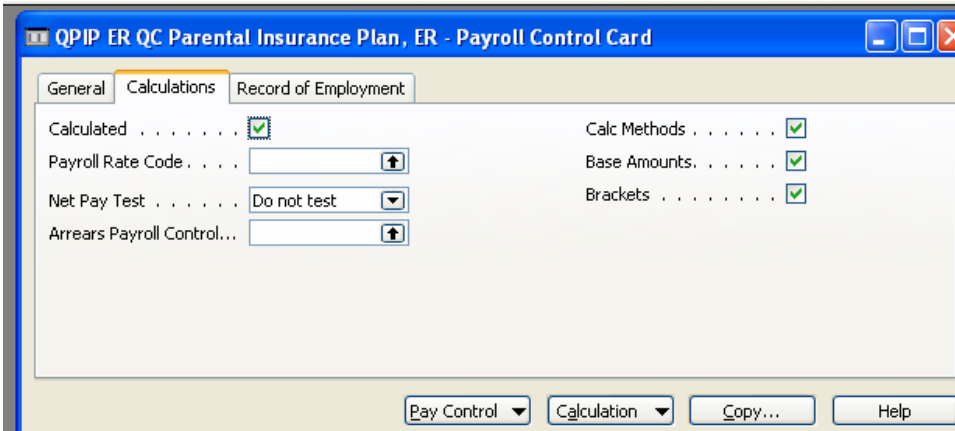
Refer to pages 17 and 18 of this document to complete the Bracket setup

QPIP ER (NEW)

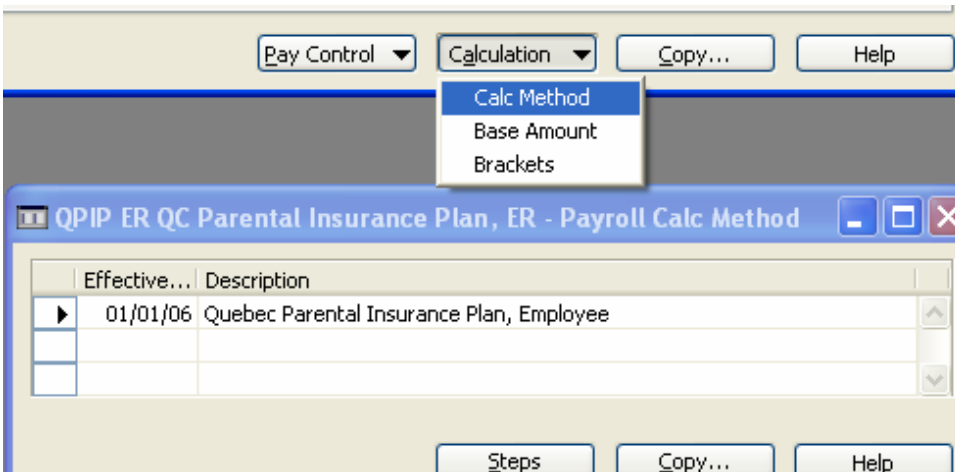
QC Parental Insurance Plan, ER

This control was created in order to comply with the introduction of a Parental Insurance Plan in the province of Quebec. Employers are required to make contributions based on Quebec Employee earnings using this control. Non-Quebec employees are not required to have this control.

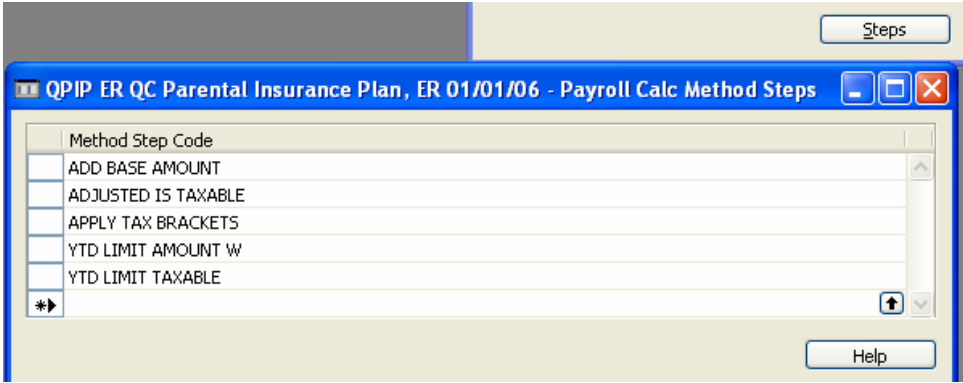




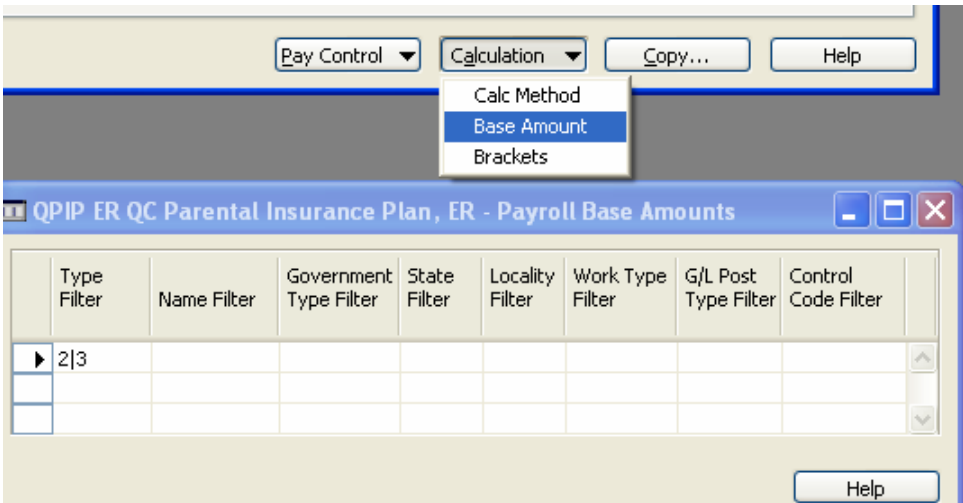
From the Payroll Control card choose Calculation>Calc Method



From the Payroll Calc Method form choose “Steps”
Add the Method Steps in the order illustrated below.

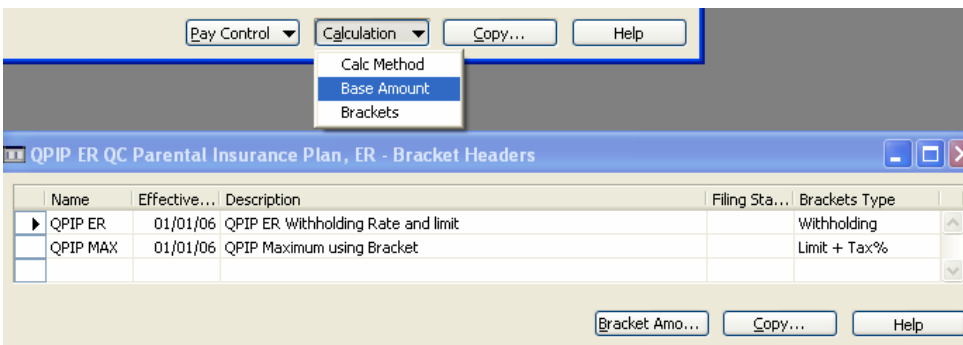


Exit from the Payroll Calc Method Steps form and the Payroll Calc Method form. From the Payroll Control card choose Calculation>>Base Amounts and fill in the fields as illustrated below.



Note: Not all customers use the same base amount filters. Please check with your customers to see which controls are subject to this tax.

Exit from the Payroll Base Amounts form. From the Payroll Control card choose Calculation>>Brackets and fill in the fields as illustrated below.



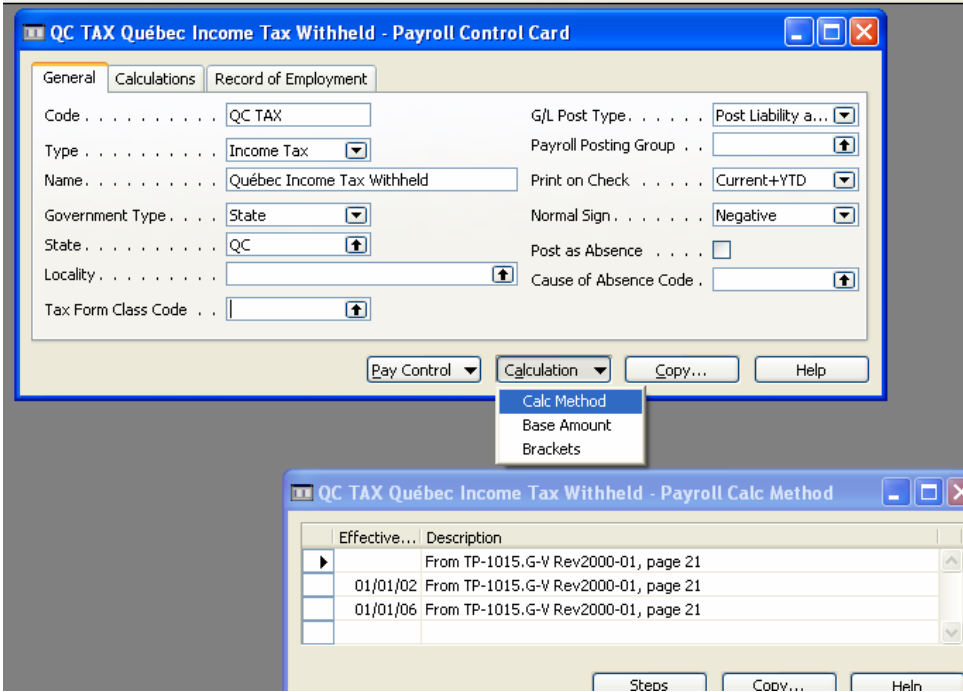
Refer to pages 18 and 19 of this document to complete the Bracket setup

QC TAX (MODIFIED)

Québec Income Tax Withheld

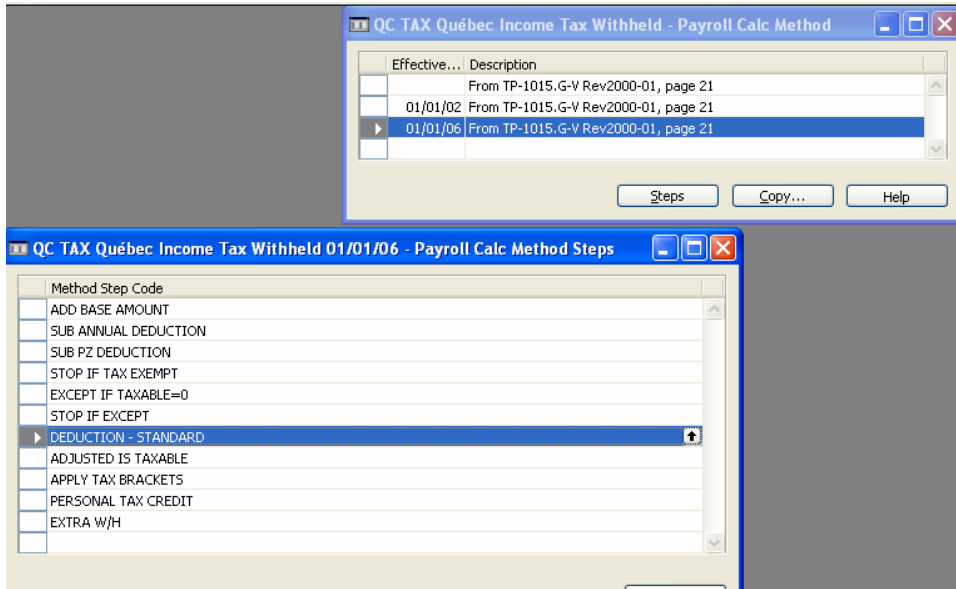
A new arrangement of method steps is required to incorporate the new 6% Reduction in Taxable Income for the purpose of Quebec Income Tax calculations.

From the Payroll Control card choose Calculation>>Calc Method



Copy Calc Method line for 01/01/02 and specify the new effective date of 01/01/06 when prompted.

With the new Calculation Method highlighted, select the Steps button and insure your steps appear as follows.



Changes:

1. Method Step DEDUCTION - STANDARD inserted as step 7 to further reduce the Taxable Income stored in the Adjusted Column by the amounts specified in the new QC RED Bracket (Refer to pages 16 and 17 of this document for the QC RED bracket details)

Equation performed by DEDUCTION – STANDARD:

$$\frac{[(\text{Adjusted Amount}) \text{ Pay Periods}] \text{ Bracket \%}}{\text{Pay Periods}}$$

If result in numerator is greater than the Max Amount in the Bracket then numerator becomes Bracket Max Amount.