# 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

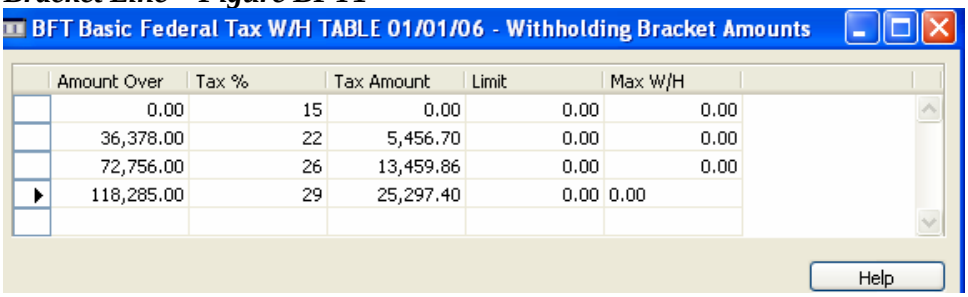
## Basic Federal Tax

***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***

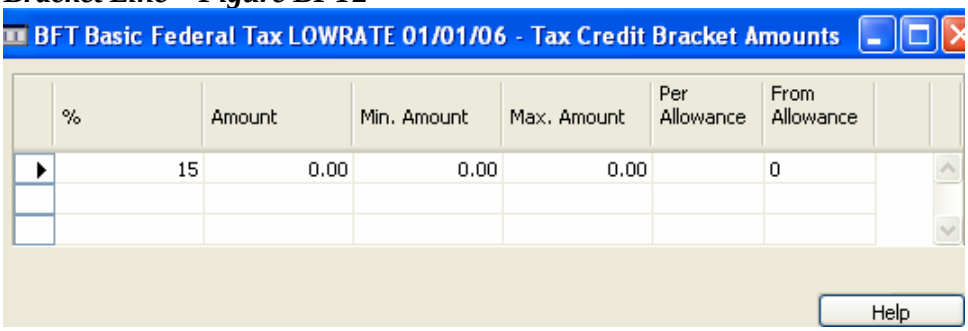



***Payroll Control Code = BFT***
*(See Bracket Line Figure BFT2)*

***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***



# 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

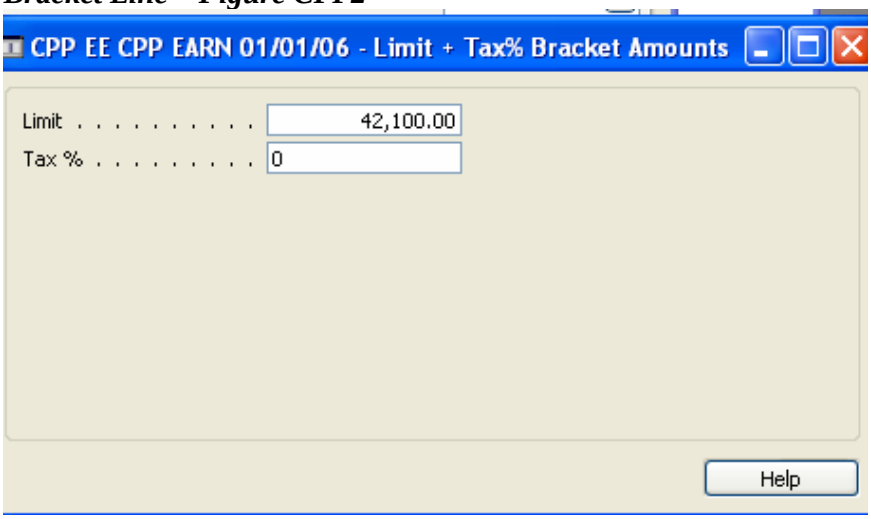
***Bracket Line – Figure CPP1***

***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***



## 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

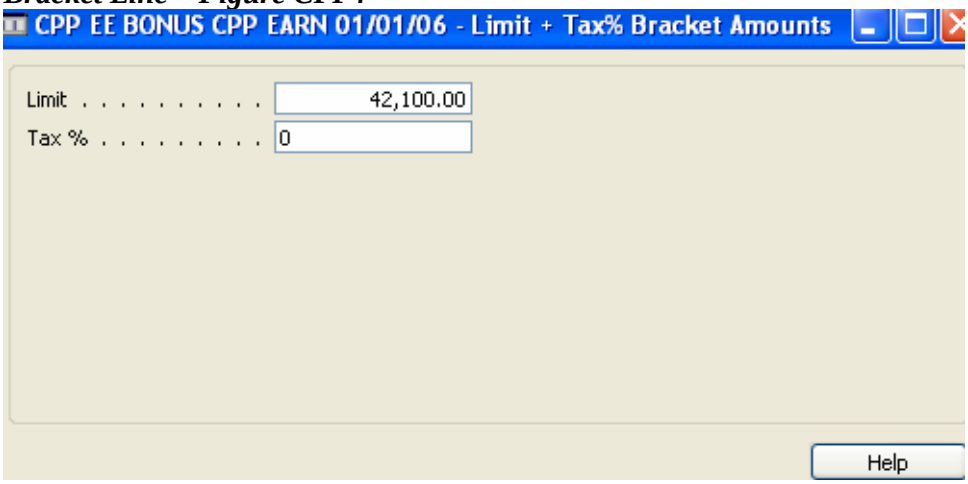
***Bracket Line – Figure CPP3***

***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***



# Employment Insurance

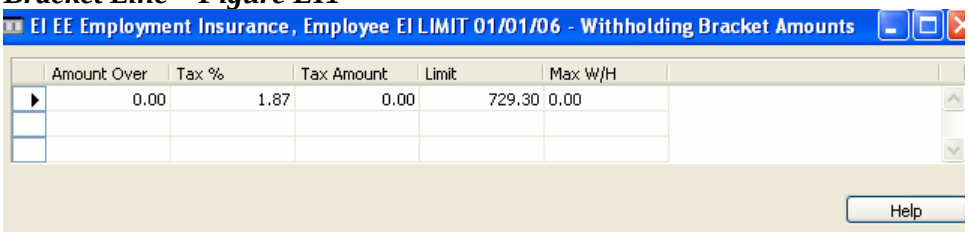
## Employment Insurance, Employee

***Payroll Control Code = EI EE***
*(See Bracket Line Figure EI1)*

***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 EI1***



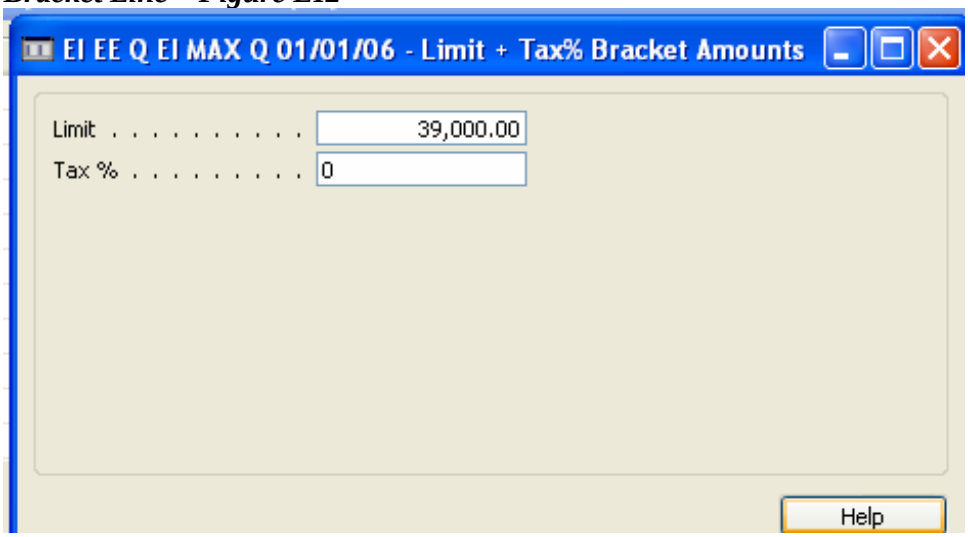

## Employment Insurance, Employee (Quebec) (NEW – refer to Appendix B)

***Payroll Control Code = EI EE Q***
*(See Bracket Line Figure EI2)*

***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***

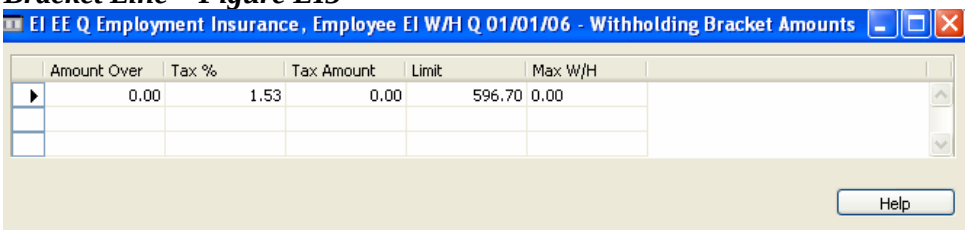



***Payroll Control Code = EI EE Q***
*(See Bracket Line Figure EI3)*

***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***



# *PROVINCIAL CHANGES*

# British Columbia

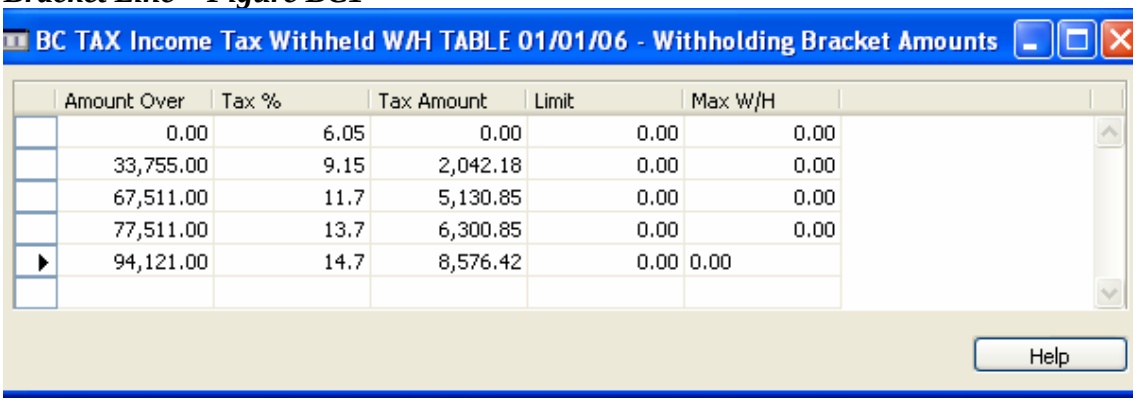
## Income Tax Withheld

***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***



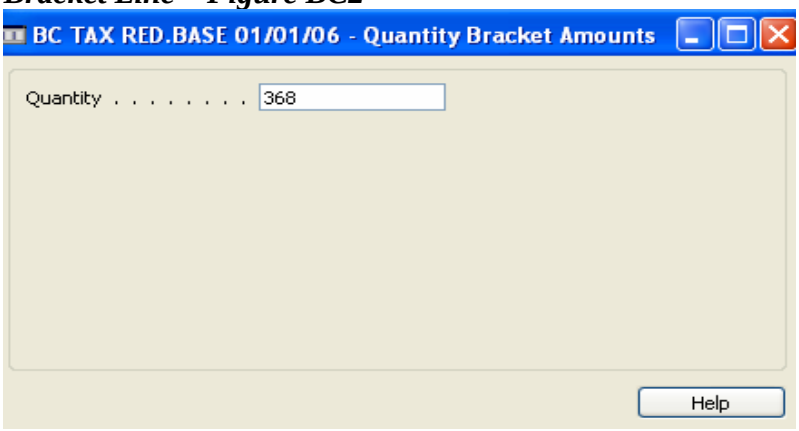

| Amount Over | Tax % | Tax Amount | Limit | Max W/H |
|---|---|---|---|---|
| 0.00 | 6.05 | 0.00 | 0.00 | 0.00 |
| 33,755.00 | 9.15 | 2,042.18 | 0.00 | 0.00 |
| 67,511.00 | 11.7 | 5,130.85 | 0.00 | 0.00 |
| 77,511.00 | 13.7 | 6,300.85 | 0.00 | 0.00 |
| 94,121.00 | 14.7 | 8,576.42 | 0.00 | 0.00 |

***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***

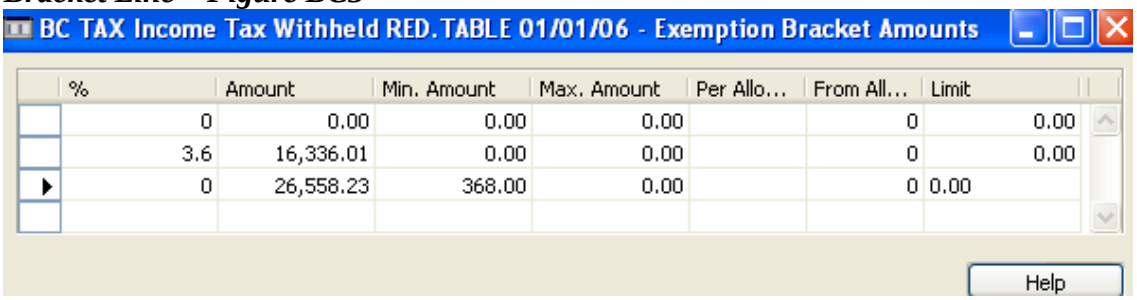



***Payroll Control Code = BC TAX***
*(See Bracket Line Figure BC3)*

***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***




# Manitoba

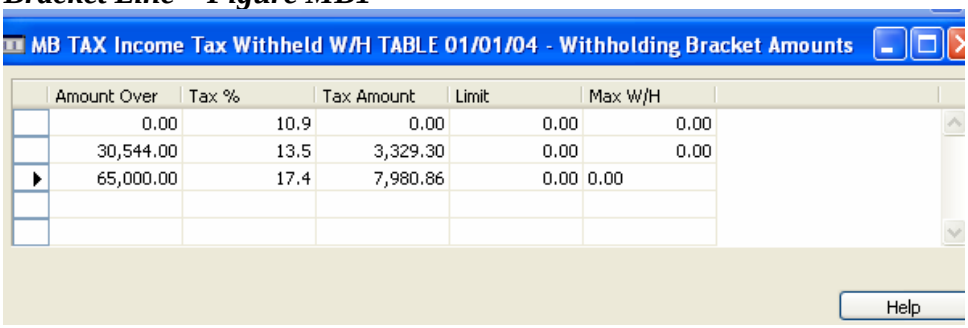
## Income Tax Withheld

***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 MB1***




# New Brunswick

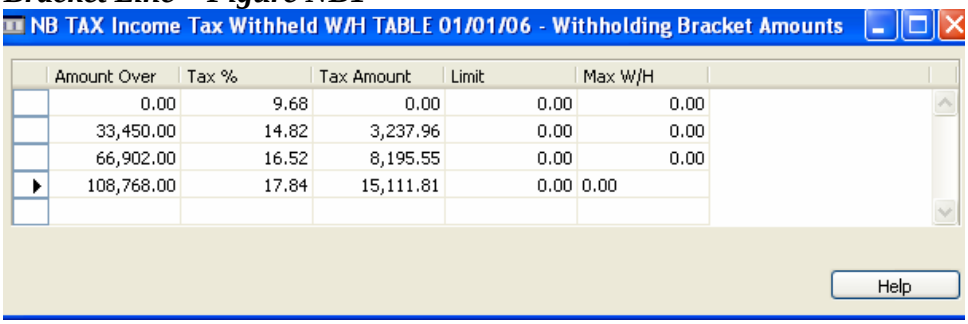
## Income Tax Withheld

***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***




# Northwest Territories

## Income Tax Withheld

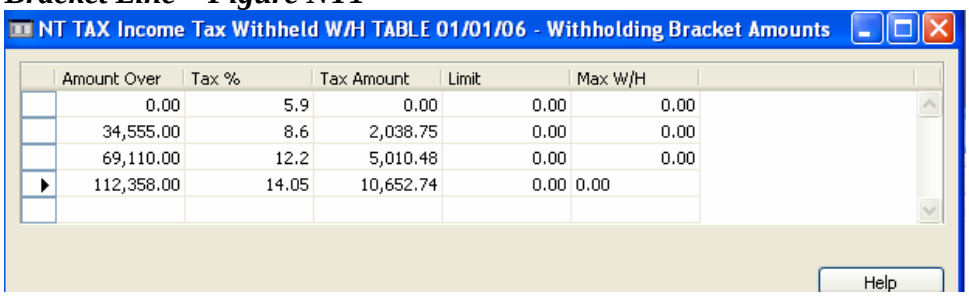
***Payroll Control Code = NT TAX***
*(See Bracket Line Figure NT1)*

***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***




# Nunavut

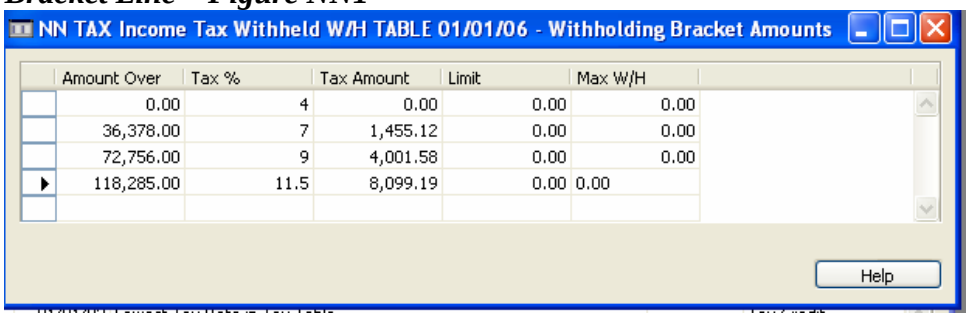
## Income Tax Withheld

***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***




# 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

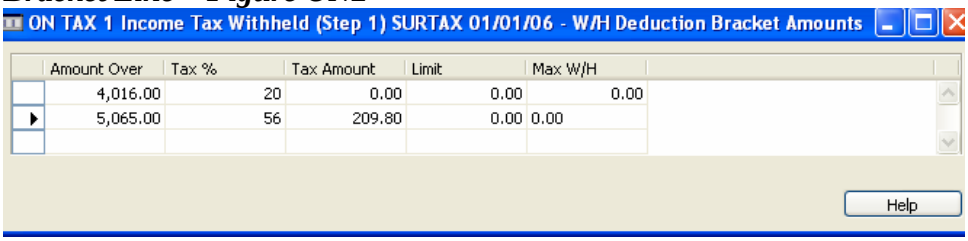
***Bracket Line – Figure ON1***

***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***



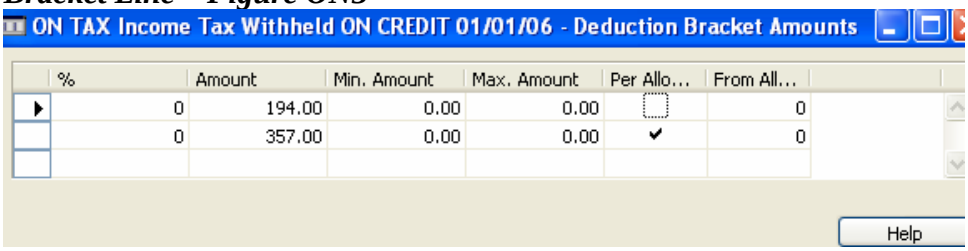

## Income Tax Withheld

***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***




# Quebec

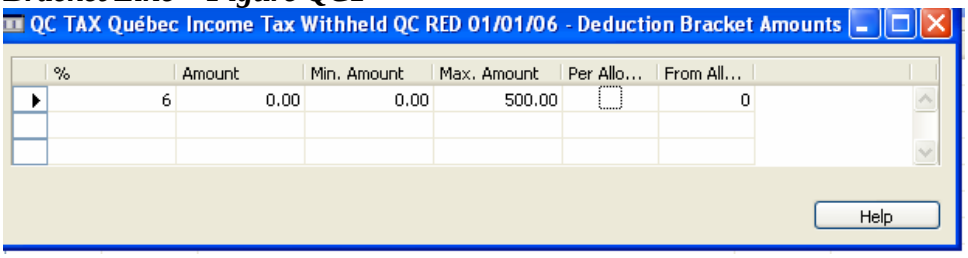
## Québec Income Tax Withheld

***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***




***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***

## 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

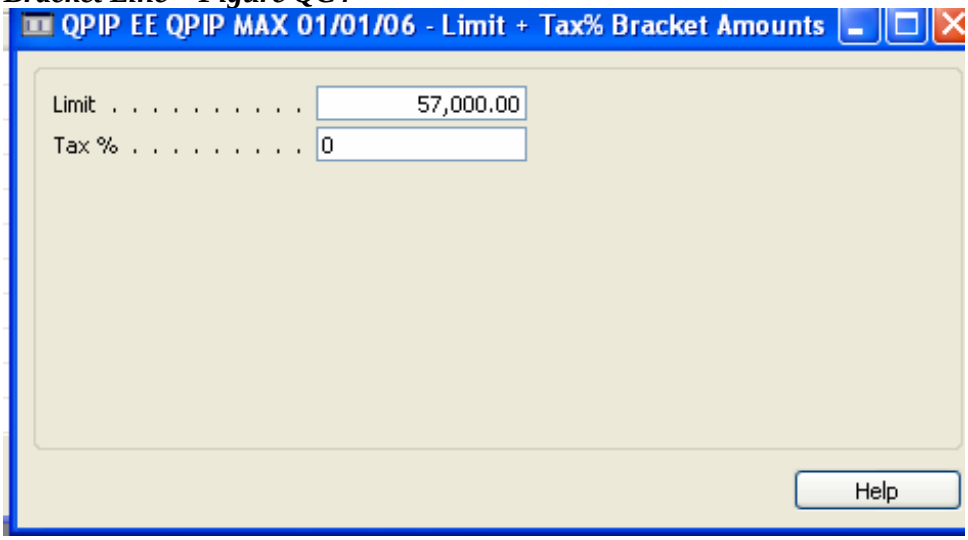
***Bracket Line – Figure QC3***

***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***




## 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

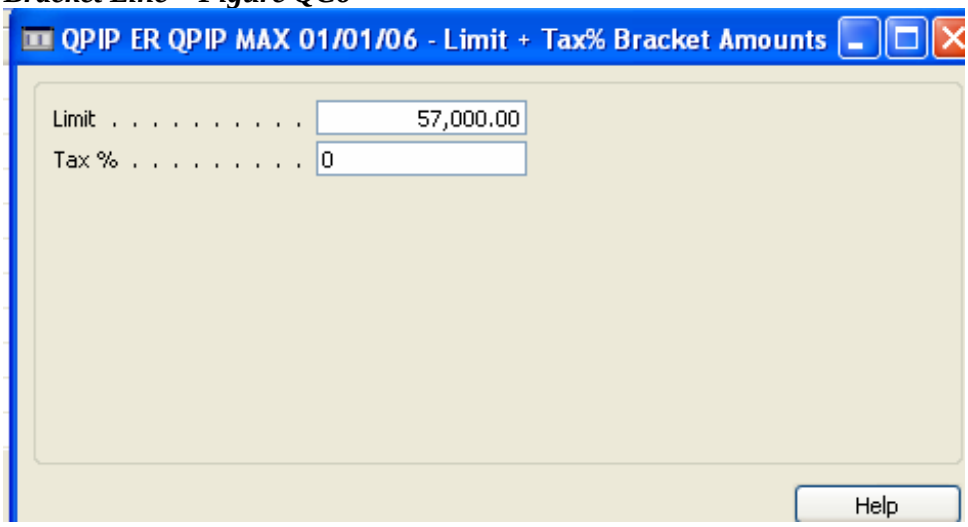
***Bracket Line – Figure QC5***

***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***



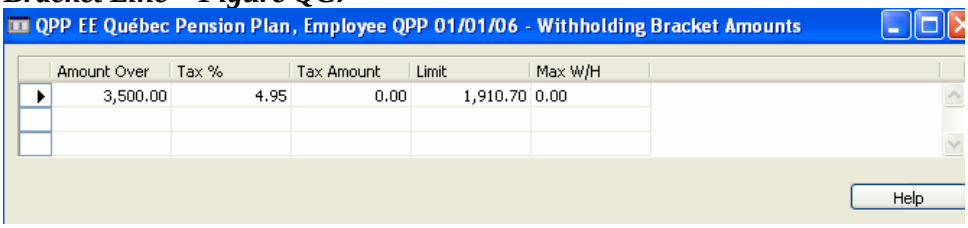

## Quebec Pension Plan, Employee

***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***

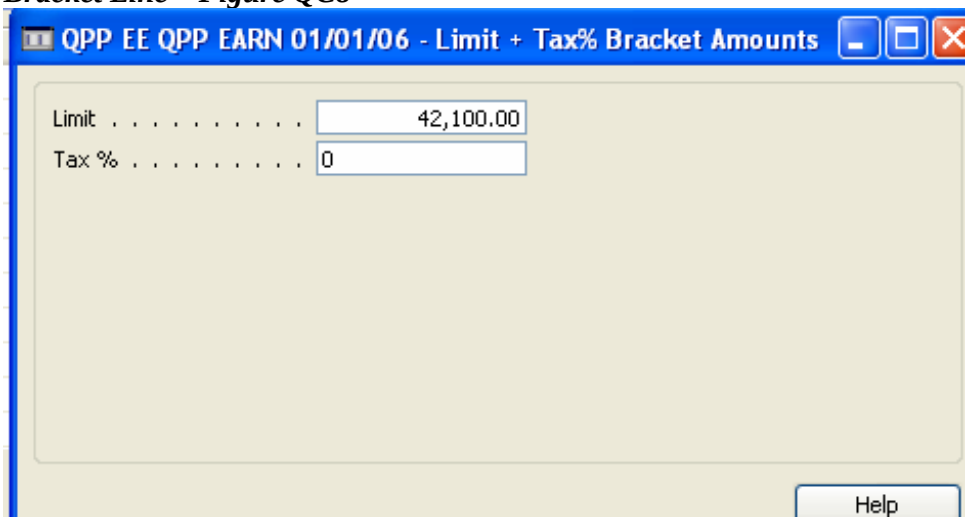



***Payroll Control Code = QPP EE***
*(See Bracket Line Figure QC8)*

***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***



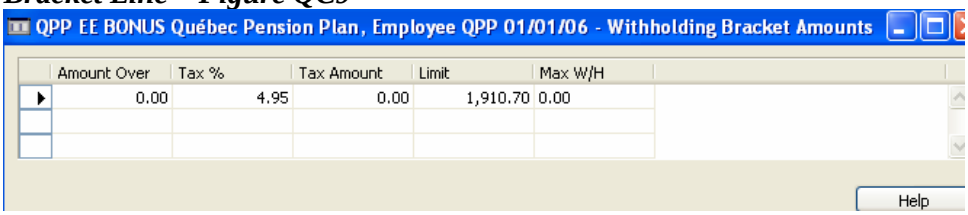

## Quebec Pension Plan, Employee (Bonus)

***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***

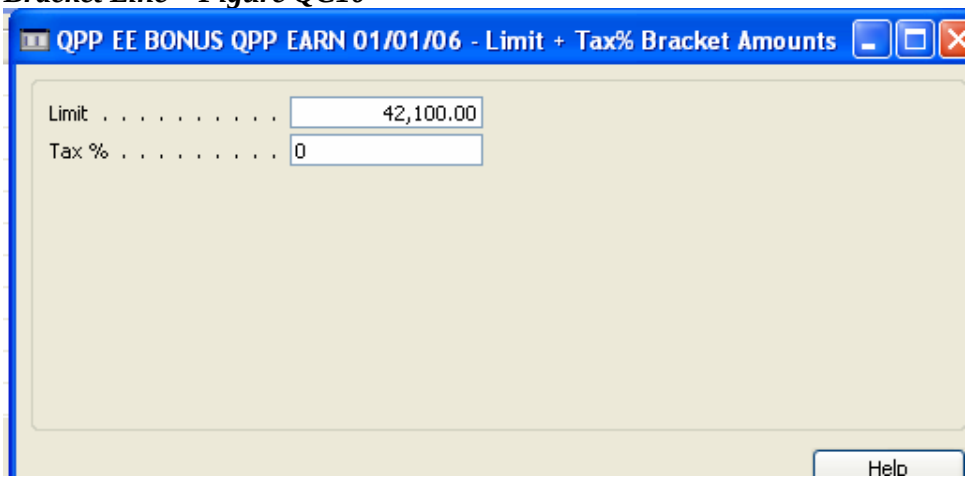



***Payroll Control Code = QPP EE BONUS***
*(See Bracket Line Figure QC10)*

***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***




# Saskatchewan

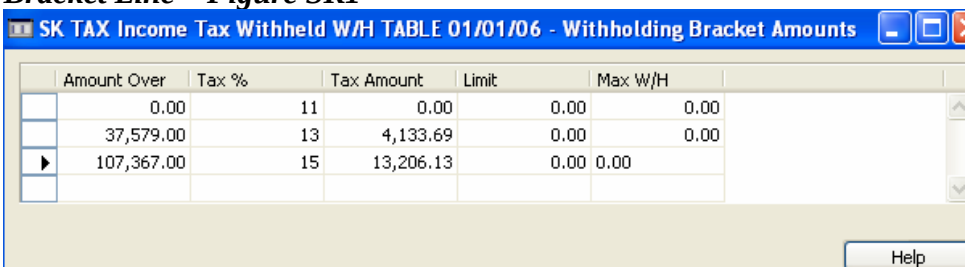
## Income Tax Withheld

***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***




# Yukon Territory

## Income Tax Withheld

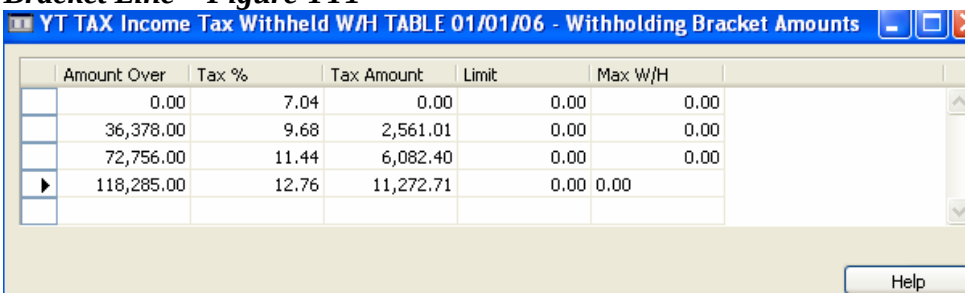
***Payroll Control Code = YT TAX***
*(See Bracket Line Figure YT1)*

***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 YT1***



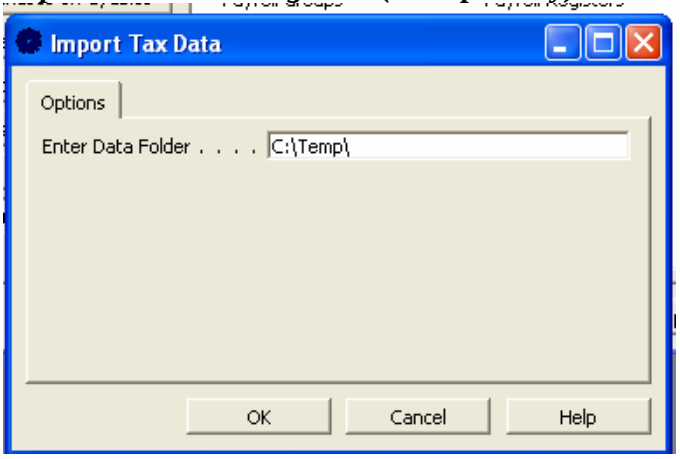
# *APPENDIX A*

# 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*

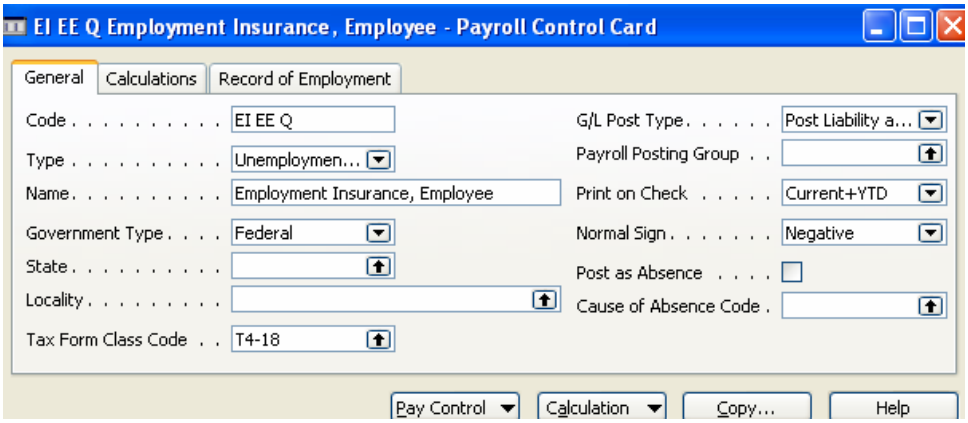
# New/Modified Payroll Controls

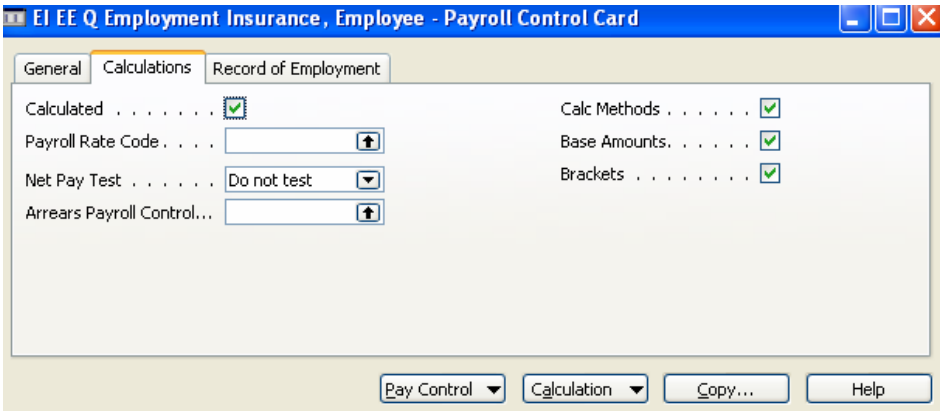
The following section contains screen shots depicting the setup of new Federally and/or Provincially regulated Payroll Controls.

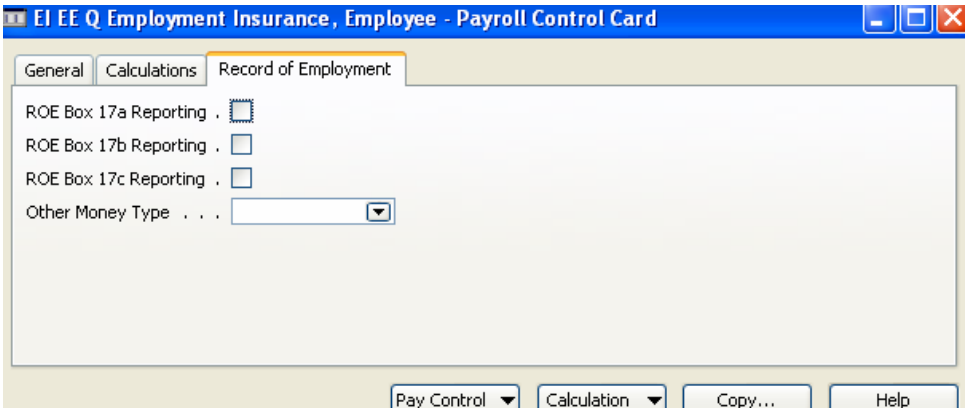
## EI EE Q (NEW)

Employment Insurance, Employee

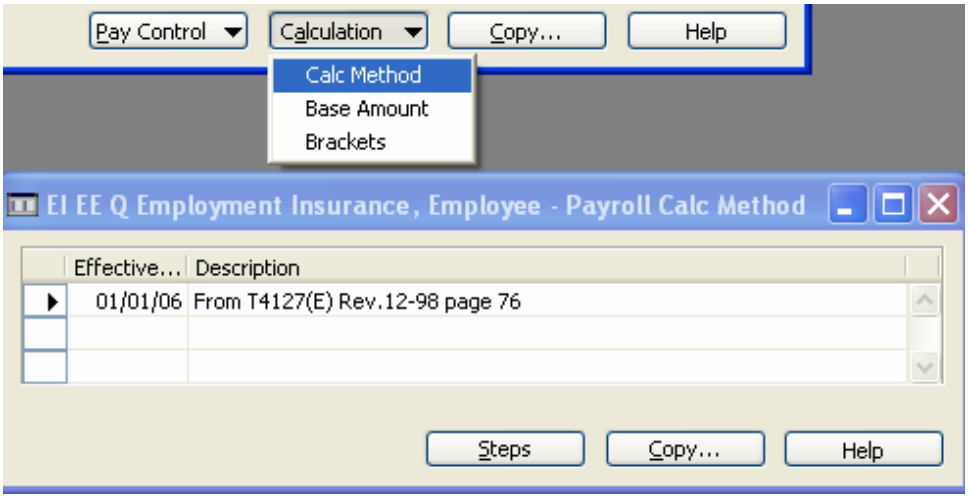
This control was created in order to allow for an new reduced rate granted to residents of Quebec. Your Quebec Employees will use this control in place of the existing EI EE control. Non-Quebec employees may continue to use the EI EE control.



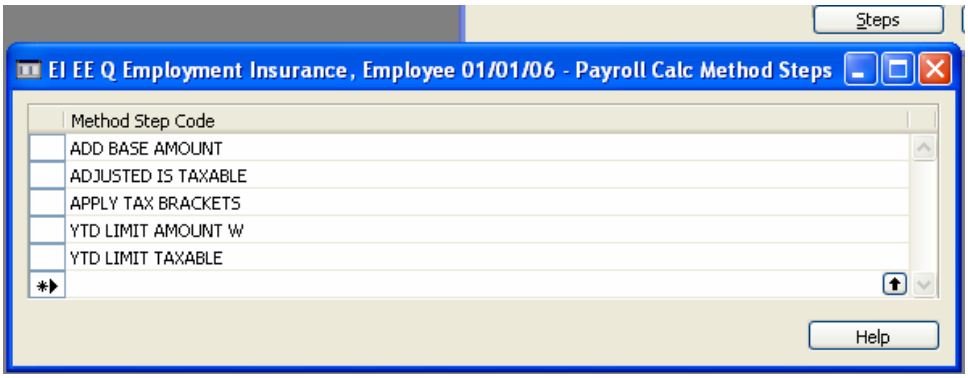





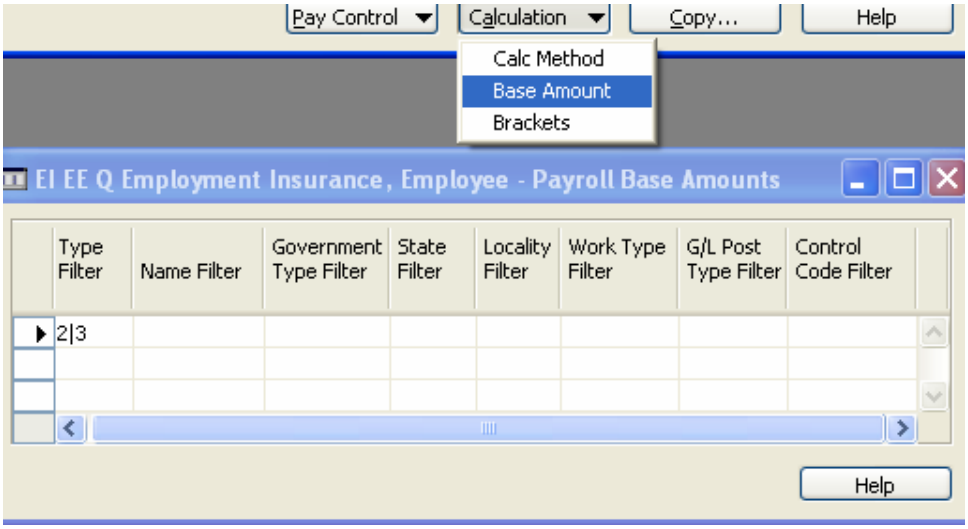

From the Payroll Control card choose Calculation>Calc Method




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

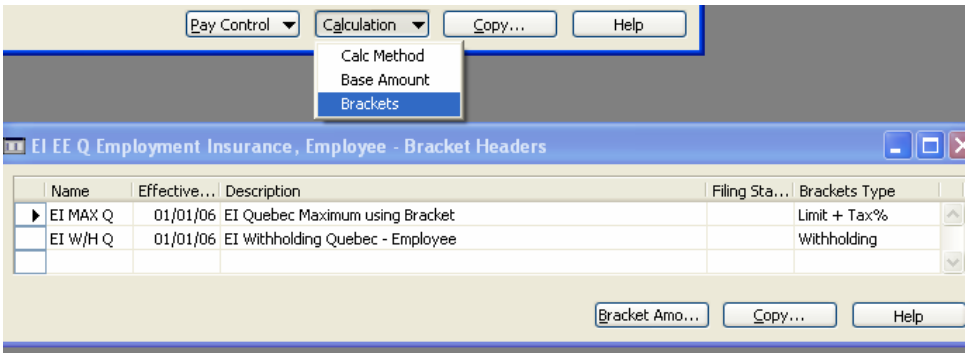



Exit from the Payroll Calc Method Steps form and the Payroll Calc Method form.
From the Payroll Control card choose Calculation>>Base Amounts and fill in the fields as illustrated below.




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.

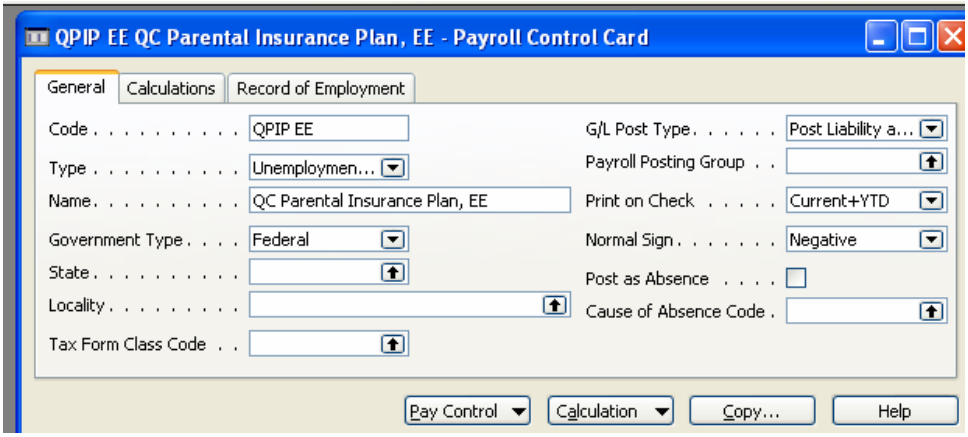


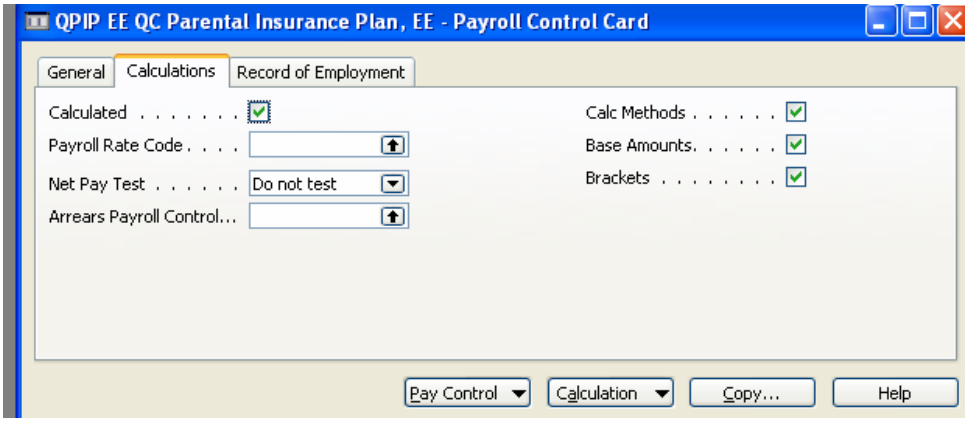

Refer to pages 8 and 9 of this document to complete the Bracket setup

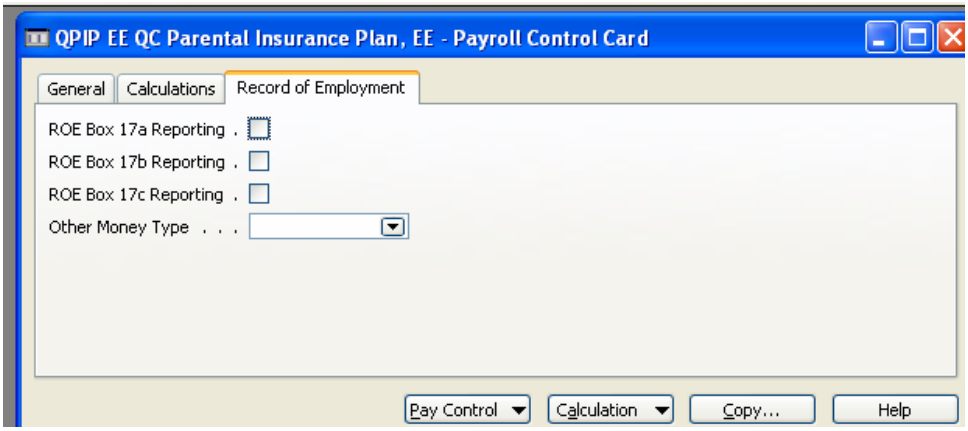
## QPIP EE (NEW)

QC Parental Insurance Plan, EE

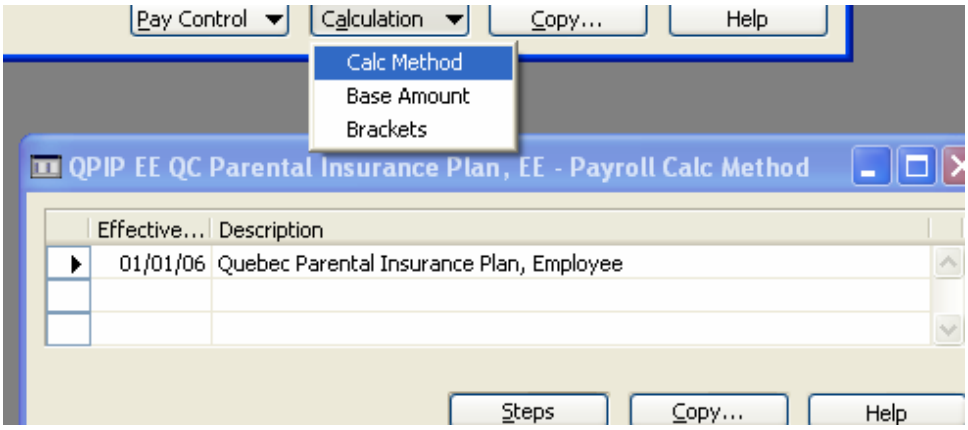
This control was created in order to comply with the introduction of a Parental Insurance Plan in the province of Quebec. You are required to withhold additional taxes from your Quebec Employees using this control. Non-Quebec employees are not required to have this control.



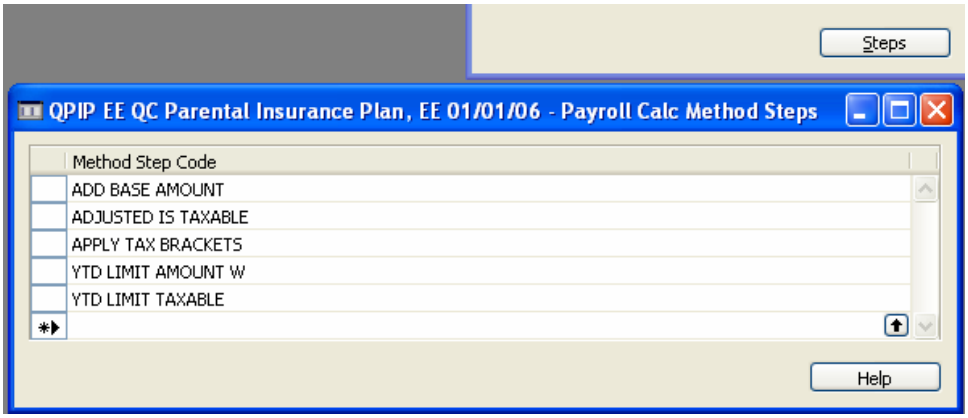



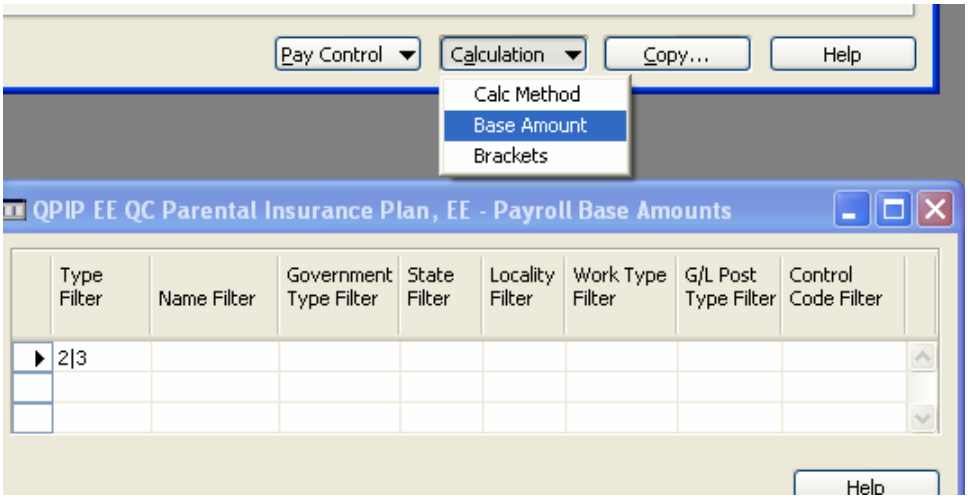

From the Payroll Control card choose Calculation>Calc Method




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

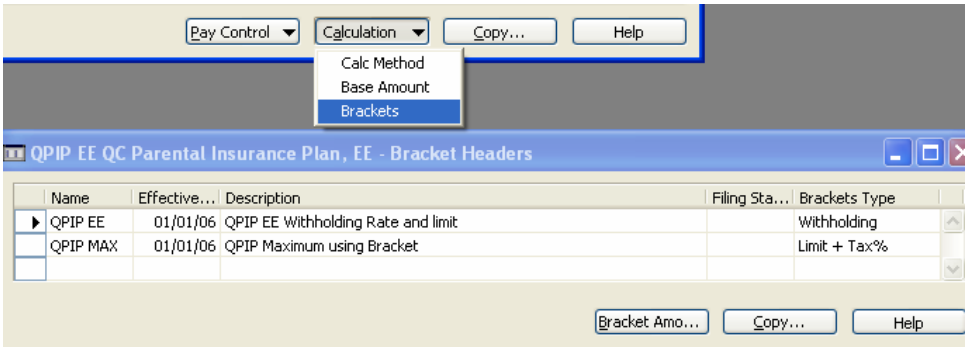



Exit from the Payroll Calc Method Steps form and the Payroll Calc Method form.
From the Payroll Control card choose Calculation>>Base Amounts and fill in the fields as illustrated below.




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.

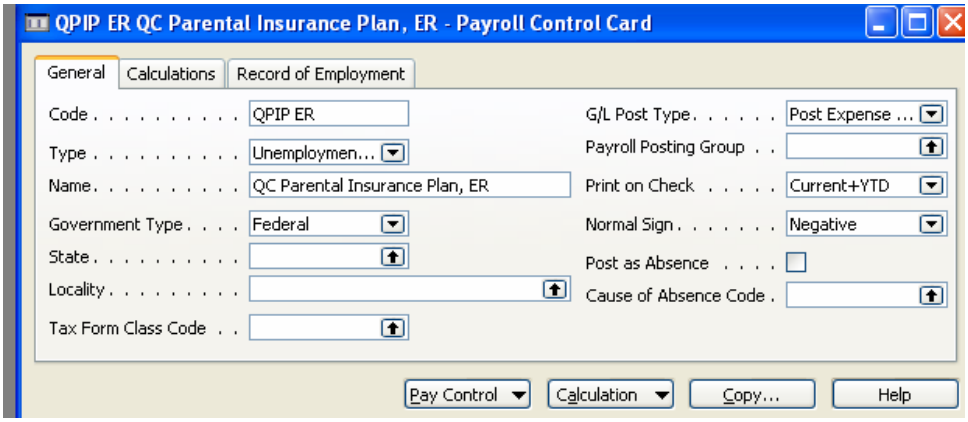


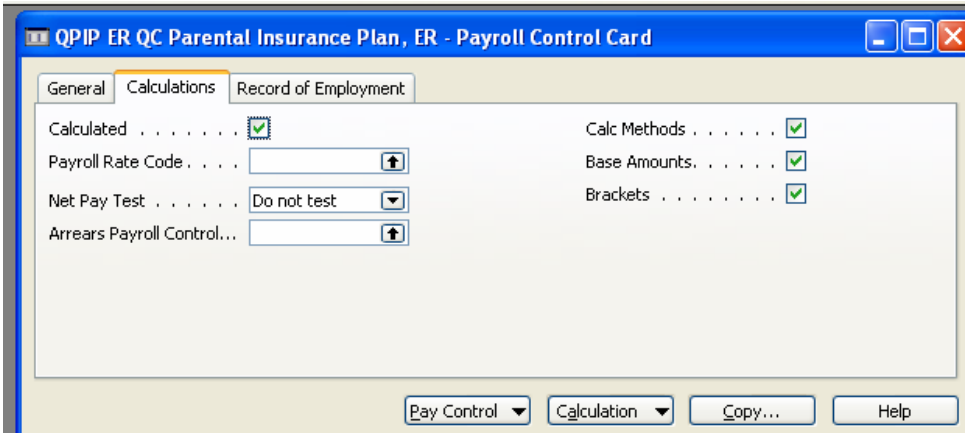

Refer to pages 17 and 18 of this document to complete the Bracket setup

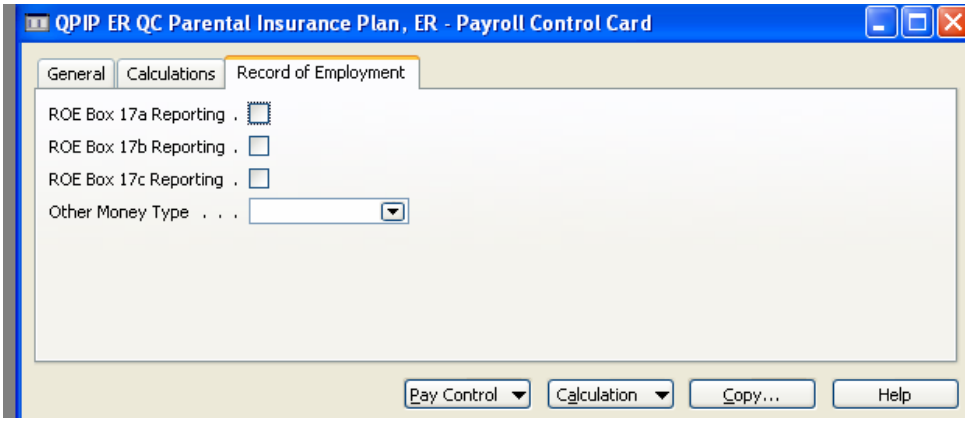
## QPIP ER (NEW)

QC Parental Insurance Plan, ER

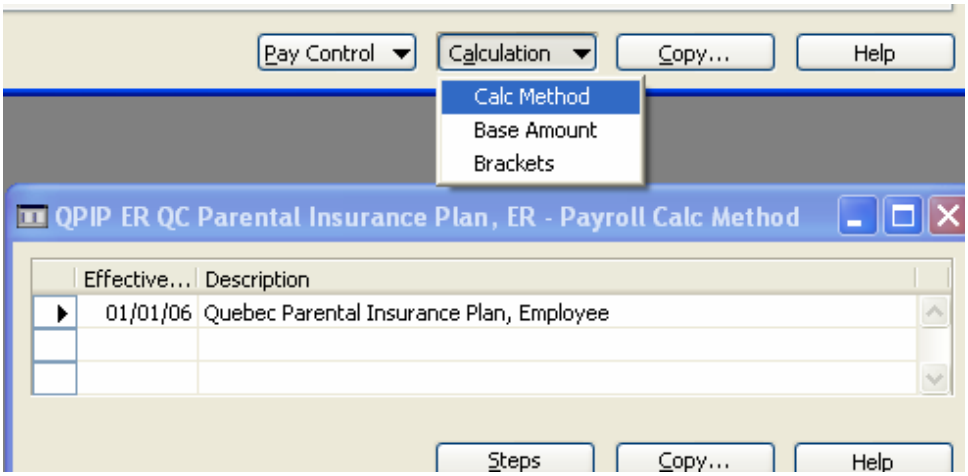
This control was created in order to comply with the introduction of a Parental Insurance Plan in the province of Quebec. Employers are required to make contributions based on Quebec Employee earnings using this control. Non-Quebec employees are not required to have this control.



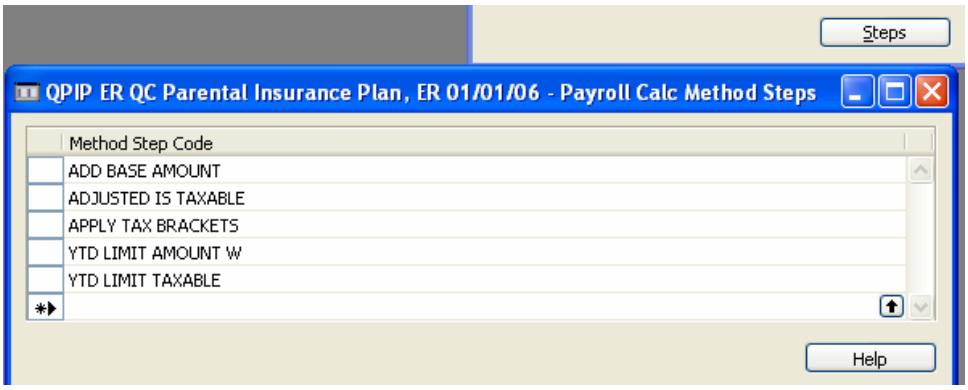


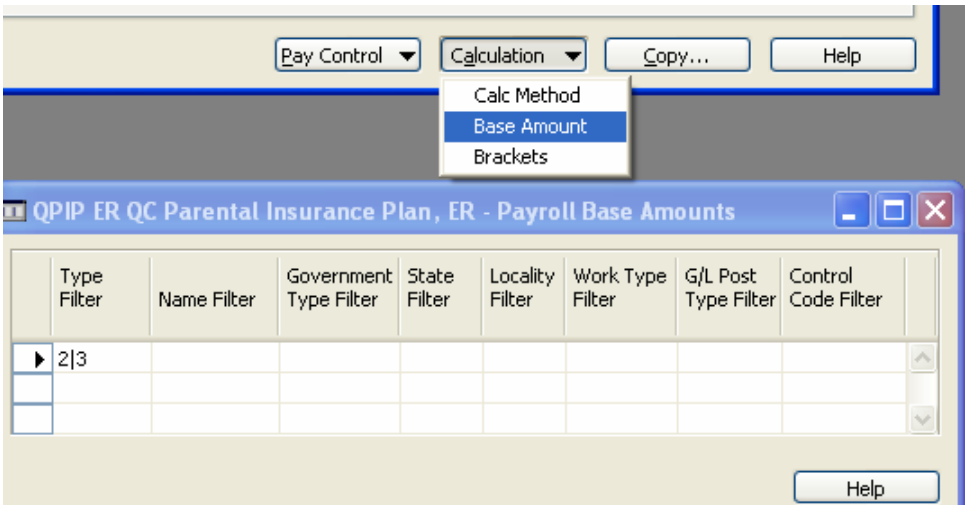

From the Payroll Control card choose Calculation>Calc Method




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

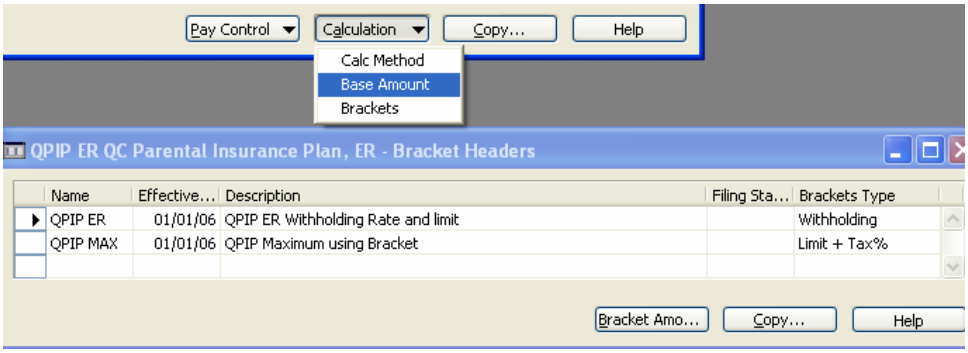



Exit from the Payroll Calc Method Steps form and the Payroll Calc Method form.
From the Payroll Control card choose Calculation>>Base Amounts and fill in the fields as illustrated below.




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.



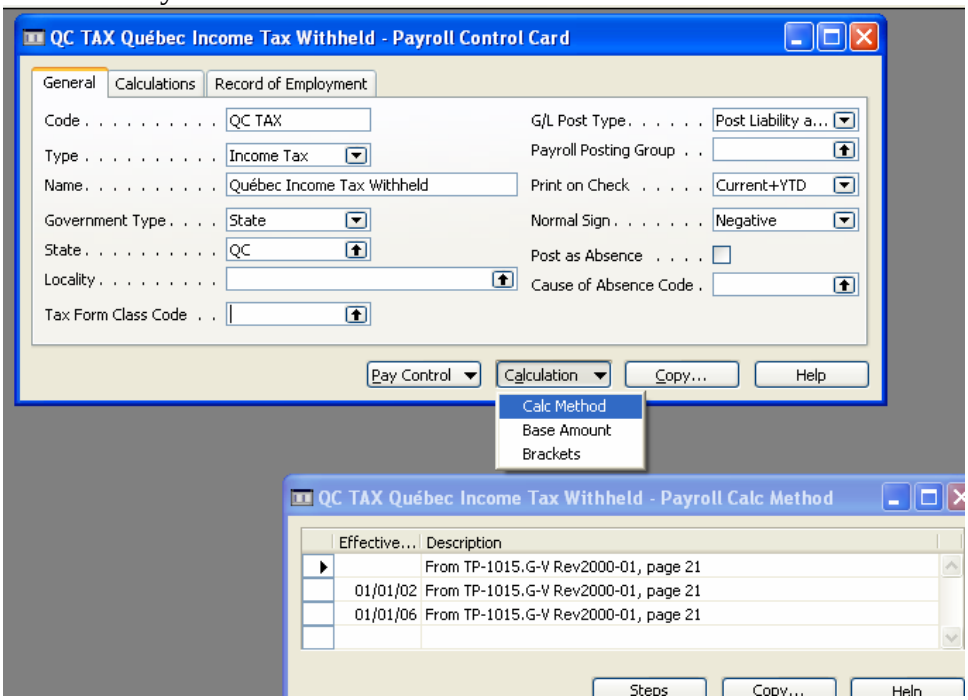

Refer to pages 18 and 19 of this document to complete the Bracket setup

# QC TAX (MODIFIED)

Québec Income Tax Withheld

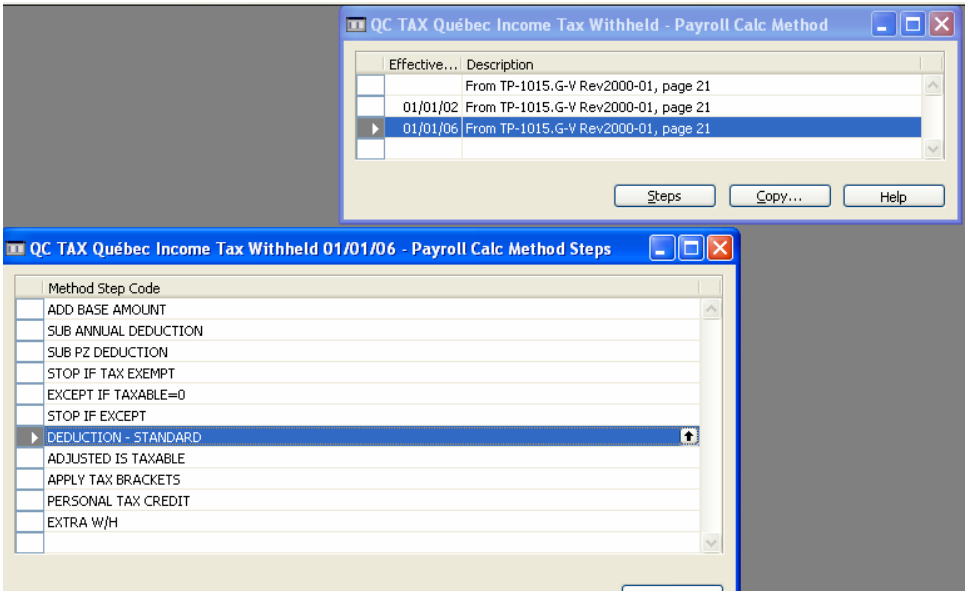
A new arrangement of method steps is required to incorporate the new 6% Reduction in Taxable Income for the purpose of Quebec Income Tax calculations.

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.