



April 2009  
Tax Updates

February 18, 2008

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In the Budget 2009 announced on January 27, 2009, the basic personal amount, spouse or common-law partner amount and the amount for an eligible dependent were retroactively set at \$10,320 (formerly \$10,100) effective January 1, 2009. Therefore, the prorated amounts are outlined in this document.

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

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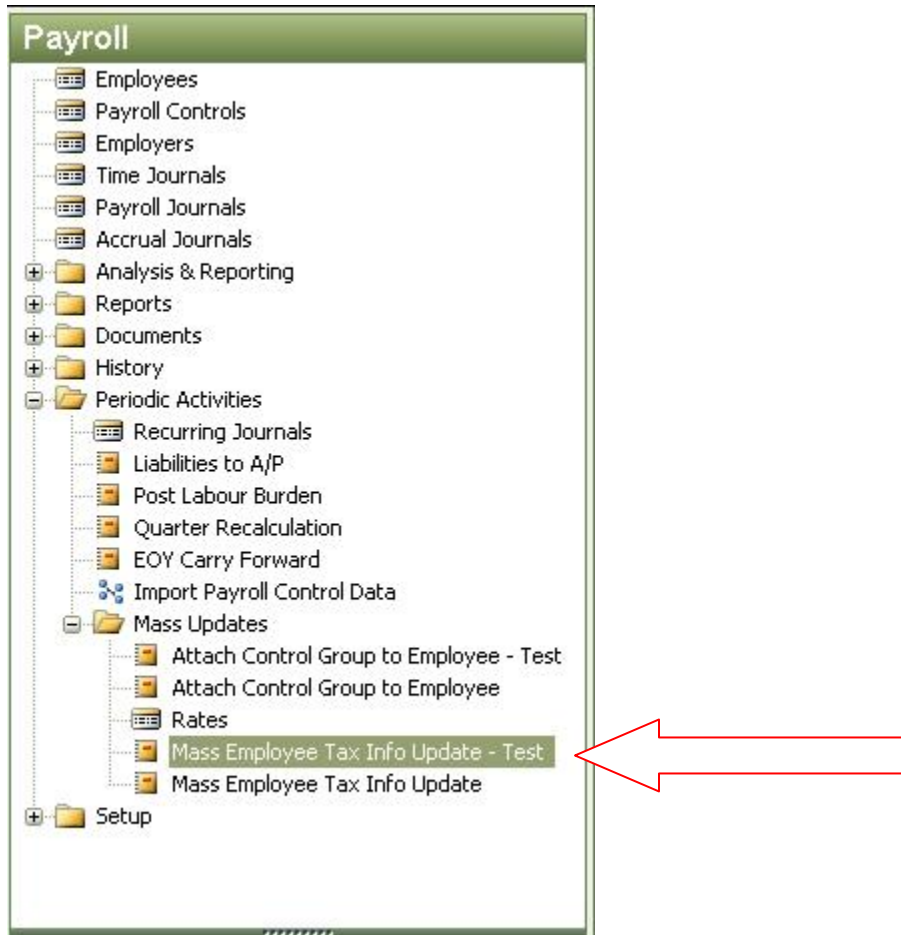
*This is an instruction document intended to assist clients updating tax brackets in NAV. Open Door Technology includes rates in the procedure examples but does not guarantee these rates. Clients are responsible for knowing and entering the correct rates as released by the Canada Revenue Agency (CRA).*

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## 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**.

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*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.*

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The following screen will open:

The screenshot shows a window titled "Mass Emp. Tax Info Update Test". The "Options" tab is active. Under the "TD1 Tax Credit Changes" section, there is an "Effective Date" field. Below it 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 (both containing "0.00"). At the bottom of the window are buttons for "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". The "Options" tab is active. A "Test Print" checkbox is checked and highlighted with a red rectangle. Below it is the "TD1 Tax Credit Changes" section, which includes an "Effective Date" field and a table with "Reporting Authority", "Old Amount", and "New Amount" columns. The table shows the first two rows with upward arrow icons and "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 April 1<sup>st</sup>, 2009.

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

- In the Old Amount field, enter **10100**
- In the New Amount field, enter **10375**

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	10,100	10,375
Yukon	10,100	10,375

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 "04/01/09". A table follows with three columns: "Reporting Authority", "Old Amount", and "New Amount". The table lists "FEDERAL" and "YTTAX" with values of 10,100.00 and 10,375.00 respectively. Below these are several empty rows with "0.00" in the "Old Amount" and "New Amount" columns. At the bottom of the dialog are four buttons: "Print...", "Preview", "Cancel", and "Help".

Reporting Authority	Old Amount	New Amount
FEDERAL	10,100.00	10,375.00
YTTAX	10,100.00	10,375.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	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.

Mass Employee Tax Information Update Test  
Base Payroll

February 18, 2009 12:18 PM  
1 Page  
KSMITH

Payroll Reporting Authority: FEDERAL

Employee No.	Old Effective Date	Old Total Credits Claimed	New Effective Date	New Total Credits Claimed
10001	01/01/09	10,100.00	04/01/09	10,375.00
10002	01/01/08	9,600.00	04/01/09	9,875.00
10003	01/01/08	9,600.00	04/01/09	9,875.00
10004	01/01/08	17,275.00	04/01/09	17,550.00
10005	01/01/08	9,600.00	04/01/09	9,875.00

Report generation completed (7 pages)

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.

10001 Grant Cary - Employee Tax Auth. Info

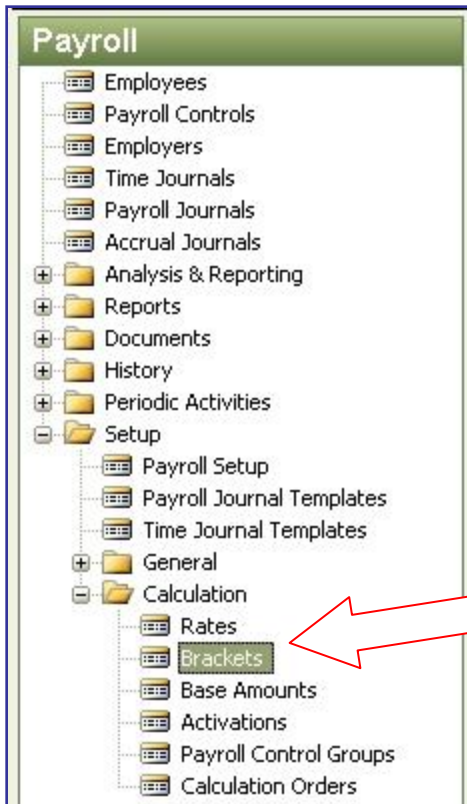
Tax Authority Code	Effective Date	LCF/LCP	Total Credits Claimed	Filing Status Code	Allowances	Income Tax Exempt	Extra Withholding
BCTAX	01/01/08	0.00	9,189.00		0		0.00
BCTAX	01/01/09	0.00	9,373.00		0		0.00
FEDERAL	01/01/06	0.00	9,039.00		0		0.00
FEDERAL	07/01/06	0.00	8,639.00		0		0.00
FEDERAL	01/01/07	0.00	8,929.00		0		0.00
FEDERAL	01/01/08	0.00	9,600.00		0		0.00
FEDERAL	01/01/09	0.00	10,100.00		0		0.00
▶ FEDERAL	04/01/09	0.00	10,375.00		0		0.00
ONTAX	01/01/08	750.00	8,681.00		0		0.00
ONTAX	07/01/08	1,125.00	8,681.00		0		0.00
ONTAX	01/01/09	1,125.00	8,881.00		0		0.00
QCTAX	01/01/08	0.00	10,215.00		0		0.00
QCTAX	01/01/09	0.00	10,455.00		0		0.00

Help



# ADJUSTING THE TAX BRACKETS

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

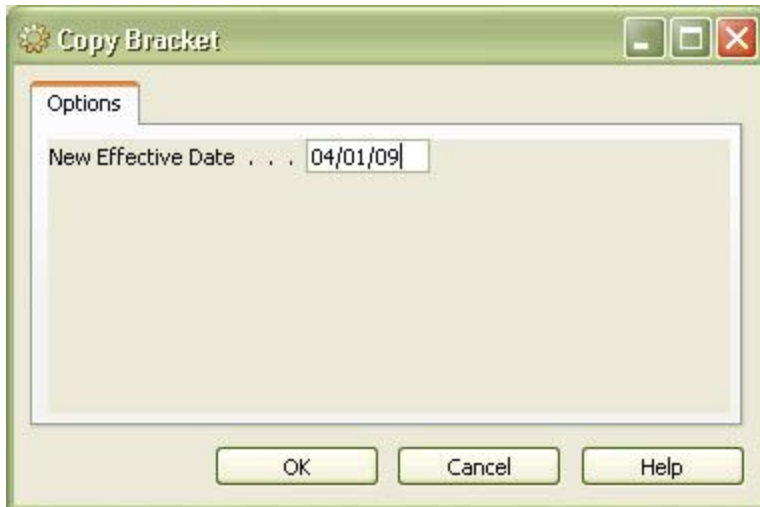


Select Brackets

The following screen will open:



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

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
			41,200.00	22	6,180.00	0.00	0.00
			82,399.00	26	15,243.78	0.00	0.00
			126,264.00	29	26,648.68	0.00	0.00

## ***Yukon Brackets***

### **YT TAX W/H**

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
			41,200.00	9.68	2,900.48	0.00	0.00
			82,399.00	11.44	6,888.54	0.00	0.00
			126,264.00	12.76	11,906.70	0.00	0.00