



SERENIC CORPORATION
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Canadian Payroll Tax Update for Navision

July 2006

Versions 3.60 – 4.00

**CHANGES MADE TO THIS DOCUMENT AFTER July 01, 2006.
WILL BE SET IN BLUE TEXT AND BACK-SHADED GREY**

Please be advised that if using the *Import Payroll Control Data Periodic Activity*, the Payroll Control records and related tables existing field values may be updated to the default values contained within the Import Files. (Examples of what may be updated are Base Amount Codes, Bracket Amounts, Posting Groups, Reporting Authorities, etc.) We recommend creating a full backup of existing databases before implementing any Tax Updates.

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

Information contained in this document uses version 3.70 as a basis for all instructions and screen shots

Improvement 14 for 3.60 must be loaded in order to take advantage of the Import Payroll Control Data Periodic Activity described in the Appendix

Table of Contents

MANUAL TAX UPDATE INSTRUCTIONS	4
COPYING AN EXISTING BRACKET	4
BRACKET DETAILS AFFECTED BY TAX UPDATE	5
BRACKET CODE – FED LOW RATE.....	5
<i>FED TAX</i> ,	5
<i>FED TAX OUT</i> ,	5
<i>FED TAX Q</i>	5
BRACKET CODE – FED TAX	5
<i>FED TAX</i> ,	6
<i>FED TAX OUT</i> ,	6
<i>FED TAX Q</i>	6
BRACKET CODE – MAX EMPLOYMENT CRED (NEW).....	6
<i>FED TAX</i> ,	6
<i>FED TAX OUT</i> ,	6
<i>FED TAX Q</i>	6
ADDITIONAL CHANGES	8
THERE ARE NO ADDITIONAL CHANGES TO SAMPLE DATA FOR THIS UPDATE.....	8
APPENDIX A	9
IMPORT INSTRUCTIONS (STEP 1).....	10
<i>Updating the Import Payroll Control Data periodic activity objects</i>	10
IMPORT INSTRUCTIONS (STEP 2).....	11
<i>Using the Import Payroll Control Data periodic activity</i>	11
<i>Sample Scenarios</i> :	14
APPENDIX B	15
CODE CHANGES REQUIRED TO PAYROLL OBJECTS.....	16
<i>There are no code changes at this time</i>	16
METHOD STEP TABLE CHANGES REQUIRED	16
<i>There are no Method Step Table changes at this time</i>	16
PAYROLL CALC METHOD LINE CHANGES REQUIRED.....	16
<i>A new arrangement of method steps is required to incorporate the new Employment Tax Credit into the federal tax calculation</i>	16

Manual Tax Update Instructions

Tax changes can be done manually by copying the existing bracket and editing the details of the new bracket. The following section outlines the steps that need to be taken to accomplish a manual tax update. For instructions regarding the automated update, please see the section of this document called “Automated Tax Update Instructions”.

Manual tax updates are to be completed when a company’s Navision data has been customized for specialized tax considerations specific to the company or its industry. If you are not comfortable with the Automated Update process, please use the Manual Update in all cases.

Copying an existing Bracket

1. From the Payroll Main Menu, choose “Setup”>>”Brackets” (“Setup”>>”Calculation”>>”Brackets” if you are using 4.00)
2. From the “Brackets” form, highlight the bracket you wish to modify (based on the list of affected brackets contained in this document)
3. If you find more than one bracket with the same “Code” then it is best practice to choose the “Code” with the most recent “Effective Date”.
4. With the desired line highlighted, choose the “Copy” button at the bottom of the Brackets form.
5. On the “Copy Bracket” form, enter the date that the new bracket becomes effective.
6. Choose “OK” on the “Copy Brackets” form.
7. From the “Brackets” form, highlight the new line with the “Code” and “Effective Date” used in the above steps.
8. Choose the “Details” button at the bottom of the “Brackets” form.
9. Complete the “Bracket Details” form using the screen shots and descriptions from the “Bracket Details Affected by Tax Update” section of this document.
10. Close the “Bracket Details” form when completed.
11. From the “Brackets” form, choose the next “Code” and repeat steps 2 through 10.

Bracket Details Affected by Tax Update

All of the following Canadian Tax changes, included with your tax data update, can be referenced:
Canada Revenue Agency publication “t4127-jul-06e.pdf” titled “Payroll Deductions Formulas for Computer Programs 83rd Edition Effective July 1, 2006”

Note: All of the following changes are included with your Tax data update and will be **automatically updated** during the Import Payroll Control Data process if the “360_400USTaxDatx.txt” or “360_400USTax&SampleDatx” files are used as the import file.

(Improvement 14 for version 3.60 must be loaded before using the Import Payroll Control Data process)

Bracket Code – FED LOW RATE

(See Figure FED 1)

Changes to the ‘**FED LOW RATE**’ Bracket Code will affect the following Payroll Controls:

FED TAX,
 FED TAX OUT,
 FED TAX Q

If the Bracket Code that you use is NOT the same as that shown below, or if you have modified the Bracket, you will have to manually make the following changes:

- Bracket Type Code = **WITHHOLDING**
- Effective Date = **07/01/06**,
- Description = **Federal - Total Credits Claimed x Bracket %**
-

Figure FED 1

Reporting Authority Code	Filing Status Code	%	Amount	Min. Amount	Max. Amount	Per Allowance	From Allowance	Activation Code
		15.5	0.00	0.00	0.00	0.00	0	

Bracket Code – FED TAX

(See Figure FED 2)

Changes to the ‘**FED TAX**’ Bracket Code will affect the following Payroll Controls:

FED TAX,
 FED TAX OUT,
 FED TAX Q

If the Bracket Code that you use is NOT the same as that shown below, or if you have modified the Bracket, you will have to manually make the following changes:

- ❑ Bracket Type Code = **WITHHOLDING**
- ❑ Effective Date = **07/01/06**,
- ❑ Description = **Federal Withholding using Filing Status**

Figure FED 2

Reporting Authority Code	Filing Status Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H	Activation Code
		0.00	15.5	0.00	0.00	0.00	
		36,378.00	22	5,638.59	0.00	0.00	
		72,756.00	26	13,641.75	0.00	0.00	
		118,285.00	29	25,479.29	0.00	0.00	

Bracket Code – MAX EMPLOYMENT CRED (NEW)

See Figure FED 2 and 3

Changes to the ‘MAX EMPLOYMENT CRED’ Bracket Code will affect the following Payroll Controls:

FED TAX,
 FED TAX OUT,
 FED TAX Q

This Bracket Code is new and will require setup through Setup >> Payroll Setup >> Brackets:

- ❑ Bracket Type Code = **LIMIT + TAX%**
- ❑ Effective Date = **07/01/06**,
- ❑ Description = **Low Rate X Max Employ. Credit**

The maximum of 250.00 is only applicable for the remainder of 2006

Figure FED 2

Reporting Authority Code	Filing Status Code	Tax %	Limit	Activation Code
		0	250.00	

- Bracket Type Code = **LIMIT + TAX%**
- Effective Date = **01/01/07**,
- Description = **Low Rate X Max Employ. Credit**

The maximum of 500.00 will be used after December 31, 2006

Figure FED 3

Reporting Authority Code	Filing Status Code	Tax %	Limit	Activation Code
		0	500.00	

Additional Changes

Note: All of the following changes are included with your Sample data update and will be **automatically updated** during the Import Payroll Control Data process if the “360_400USTax&SampleDatx.txt” file is used as the import file. (Improvement 14 must be loaded for version 3.60 before using the Import Payroll Control Data process)

There are no additional changes to Sample Data for this update

APPENDIX A

Import Instructions (Step 1)

Updating the Import Payroll Control Data periodic activity objects

PLEASE NOTE: The import files provided with this tax update and the respective import instructions are intended for the following versions

- 3.60.01.47 (or any following improvements),
- 3.70.02.46 (or any following improvements), and
- 4.00.00.02 (or any following improvements) only.

If the above-listed Improvements are already incorporated into your database proceed to Step 2.

If you do not have the above-listed Improvements loaded in the database (respective of version used), you will need to import the new Import Payroll Control Data objects in order to use the Import Payroll Control Data Periodic Activity to import the tax files supplied with this release.

The respective Objects needed to update the Import Payroll Control Data objects are supplied with the 360-400 USA Tax Update Jan 2005 located at:

<http://www.visionpay.com/partner/kb/securedownload.asp?f=756>.

They are named as:

- PCTU360.fob,
- PCTU370.fob, and
- PCTU400.fob.

Importing the new Import Payroll Control Data objects into your database:

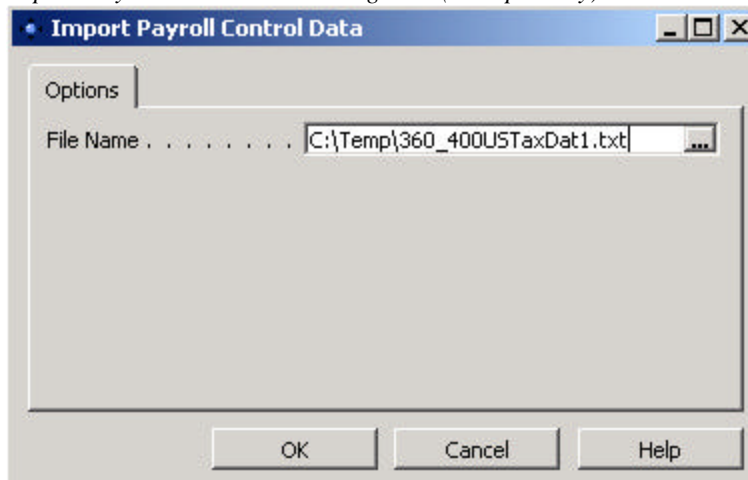
1. Save the proper PCTU*.fob (respective of the version you use) to a folder on your network or your local hard drive.
2. In Navision (logged into the desired database), open the Object Designer (Tools→Object Designer).
3. Select File→Import.
4. Browse to the respective version PCTU*.fob file and select 'Open'.
5. Answer 'OK' to the prompt received to open the Import Worksheet.
6. In the Import Worksheet, select 'Replace All'.
7. In the Import Worksheet, select 'OK' to begin importing the objects.
8. Select 'OK' on the Import Objects form.
9. Proceed with Import Instructions listed below.

Import Instructions (Step 2)

Using the Import Payroll Control Data periodic activity

1. Save the import file (360_400USTaxDatX.txt or 360_400USTax&SampleDatx.txt) to a folder on your network or your local hard drive.
2. Open Navision to the Payroll Main Menu.
3. Select “Periodic Activities>>Import Payroll Control Data...”
4. Use the Ellipsis button at the end of the “File Name” field to browse to the import file. (See Import Payroll Control Data Figure 1).
5. Select the import file and click ‘Open’.
6. Click “OK” on the Import Payroll Control Data form:

Import Payroll Control Data – Figure 1 (example only)



7. The “Pay Control Update Worksheet” will display which controls are included in the Import file. Review the default settings to insure each control is being handled in the desired manner. You can select Create, Update, or Ignore for each Payroll Control.
8. Placing a checkmark on the desired action can change the action for each Payroll Control Code. Make changes if necessary. You should select “Ignore” for all controls that do not apply to you. (See Pay Control Update Worksheet Figure 2)

NOTE: Subsidiary records used on the Payroll Control or Calc Method Line will be updated into the database regardless if they will be used or not. These include Payroll Calc Method & Payroll Calc Method Lines, Payroll Rates, Payroll Tax Types, Activations, and Split Information records. The “Pay Control Tax Form Classes” checkbox will have to be checked in order to update/insert Pay Control Tax Form Class records on an existing Payroll Control.

- a. Line Check Boxes:

- i. Create – This action will create the Payroll Control Code specified on the line if it does not already exist in the database. Only the selected components will be created, according to the selected Control Check boxes. (*See Sample Scenarios for details on Control Check Boxes*)
 - ii. Update – This action will update the existing settings of the Payroll Control Code, specified on the line, according to the selected Control Check boxes. (*See Sample Scenarios for details on Control Check Boxes*)
 - iii. Ignore – This action will not apply any changes to the database relating to the Payroll Control Code specified on the line.
- b. Control Check Boxes:
- i. Update the fields on the Payroll Control Card – This option updates only the fields that are on the General and Calculations tab on the Payroll Control Card. It does not refer to any components of the Payroll Control that are accessed through either the Pay Control or Calculation menu buttons at the bottom of the Payroll Control Card.
 - ii. Brackets – This option will add/update bracket details for the Payroll Control Code specified on the line according to the effective date from the import file.
 - iii. Base Amount – This option will add/update base amount details for the Payroll Control Code specified on the line according to the effective date from the import file.
 - iv. Pay Control Tax Form Classes - This option will add/update Tax Form Classes for the Payroll Control Code specified on the line.
 - v. Reporting Authorities - This option will add/update the Reporting Authority information for the Payroll Control Code specified on the line.

Pay Control Update Worksheet – Figure 2 (example only)

Payroll Control Code	Create	Update	Ignore	Import Message	Warning
AK SUI		✓			
AK SUI EE		✓			
AL SIT	✓				
AL SIT BONUS		✓			
AL SUI			✓		
AR SIT		✓			
AR SIT BONUS		✓			
AR SUI		✓			
AZ JTT		✓			

Update the fields on the Payroll Control Card

Update the following records:

Brackets Base Amounts

Pay Control Tax Form Classes Reporting Authorities

Ignore All Process Help

9. Click 'X' to close the window to cancel the process.
10. Click 'Process' to initiate the routine.
11. Review the import message for each Payroll Control Code to insure the desired action was performed. (See Pay Control Update Worksheet Figure 3)

Pay Control Update Worksheet – Figure 3 (example only)

Payroll Control Code	Create	Update	Ignore	Import Message	Warning
AK SUI		✓		Record Updated	
AK SUI EE		✓		Record Updated	
AL SIT	✓			Record Inserted	
AL SIT BONUS		✓		Record Updated	
AL SUI			✓	Record Ignored	
AR SIT		✓		Record Updated	
AR SIT BONUS		✓		Record Updated	
AR SUI		✓		Record Updated	
AZ JTT		✓		Record Updated	

Update the fields on the Payroll Control Card

Update the following records:

Brackets Base Amounts

Pay Control Tax Form Classes Reporting Authorities

Help

Sample Scenarios:

Scenarios	Update Fields on the Payroll Control Card	Brackets	Pay Control Tax Form Classes	Base Amounts	Reporting Authorities	Expected Outcome
Existing Payroll Control with Existing Sub records	Checked	Checked	Checked	Checked	Checked	Updates the Payroll Control as well as the sub records
Existing Payroll Control with Existing Sub records	Unchecked	Unchecked	Unchecked	Unchecked	Unchecked	Does not update the Payroll Control or the sub records
Existing Payroll Control with New Sub records	Checked	Checked	Checked	Checked	Checked	Updates the Payroll Control record and inserts the new sub records
Existing Payroll Control with New Sub records	Unchecked	Unchecked	Unchecked	Unchecked	Unchecked	Does not update the Payroll Control record, but inserts all of the new sub records except for the Payroll Control tax form class
New Payroll Control with Existing Sub records	Checked	Checked	Checked	Checked	Checked	Inserts new Payroll Control record and updates sub records
New Payroll Control with Existing Sub records	Unchecked	Unchecked	Unchecked	Unchecked	Unchecked	Inserts new Payroll Control record and does not update sub records
New Payroll Control with New Sub records	Checked	Checked	Checked	Checked	Checked	Inserts new Payroll Control record and inserts new sub records
New Payroll Control with New Sub records	Unchecked	Unchecked	Unchecked	Unchecked	Unchecked	Inserts new Payroll Control record and inserts new sub records

NOTE: "sub records" as mentioned above refers to the Bracket, Pay Control Tax Form Class, Base Amount, and Reporting Authority records

APPENDIX B

Code Changes required to Payroll Objects

There are no code changes at this time

Method Step Table Changes required

There are no Method Step Table changes at this time

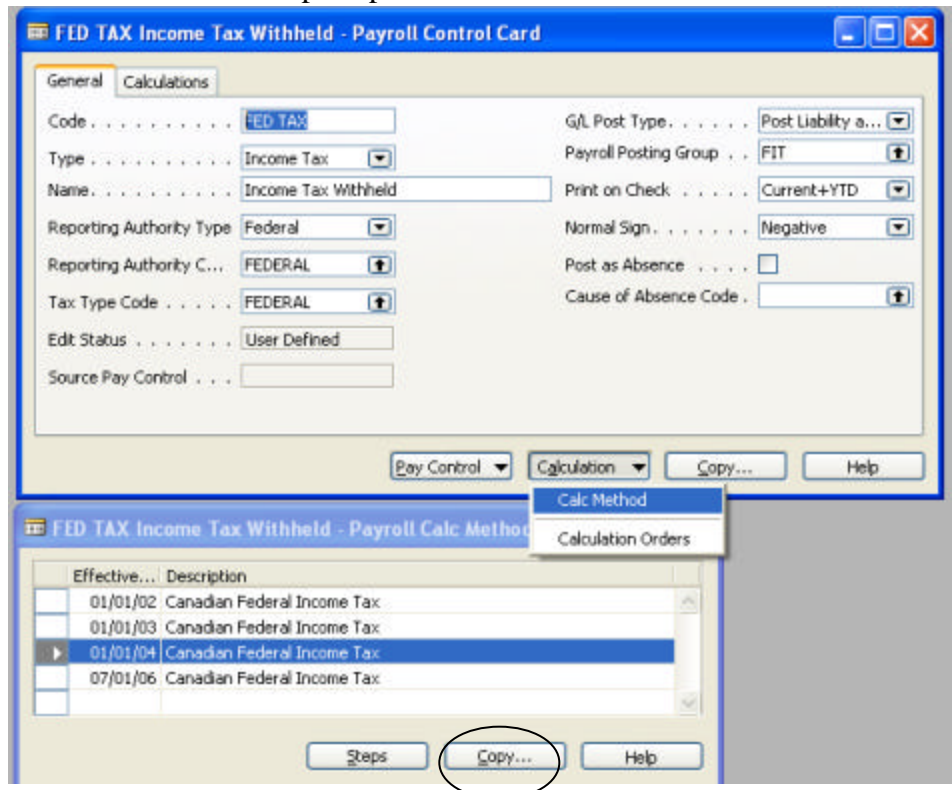
Payroll Calc Method Line Changes required

A new arrangement of method steps is required to incorporate the new Employment Tax Credit into the federal tax calculation.

The calculation changes will affect the following Payroll Controls:

FED TAX,
FED TAX OUT,
FED TAX Q

Copy the most recent Calc Method line for each control and specify the new effective date of 07/01/06 when prompted.



View the steps on the newly created 07/01/06 Payroll Calc Method and alter them to the following arrangement.

Method Step Code	Base Amount Code	Payroll Rate Code	Bracket Type Code	Bracket Code	Activation Code
ADD BASE AMOUNT	EARN BONUS PRETAX				
ADD BASE AMOUNT	LIFE INSURANCE				
SUB ANNUAL DEDUCTION					
SUB PZ DEDUCTION					
STOP IF TAX EXEMPT					
EXCEPT IF TAXABLE=0					
STOP IF EXCEPT					
ADJUSTED IS TAXABLE					
TEMP IS ADJUSTED					
APPLY TAX BRACKETS			WITHHOLDING	FED TAX	
PERSONAL TAX CREDIT			TAX CREDIT	FED LOW RATE	
CALC CREDIT BASE W	CPP/QPP EE		WITHHOLDING	CPP/QPP LIMITS	
CREDIT % OF ADJUSTED			TAX CREDIT	FED LOW RATE	
CALC CREDIT BASE W	EI EE		WITHHOLDING	EI LIMITS	
CREDIT % OF ADJUSTED			TAX CREDIT	FED LOW RATE	
OTHER ANNUAL CREDITS					
ADJUSTED IS TEMP					
LIMIT ADJUSTED			LIMIT + TAX%	MAX EMPLOYMENT CRED	
CREDIT % OF ADJUSTED			TAX CREDIT	FED LOW RATE	
EXTRA W/H					
SUB LCF/LCP					

The Second “ADD BASE AMOUNT” line may not be required if there are no taxable benefits.