



January 2009 Tax Updates

December 11, 2008

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Changes to the Federal Basic Personal Exemption (Federal TD1) and base tax rate come in to effect January 1st, 2009.

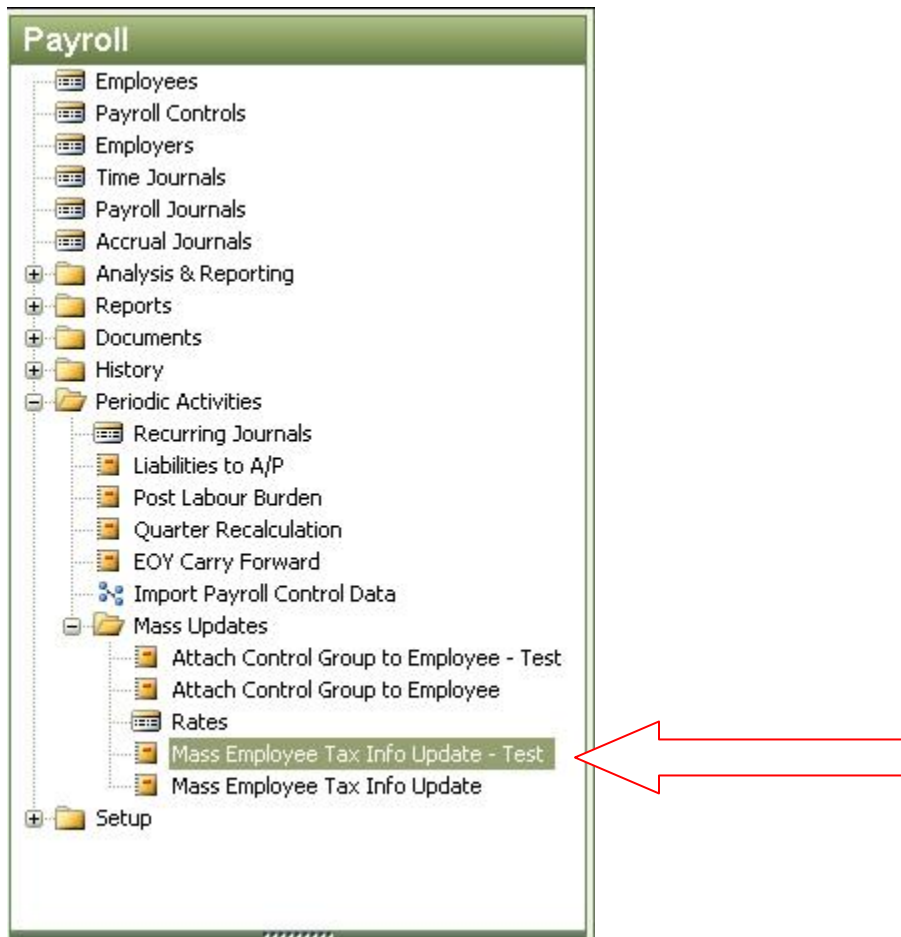
Two updates are required prior to running your first payroll of January. The first update report inserts new TD1 values for all employees. The second update – a manual update –creates the new tax brackets.

This is an instruction document intended to assist clients updating tax brackets in NAV. Open Door Technology includes rates in the procedure examples but does not guarantee these rates. Clients are responsible for knowing and entering the correct rates as released by the Canada Revenue Agency (CRA).

CHANGING THE BASIC PERSONAL EXEMPTION

This process should be run in a test mode prior to applying the update. The test mode allows you to view the change report before the process is actually run. The update process inserts new Tax Authority records on the **Employee Card > Tax Authorities** – *it does not replace the existing records*. If an employee has additional credits, the process will accordingly increase or reduce the existing TD1 value by the amount of change to the basic exemption. This only adjusts for the Basic Personal Amount. Any other amounts claimed must be adjusted manually.

From the **Payroll Menu > Periodic Activities > Mass Updates**



Select **Mass Employee Tax Info Update – Test**.

In Navision 5.0, the Mass Employee Tax Info Update – Test option is not available in the payroll menu. There is now a Test Print field on the Options tab.

The following screen will open:

The screenshot shows a window titled "Mass Emp. Tax Info Update Test". It has a tab labeled "Options". Underneath, there is a section titled "TD1 Tax Credit Changes" with an "Effective Date" field. Below that is a table with three columns: "Reporting Authority", "Old Amount", and "New Amount". The table contains 14 rows, each with an upward arrow icon, a text field, and two numeric fields, all showing "0.00". At the bottom of the window are four buttons: "Print...", "Preview", "Cancel", and "Help".

Reporting Authority	Old Amount	New Amount
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00

Navision 5.0

The screenshot shows a window titled "Mass Employee Tax Info Update". It has two tabs: "Employee" and "Options", with "Options" selected. A checkbox labeled "Test Print" is checked and highlighted with a red rectangle. Below this is the "TD1 Tax Credit Changes" section with an "Effective Date" field and a table with "Reporting Authority", "Old Amount", and "New Amount" columns. The table shows the first two rows with "0.00" values.

Reporting Authority	Old Amount	New Amount
<input type="text"/>	0.00	0.00
<input type="text"/>	0.00	0.00

Use the effective date of January 1st, 2009.

Using the look up in the Reporting Authority field, select **FEDERAL**.

- In the Old Amount field, enter **9600**
- In the New Amount field, enter **10100**

Using the look up on the second Reporting Authority field, select your appropriate provincial Reporting Authorities, and enter the old and new amounts accordingly.

Reporting Authority	Old Amount	New Amount
Federal	9,600	10,100
Alberta	16,161	16,775
British Columbia	9,189	9,373
Manitoba	8,034	8,134
New Brunswick	8,395	8,605
Newfoundland	7,566	7,778
Northwest Territories	12,355	12,664
Nova Scotia	7,731	7,981
Nunavut	11,360	11,644
Ontario	8,681	8,881
Prince Edward Island	7,708	7,708
Saskatchewan	8,945	13,269
Yukon	9,600	10,100

Your screen will contain the Federal Reporting Authority and some or all of the Provincial Reporting Authorities.

The screenshot shows a software dialog box titled "Mass Emp. Tax Info Update Test". It features a tab labeled "Options" and a section titled "TD1 Tax Credit Changes". Below this section, there is a text field for "Effective Date" containing "01/01/09". A table follows, with columns for "Reporting Authority", "Old Amount", and "New Amount". Each row in the table includes a small upward-pointing arrow icon next to the authority name. At the bottom of the dialog, there are four buttons: "Print...", "Preview", "Cancel", and "Help".

Reporting Authority	Old Amount	New Amount
FEDERAL	9,600.00	10,100.00
ABTAX	16,161.00	16,775.00
BCTAX	9,189.00	9,373.00
MBTAX	8,034.00	8,134.00
NBTAX	8,395.00	8,605.00
NLTAX	7,566.00	7,778.00
NTTAX	12,355.00	12,664.00
NSTAX	7,731.00	7,981.00
NUTAX	11,360.00	11,644.00
ONTAX	8,681.00	8,881.00
PETAX	7,708.00	7,708.00
SKTAX	8,945.00	13,269.00
YTTAX	9,600.00	10,100.00
	0.00	0.00

Print the report. The report will give you before and after values for all employees.

Review the report for Employees that have TD1 amounts that are not equal to the Basic Personal Amount. These employees may require further adjustments if the amounts they have claimed have been indexed.

Employee No.	Old Effective Date	Old Total Credits Claimed	New Effective Date	New Total Credits Claimed
10001	01/01/09	10,100.00	01/01/09	10,600.00
10002	01/01/08	9,600.00	01/01/09	10,100.00
10003	01/01/08	9,600.00	01/01/09	10,100.00
10004	01/01/08	17,275.00	01/01/09	17,775.00
10005	01/01/08	9,600.00	01/01/09	10,100.00
10006	01/01/08	9,600.00	01/01/09	10,100.00
10007	01/01/08	9,600.00	01/01/09	10,100.00
10008	01/01/08	9,600.00	01/01/09	10,100.00

From the Mass Updates menu, now select Mass Employee Tax Info Update. Complete the process, now in update mode.

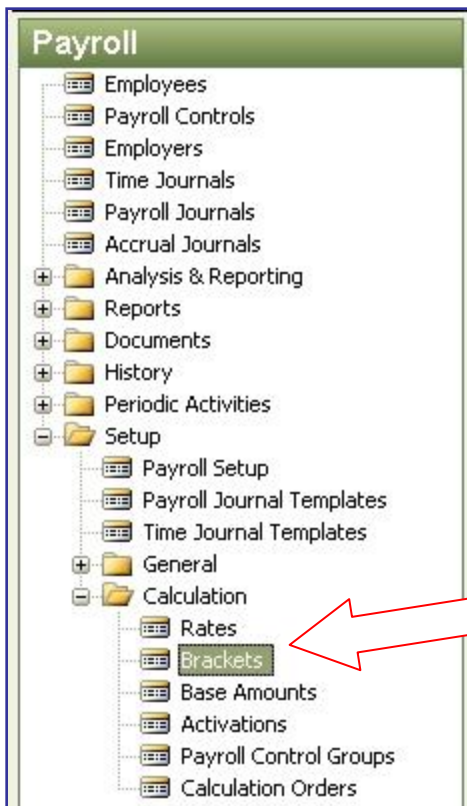
Note: The update is applied when Print or Preview is chosen.

On the Employee card > Payroll button > Tax Auth Info, the new TD1 values will now be in place.

Tax Authority Code	Effective Date	LCF/LCP	Total Credits Claimed	Filing Status Code	Allowances	Income Tax Exempt	Extra Withholding	Credits/... Deps.	Other Status Code
BCTAX	01/01/06	0.00	8,858.00		0		0.00	0	
BCTAX	01/01/07	0.00	9,027.00		0		0.00	0	
BCTAX	01/01/08	0.00	9,189.00		0		0.00	0	
BCTAX	01/01/09	0.00	9,373.00		0		0.00	0	
FEDERAL	01/01/06	0.00	9,039.00		0		0.00	0	
FEDERAL	07/01/06	0.00	8,639.00		0		0.00	0	
FEDERAL	01/01/07	0.00	8,929.00		0		0.00	0	
FEDERAL	01/01/08	0.00	9,600.00		0		0.00	0	
FEDERAL	01/01/09	0.00	10,100.00		0		0.00	0	
ONTAX	01/01/08	750.00	8,681.00		0		0.00	0	
ONTAX	07/01/08	1,125.00	8,681.00		0		0.00	0	
ONTAX	01/01/09	1,125.00	8,881.00		0		0.00	0	

ADJUSTING THE TAX BRACKETS

From the **Payroll Menu > Setup > Calculation**



Select Brackets

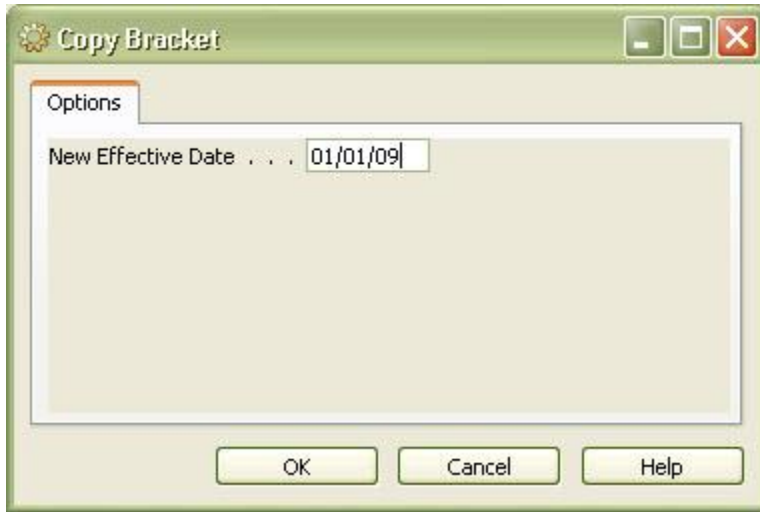
The following screen will open:

The screenshot shows the 'Brackets' window with a table of tax brackets. The table has columns for Code, Bracket Name, Effective Date, Description, Edit Status, and another Bracket Name. The table contains 11 rows of data, including Federal Low Rate and Federal Tax entries.

Code	Bracket ...	Effective...	Description	Edit Status	Bracket ...
FED LOW RATE	TAX CRE...	01/01/02	Federal - Total Credits Claimed ...	User Def...	✓
FED LOW RATE	TAX CRE...	01/01/06	Federal - Total Credits Claimed ...	User Def...	✓
FED LOW RATE	TAX CRE...	07/01/06	Federal - Total Credits Claimed ...	User Def...	✓
FED TAX	WITHHO...	01/01/02	Federal Withholding using Filing ...	User Def...	✓
FED TAX	WITHHO...	01/01/03	Federal Withholding using Filing ...	User Def...	✓
FED TAX	WITHHO...	01/01/04	Federal Withholding using Filing ...	User Def...	✓
FED TAX	WITHHO...	01/01/05	Federal Withholding using Filing ...	User Def...	✓
FED TAX	WITHHO...	01/01/06	Federal Withholding using Filing ...	User Def...	✓
FED TAX	WITHHO...	07/01/06	Federal Withholding using Filing ...	User Def...	✓
FED TAX	WITHHO...	01/01/07	Federal Withholding using Filing ...	User Def...	✓
FED TAX OUT	QUANTITY	01/01/02	Tax for Employees Outside Can...	User Def...	✓

Using the copy button copy, create a new bracket for each of the following with the Effective Date of January 1, 2009. After copying, remember to select the record with the January 1, 2009

Effective Date before updating the details.



You will need to update the information in the newly created brackets as follows.

Federal Brackets

FED TAX

The 'Withholding Bracket Amounts FED TAX - Bracket Details' window shows a table with the following data:

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
			0.00	15	0.00	0.00	0.00
			38,832.00	22	5,824.80	0.00	0.00
			77,664.00	26	14,367.84	0.00	0.00
			126,264.00	29	27,003.84	0.00	0.00

MAX EMPLOYMENT CRED

The 'Limit + Tax% Bracket Amounts MAX EMPLOYMENT CRED - Bracket Details' window shows a table with the following data:

Reporting Authority Code	Filing Status Code	Activation Code	Tax %	Limit
			0	1,044.00

CPP/QPP LIMITS

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		3,500.00	4.95	0.00	2,118.60	0.00

CPP/QPP W/H

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		3,500.00	4.95	0.00	2,118.60	0.00

CPP/QPP W/H BONUS

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		0.00	4.95	0.00	2,118.60	0.00

CPP/QPP MAX

Limit + Tax% Bracket Amounts CPP/QPP MAX - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	Tax %	Limit
			0	46,300.00

Help

EI LIMITS

Withholding Bracket Amounts EI LIMITS - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
			0.00	1.73	0.00	731.79	0.00

Help

EI W/H

Withholding Bracket Amounts EI W/H - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
			0.00	1.73	0.00	731.79	0.00

Help

EI MAX

Reporting Authority Code	Filing Status Code	Activation Code	Tax %	Limit
			0	42,300.00

Help

British Columbia Brackets

BC TAX

Withholding Bracket Amounts BC TAX - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		0.00	5.06	0.00	0.00	0.00
			35,716.00	7.7	1,807.23	0.00	0.00
			71,433.00	10.5	4,557.44	0.00	0.00
			82,014.00	12.29	5,668.45	0.00	0.00
			99,588.00	14.7	7,828.29	0.00	0.00

Help

BC TAX RED

W/H Deduction Bracket Amounts BC TAX RED - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		0.00	0	0.00	389.00	0.00
			17,285.00	3.2	0.00	389.00	0.00
			29,441.25	0	389.00	389.00	0.00

Help

BC LOW RATE

Tax Credit Bracket Amounts BC LOW RATE - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	%	Amount	Min. Amount	Max. Amount	Per Allowance	From Allowance
	↑		5.06	0.00	0.00	0.00		0

Help

Manitoba Brackets

MB TAX W/H

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		0.00	10.8	0.00	0.00	0.00
			31,000.00	12.75	3,348.00	0.00	0.00
			67,000.00	17.4	7,938.00	0.00	0.00

Help

MB LOW RATE

Reporting Authority Code	Filing Status Code	Activation Code	%	Amount	Min. Amount	Max. Amount	Per Allowance	From Allowance
	↑		10.8	0.00	0.00	0.00		0

Help

New Brunswick Brackets

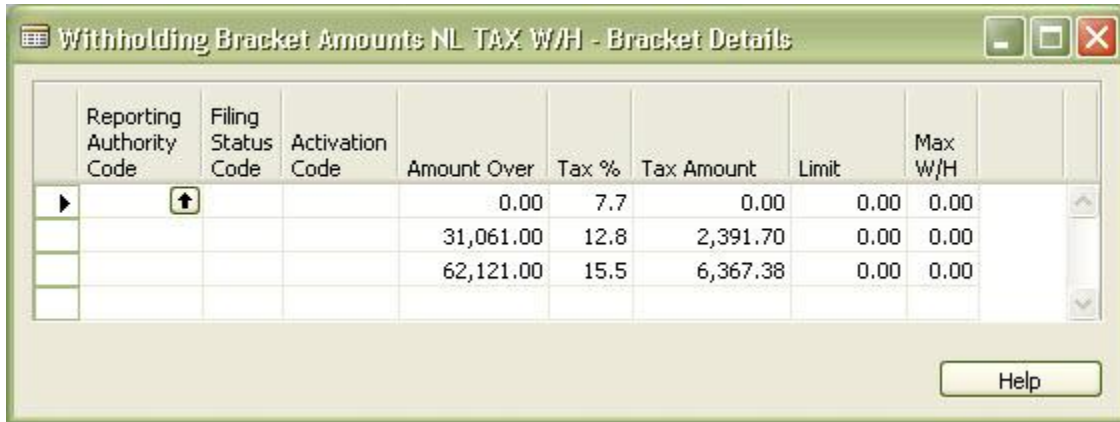
NB TAX W/H

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		0.00	10.12	0.00	0.00	0.00
			35,707.00	15.48	3,613.55	0.00	0.00
			71,415.00	16.8	9,141.15	0.00	0.00
			116,105.00	17.95	16,649.07	0.00	0.00

Help

Newfoundland Brackets

NL TAX W/H

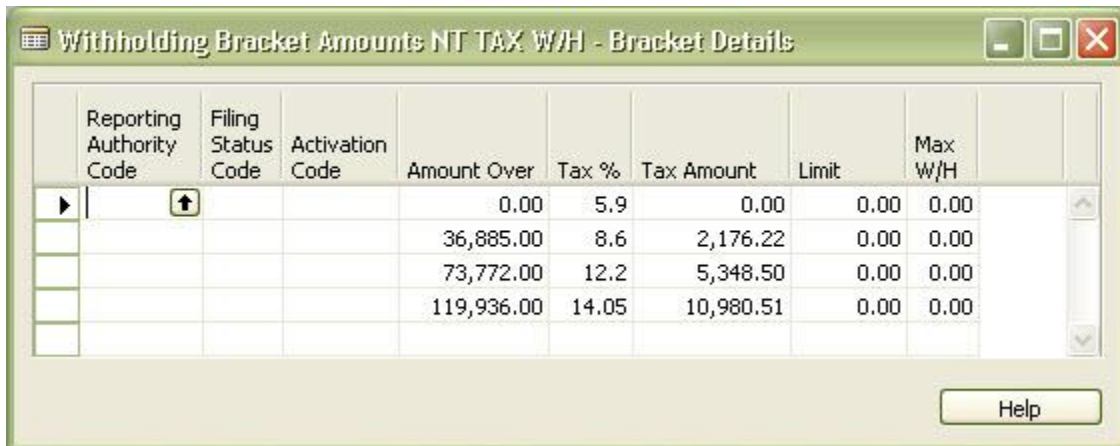


Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		0.00	7.7	0.00	0.00	0.00
			31,061.00	12.8	2,391.70	0.00	0.00
			62,121.00	15.5	6,367.38	0.00	0.00

Help

Northwest Territories Brackets

NT TAX W/H



Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		0.00	5.9	0.00	0.00	0.00
			36,885.00	8.6	2,176.22	0.00	0.00
			73,772.00	12.2	5,348.50	0.00	0.00
			119,936.00	14.05	10,980.51	0.00	0.00

Help

Nunavut Brackets

NU TAX W/H

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		0.00	4	0.00	0.00	0.00
			38,832.00	7	1,553.28	0.00	0.00
			77,664.00	9	4,271.52	0.00	0.00
			126,264.00	11.5	8,645.52	0.00	0.00

Help

Ontario Brackets

ON TAX W/H

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		0.00	6.05	0.00	0.00	0.00
			36,848.00	9.15	2,229.30	0.00	0.00
			73,698.00	11.16	5,601.08	0.00	0.00

Help

ON SURTAX

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
	↑		4,257.00	20	0.00	0.00	0.00
			5,370.00	56	222.60	0.00	0.00

Help

ON BASIC RED

Tax Credit Bracket Amounts ON BASIC RED - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	%	Amount	Min. Amount	Max. Amount	Per Allowance	From Allowance
			0	205.00	0.00	0.00		0
			0	379.00	0.00	0.00	✓	0

Help

Saskatchewan Brackets

SK TAX W/H

Withholding Bracket Amounts SK TAX W/H - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
			0.00	11	0.00	0.00	0.00
			40,113.00	13	4,412.43	0.00	0.00
			114,610.00	15	14,097.04	0.00	0.00

Help

Yukon Brackets

YT TAX W/H

Withholding Bracket Amounts YT TAX W/H - Bracket Details

Reporting Authority Code	Filing Status Code	Activation Code	Amount Over	Tax %	Tax Amount	Limit	Max W/H
			0.00	7.04	0.00	0.00	0.00
			38,832.00	9.68	2,733.77	0.00	0.00
			77,664.00	11.44	6,492.71	0.00	0.00
			126,264.00	12.76	12,052.55	0.00	0.00

Help