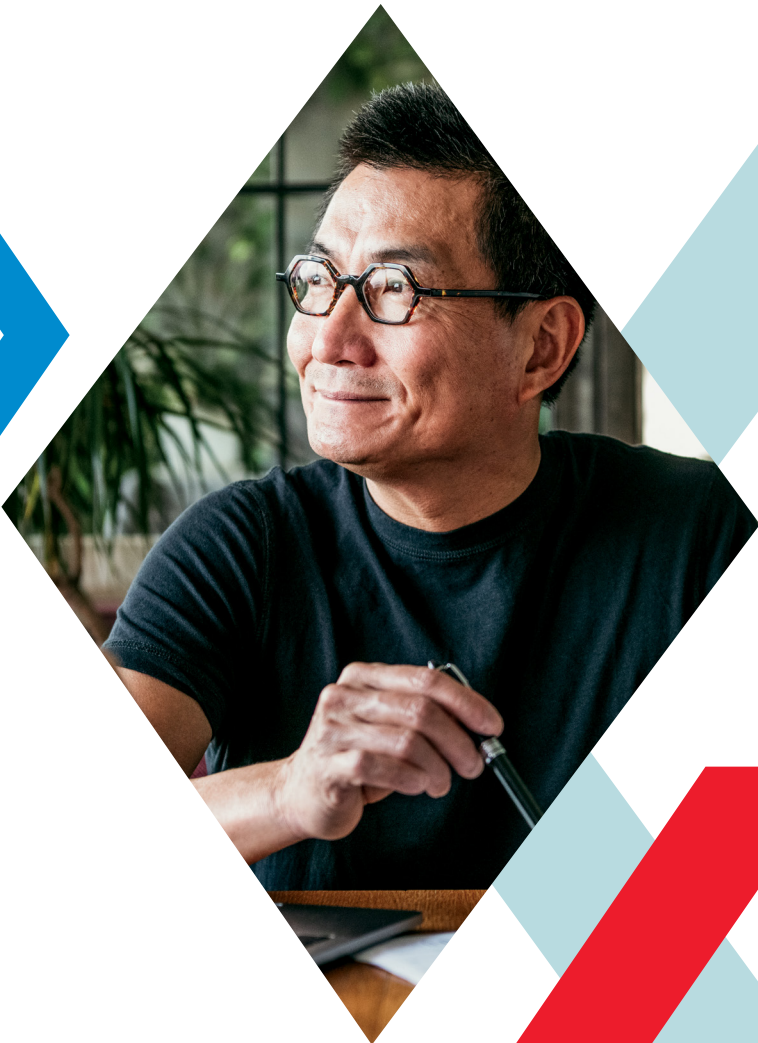
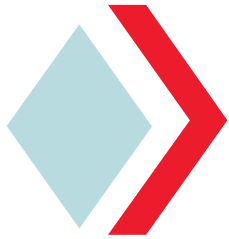


deluxe<sup>®</sup> CANADA

# 2022 Year-end Guide





# Dear Valued Deluxe Payroll Client,

As your Payroll Solutions partner, we are providing you with this guide to assist with the year-end requirements and to help you meet critical government reporting deadlines. Our shared goal is to ensure an accurate and timely delivery of your employees' Tax Forms and Annual Returns/Reconciliations to the various government bodies.

**This guide includes the following information to help you navigate the 2022 Year-end requirements and to prepare for the 2023 Payroll Taxation Year:**

1. [Deluxe Payroll Holiday Hours and Processing Deadlines](#)
2. [Identifying special government rates on your Deluxe Payroll account](#)
3. [Determining what taxation year should cover earnings and payments made toward the end of the year](#)
4. [Running an internal audit for Tax Forms \(T4s, RL-1s\)](#)
5. [Running an internal audit for C/QPP, EI and QPIP contributions and deductions \(PIER Report\)](#)
6. [Processing special employee payments \(bonuses, commissions, and holiday incentives\)](#)
7. [Officially closing 2022 Payroll Year on your Deluxe Payroll account](#)
8. [Officially starting 2023 Payroll Year on your Deluxe Payroll account](#)
9. [Editing Tax Forms before instructing Deluxe Payroll to process](#)
10. [Approving Tax Forms for processing and choosing the preferred delivery method](#)
11. [Completing an RL-1 Summary \(for companies with operations in the Province of Quebec\)](#)
12. [Other Government Reconciliation and Annual Returns requirements](#)
13. [2023 Bank and Deluxe Payroll Observed Holidays](#)
14. [Year-end Reports and their content](#)

If you have any questions regarding year-end 2022 and new taxation year 2023, please contact our Customer Support Team at 1.866.772.9932 Monday-Friday 7:00 am - 8:00 pm EST or visit our dedicated Year-end Help site: [deluxepayroll.info/year-end-central](https://deluxepayroll.info/year-end-central)

**We wish you a wonderful and safe holiday season and a prosperous New Year! We do appreciate your business!**

**Your Deluxe Payroll Team**



# Holiday Hours & Processing Deadlines

**Deluxe Payroll will be closed in honor of the following holidays:**

Monday, December 26 - CLOSED - Christmas Holiday Observed  
Tuesday, December 27 - CLOSED - Boxing Day Observed  
Wednesday, December 28 through Friday, December 30 - normal hours  
Monday, January 2 - CLOSED - New Year's Holiday Observed

## **Processing Windows**

### **Deluxe Payroll Self-serve clients:**

Due to an expected increase in transaction volumes with financial institutions it is recommended that you submit your payroll ahead of the deadline. The submission deadline for payrolls with scheduled submission dates of December 23 and December 30 will be at 3:30 pm EST.

### **Deluxe Payroll Premiere clients:**

The deadline for payrolls with a scheduled submission date of December 23 and December 30 will be 12:00 noon EST. This will ensure that our partner couriers are able to pick up the payroll package on time.



## 2023 Government Rates and Classification Changes (if applicable)

Every year, different government agencies send out notices of rate or classification changes to business organizations.

As your payroll service provider, we will need to know if there are any specific rates being assigned to your organization. This is done by completing the first (mandatory) step in the Deluxe Payroll Year-end process:

Step 1- Company Profile Review and Update. This is located on your Deluxe Payroll Main Menu.



### INFORMATION TO BE REVIEWED:

- |                     |   |
|---------------------|---|
| Tab 1 Start:        | Provides you with information to review and possibly update for the upcoming new year.  |
| Tab 2 Pay Schedule: | Provides you a preview of your 2023 Pay Period Schedule which is a great tool in forecasting and budgeting payroll expenses for the upcoming year.  |
| Tab 3 CRA:          | Allows you to turn on or off the Canada Revenue Agency (CRA) and Revenue Quebec (RQ) remittance service through Deluxe Payroll. For businesses who are approved for the Reduced Employer's Employment Insurance (EI) Premium Rate program will be able to key in the assigned rate for 2023. Please note that you do not need to notify Deluxe of your remittance threshold or payment frequency. Deluxe automatically retrieves this information from the CRA. |
| Tab 4 WCB:          | Notify Deluxe Payroll of any rate changes or any classification updates (if applicable) for 2023.   |
| Tab 5 EHT:          | Employer Health Tax for Ontario will only allow you to change the exemption amounts to a custom amount (in situations where the business is considered "associated" by Ontario's Ministry of Finance).  |
| Tab 6 Quebec:       | For businesses in Quebec or have a presence in Quebec, you will be able to notify Deluxe Payroll of the rate to use for the Quebec Health Services Fund. Please note that you do not need to notify Deluxe of your remittance threshold or payment frequency. Deluxe automatically retrieves this information from Revenue Quebec.  |

For more information about Step 1. Company Profile Review and Update, please visit:

[deluxepayroll.info/year-end-central](https://deluxepayroll.info/year-end-central) for short videos and printable guides.



## Assigning Earnings Paid to the Correct Taxation Year

When determining which taxation year earnings should be assigned to, the CRA and RQ both look at when the employees received the monies versus when they worked for those monies.<sup>i</sup>

Please remember the above rule especially towards the end of the year when the pay period typically covers the last few days/weeks of the current year but with the direct deposit date falling into the new year. In this case, the earnings will be declared on the 2023 Tax Form slip and not on the 2022 Tax Form slip simply because the employee did not receive the funds until the 2023 calendar year. Please visit [CRA](#) website, [Revenu Quebec](#) and any other applicable agencies for more information.

<sup>i</sup> [https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4120/employers-guide-filing-t4-slip-summary.html#P208\\_14224](https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4120/employers-guide-filing-t4-slip-summary.html#P208_14224)



## Running a Test Tax Forms Audit Draft (T4s, T4As, T5018 and RL-1 slips)

**We highly recommend running a Tax Forms Audit Draft prior to completing and closing out the 2022 taxation year. Running these drafts will help ensure that:**

- The legal address for the business organization is up to date
- The employee information is valid. The Deluxe Payroll system looks at the format of the following items: recipient's name, address, social insurance number and business number (in case of independent contractors). There will be an accompanying Tax Forms Error Report if the system detected an issue with the items mentioned above.
- All applicable earnings and deductions (required by the government) are properly reported in the corresponding code boxes
- You have visibility to the tax forms, where you can identify if you have any additional items that need to be added (i.e., taxable benefits that were not recorded in the Deluxe Payroll system)

The Tax Forms Audit Draft can be generated throughout the year after successfully submitting a payroll. If there are manual cheque and year-to-date entries or payroll hours have been keyed in already, the system will prevent you from generating the report.

How to run the report from the Deluxe Payroll Main Menu:

- » Click 'Additional Features'
- » Click 'Additional Reports 2'
- » Click 'Generate Current Year Tax Forms'



# Running a Deluxe Payroll PIER (Pensionable and Insurable Earnings Review) Report

**This tool aims to assist you in identifying possible discrepancies with regard to your employees' C/QPP, EI and QPIP contributions and deductions.**

This report can be generated throughout the year after successful submission of a payroll and can be run by following these steps:

- » Deluxe Payroll Main Menu
- » Additional Features
- » Additional Reports
- » PIER Report

**The PIER Report contains the following information:**

- » Maximum pensionable earnings for the year
- » Maximum insurable earnings for the year
- » Maximum employee contribution for C/QPP (Canada or Quebec Pension Plan)
- » Maximum employee deduction for EI and QPIP (Quebec Parental Insurance Plan)
- » A perceived under or over contribution/deduction if applicable (must be investigated and not taken at face value as some of these discrepancies are normal and do not need correction)

**What Actions to Take if the Difference column(s) Shows an Amount or Discrepancy:**

Amounts determined as a possible discrepancy must be investigated first before making any corrections. Looking at the employee's pay history for the year would help you identify where the issue occurred and how to fix it. However, there are some discrepancies that occur normally that do not require corrections:

- An employee has a birthday milestone in the current year (turned 18 or 70 outside of Quebec, turned 18 in Quebec)
- An employee is a casual employee whose earnings are irregular and or frequently skips a pay period
- An employee submitted a CPT30 Form (outside of Quebec)

For more information on the Deluxe Payroll PIER Report, please access the following resources:

[Click Here](#) to watch our video on How to Read the PIER Report

[Click Here](#) to read our full PIER Report manual

This PIER Report is only a guide to help you identify possible issues within the payroll system. Any payroll transaction not recorded in our system or transactions sent directly to the governments are not reflected in this report.



## Processing Bonuses: Commissions and Holiday Incentives

It is typical for business organizations to issue bonuses or commissions toward the end of the year.

### Factors to be considered before issuing a bonus:

- » Is the bonus tied to productivity or is this bonus discretionary (i.e., holiday bonus)? If the bonus is a result of an employee's work productivity, the bonus amounts would be subject to vacation earnings. If the bonus is discretionary, then the amounts are excluded from the calculation of vacation earnings.
- » Will the bonus be issued together with the regular payroll run or will it be a separate or standalone run? Most organizations issue bonuses as a separate (Top-Up) run to add an element of surprise to the employees. Note: A Top-up is any payment issued to employees who have received payments (regular earnings or salary) on a previously processed pay period.
- » One fallacy that has been circulating for years now is that processing bonuses as a separate run reduces the tax implications. Truth be told, bonuses are considered both by the Canada Revenue Agency (CRA) and Revenu Quebec (RQ) as irregular payments and thus income taxes associated with the bonus payment must be calculated using the non-periodic or the bonus method of tax. The Deluxe Payroll system applies this formula whether you are processing the bonus as part of the payroll or as a standalone (Top-Up) payroll run.

### To request a Bonus code be created on your Deluxe Payroll Account:

[deluxepayroll.info/request](http://deluxepayroll.info/request)

### To see how an existing Bonus code interacts with vacation earnings and its taxation behaviour:

- » Deluxe Payroll Main Menu
- » Additional Features
- » Additional Reports
- » Click on "Earnings and Deductions Listing"
- » Open the PDF file shown on the Reports' List

**If there are any questions or to modify the existing Bonus earning code, please send an email to [Support@deluxe.ca](mailto:Support@deluxe.ca) with your Deluxe Payroll Account number in the subject line.**

### To process the bonus together with the regular payroll:

- » Follow the same process that you normally would for declaring the hours worked for the current pay period
- » In the Hours and Earnings screen- on the next available line, click on the magnifying glass and select the appropriate Bonus earning code to use
- » In the Amount Override column, type in the gross bonus amount. Note: There is a field limit set on the Amount Override field, if the bonus is more than \$100,000.00 you will need to split the amount and issue the remaining amounts on the next available line with the same Bonus earnings code



- » Process as you normally would (selecting Step 2. Calculate Pay to preview the payroll and check for errors and Step 3. Close Payroll to submit the payroll for processing)

#### **To process the bonus as a standalone (Top-up) payment:**

- » From the Deluxe Payroll Main Menu click on 1. ENTER PAYROLL
- » Select the employee(s) who would be receiving the bonus and press ENTER
- » Once on the Hours and Earnings Entry screen, use the magnifying glass to select the appropriate Bonus earning code
- » Type in the gross bonus amount on the Amount Override column. Note: If the bonus amount is greater than \$100,000, the amount must be split by using the same Bonus earning code on the next available line and Issue the remaining amounts (the system is capped at \$99,999.99)
- » Once data entry has been completed, proceed with Step 2. Calculate Pay
- » Change the Period End Date to the previously submitted pay period
- » Change the Cheque Date to the desired date (typically three business days turnaround time is required)
- » Click on Change Options and set the Top-up Option to YES
- » Press ENTER
- » If there are any deductions or taxable benefits that need to be turned off make sure to set them to NO. Please take note of the changes made on this screen and make sure that the options are back to a YES on the next payroll run.
- » Review the reports for accuracy and then run Step 3. Close Payroll to have the Top-Up payroll processed by Deluxe Payroll.

#### **Factors to be considered before issuing a commission payment:**

- » Commissions may be subject to vacation earnings depending on the jurisdiction/ province (Check the Employment Standards Act for your specific province for guidance). Commission earned by employees at the employer's premises (physical office location) are subject to vacation earnings in all jurisdictions. Commissions earned by a route salesperson are subject to vacation earnings in all jurisdictions as well. Commissions earned away from the employer's premises (offices) may or may not be subject to vacation earnings depending on the jurisdiction/province.
- » Canada Revenue Agency (CRA)<sup>ii</sup> and Revenu Quebec (RQ)<sup>iii</sup> consider commission payments as irregular payments and therefore use the bonus method of tax or the non-periodic tax calculation. This is true whether the commission payment is included on the regular payroll run or as a standalone (Top-Up) run. Note: Some of our clients have opted to switch the tax calculation to periodic or regular method of tax as some are issuing the commission on a regular basis (included in each pay period)

<sup>ii</sup> <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4001/employers-guide-payroll-deductions-remittances.html>

<sup>iii</sup> <https://www.revenuquebec.ca/en/online-services/forms-and-publications/current-details/tp-1015-f-v/>



## To request a commission code to be created on your Deluxe Payroll Account:

[deluxepayroll.info/request](http://deluxepayroll.info/request)

**To see how an existing commission code interacts with vacation earnings and its taxation behaviour:**

- » Deluxe Payroll Main Menu
- » Additional Features
- » Additional Reports
- » Click on "Earnings and Deductions Listing"
- » Open the PDF file that will be shown on the Reports' List

**If there are any questions or to modify the existing commission earning code, please send an email to [Support@deluxe.ca](mailto:Support@deluxe.ca) with your Deluxe Payroll Account number on the subject line.**

**To process the commission payment together with the regular payroll:**

- » Follow the same process that you normally would for declaring the hours worked for the current pay period
- » In the Hours and Earnings screen: on the next available line, click on the magnifying glass and select the appropriate commission earning code
- » In the Amount Override column: type in the gross commission amount. Note: There is a field limit set on the Amount Override field. If the commission is more than \$100,000 you will need to split the amount and issue the remaining amounts on the next available line with the same earnings code.
- » Process the payroll as you normally would (running Step 2. Calculate Pay to preview the payroll and check for errors and Step 3. Close Payroll to submit the payroll for processing)

**To process the commission payment as a standalone (Top-Up) payment:**

- » From Deluxe Payroll's Main Menu click on 1. ENTER PAYROLL
- » Select the employee(s) who will be receiving the commission and press ENTER
- » On the Hours and Earnings Entry screen, use the magnifying glass to select the appropriate commission earning code
- » Type in the gross commission amount in the Amount Override column. Note: If the amount is greater than \$100,000, the amount must be split by using the same commission earning code on the next available line and issue the remaining amounts (the system is capped at \$99,999.99)
- » Once data entry has been completed, proceed with Step 2. Calculate Pay
- » Change the Period End Date to the previously submitted pay period
- » Change the Cheque Date to the desired date (typically three business days turnaround time is required)
- » Click on Change Options and set the Top-Up Option to YES

- » Press ENTER
- » If there are any deductions or taxable benefits that need to be turned off make sure to set them to NO. Please take note of the changes made on this screen and make sure that the options are back to a YES on the next payroll run.
- » Review the reports for accuracy and then run Step 3. Close Payroll to have the Top-Up payroll processed by Deluxe Payroll.



## Officially Closing your 2022 Payroll Taxation Year

### Some of the basic things to look for before officially closing out the current year:

- » Complete the Company Profile Review and Update (CPRU) located in the Deluxe Payroll Main Menu to make sure that we are applying the correct rates that are specific to your organization on the very first payroll run of 2023 (refer to section 2 of this guide)
- » Check your internal records to see if there were payroll transactions that occurred outside of the Deluxe Payroll system that must be declared in the Tax Form slip (T4, T4A and RL-1)
- » Check and ensure that employee personal information changes are captured in the system (address, name change and in some instances- Social Insurance Numbers (SIN) from employees past or present, who were not able to provide it on time for any reason)
- » Employee profiles are designed to be deleted by the system during the year-end reset provided that their profiles are set to inactive (not laid off) with a termination date of December 31 of the previous year or earlier. If there are profiles that you want to exempt from this rule, make sure to inactivate the profile with a termination date that is later than December 31 of the previous year. Make sure that you have a copy of the employee's personal information as most jurisdictions/provinces have a minimum storage period for this type of information.
- » If you have gone through the processes outlined in Section 4 and 5 of this guide; you may update the employee profile with the changes necessary as well as correcting the payroll record/history for the employees (changes that apply to 2022 only, changes to the profiles for 2022 must be done after the account has been reset to 2023). Since the nature of the payroll corrections are complex in nature- we invite you to contact our Support Team via email [Support@deluxe.ca](mailto:Support@deluxe.ca) or toll free at 1.866.772.9932 for appropriate guidance in resolving the issue.
- » For seasonal businesses, make sure that all payments (bonuses, etc.) have all been processed along with the Records of Employment (ROE) before contacting [Support@deluxe.ca](mailto:Support@deluxe.ca) to request officially closing out the current year so that you may perform the next steps- resetting to 2023 Payroll Year and approving/ordering your Tax Forms for your employees and submission of the appropriate government copies to CRA (T4/T4A/T5018 slips and the corresponding Summary) and RQ (in Quebec- Deluxe Payroll will submit the RL-1 slips on your behalf, however completion of the RL-1 Summary will be handled directly by you as this form requires information that is not readily accessible in the Deluxe Payroll System).

Once the last scheduled payroll of the year has been completed and after reviewing the areas listed above, you may proceed with resetting the payroll to the new year by clicking on step 2 Year-end Reset (start 2023) located on the Deluxe Payroll Main Menu.

After the reset process has been completed, the system will provide you with several year-end reports that will provide you with information in completing other government requirements such as reconciling and submitting annual returns for WCB (Workers' Compensation Board- YTDWCB Report) and Employer Health Tax (EHT) for Quebec (EEREG- Employee Register Report- last one of the year) and Ontario (part of the EMPLREG- Earnings and Deductions Register by Employee Report, last one of the year). For clients in British Columbia, the EHT Report can be generated by going to Additional Features and then Additional Reports 2.



## Before Processing the First Payroll of 2023

### Here are some tips to make sure that the new payroll cycle is off to a good start:

- » Review internal documents to see if there are employee personal information changes that need to be updated in the payroll system such as name change, address, or banking information change. Please Note: if you have already closed the year (Year-End Reset) and have not yet requested your tax forms, any changes to an employee's personal information that affect an employee's tax form (i.e., name change, SIN, address change) will need to be edited on the tax form prior to approving the tax forms.
- » Review the YEEXEMPT- Year-end Exemption Update Report. This report would list all employees that have claimed tax exemptions other than the basic amounts prescribed by CRA and RQ- these employees can then be targeted to provide a revised TD1- Federal and TD1 Provincial Personal Tax Credit Forms (TP- 1015.3-V in Quebec). This report will also show employees with TD1 Factors (recorded in the system under the Other Tax Exemptions section of the employee's profile). These exemptions given by the CRA to specific individuals are usually valid for the current taxation year only and thus will be deleted by the system upon completion of the year-end reset. The individual who previously had a TD1 Factor in their profile must supply their employer with a new letter granting the exemption coming from the CRA.
- » It is also a good time to review company insurance benefits to see if the premiums have changed and have the new amounts reflected on the employees' profiles prior to processing the first payroll of the year. If new information is not available at the time of the payroll submission- have the new figures updated as soon as it becomes available (make sure to prorate remaining pay periods to the new deductions/benefit amounts).
- » As payroll reports are only archived on the system for 24 months, it is a good idea to make backup copies of the reports
- » Save copies of the Year-end Reports as these reports are not archived and the system will overwrite these reports on the next year-end season
- » Check for communications from the governments one more time and see if there are last minute changes to rates or reporting requirements- as the payroll account is already in 2023, these changes have to be done at our end, please send an email to [Support@Deluxe.ca](mailto:Support@Deluxe.ca) with the Deluxe Payroll Account Number on the subject line with the required changes



## Modifying Tax Forms (T4, T4A, T5018 and RL-1 Slip) Prior to Approval for Processing

Unlike other payroll service providers, Deluxe Payroll provides you, our client, the opportunity to review and add more information to the Tax Forms as needed. Some instances where editing may be required:

- » Former employees who were paid earnings in the current year outside of payroll
- » Contractors who were paid via Accounts Payable and are now requesting a T4A or T5018
- » Employees who are enjoying a taxable benefit for having access to a company vehicle for personal driving (mileage book covers up to December 31st of the current year and thus the final taxable benefit may have not been calculated at the time of the submission of the final payroll of the year)
- » Employee name change, SIN, or address changes that were not updated prior to the Year-End Reset

**IMPORTANT:** Editing a Tax Form will not affect the source deductions that have been sent to the governments. If the adjustment will result in amounts owing to CRA<sup>iv</sup> or RQ<sup>v</sup>- these amounts must be remitted in the soonest possible time to avoid penalties.

Consequently, if the adjustment will result in some monies going back to the company (credit) a PD24 Application for a Refund of Over deducted CPP/EI must be completed and sent to CRA after February 28, as this would be the date that CRA would have received their copy of Tax Forms from the business organization.

Tips for Adjusting Tax Forms:

- » The respective Edit Tax Forms screen will have boxes labelled with numbers (T4, T4A and T5018) while the RL-1 slip is labelled with letters. There are no word descriptions- having a blank copy of the Tax Forms is strongly suggested:

- ✓ T4 Slip: [canada.ca/en/revenue-agency/services/forms-publications/forms/t4.html](https://canada.ca/en/revenue-agency/services/forms-publications/forms/t4.html)
- ✓ T4A Slip: [canada.ca/en/revenue-agency/services/forms-publications/forms/t4a.html](https://canada.ca/en/revenue-agency/services/forms-publications/forms/t4a.html)
- ✓ T5018: [canada.ca/en/revenue-agency/services/forms-publications/forms/t5018.html](https://canada.ca/en/revenue-agency/services/forms-publications/forms/t5018.html)
- ✓ RL-1 Slip: [revenuquebec.ca/fr/services-en-ligne/formulaires-et-publications/details-courant/rl-1/](https://revenuquebec.ca/fr/services-en-ligne/formulaires-et-publications/details-courant/rl-1/)

- » The Deluxe Payroll system looks for the proper format of the name and address. It also checks for the validity of the Social Insurance Number (SIN) but does not identify who the actual person is. Any issues regarding the validity of this information would be presented on the Tax Forms Error Report (under View Reports Menu and then Grp: YREND). If the report is not generated, it means there were no issues detected, otherwise make sure to make changes to the employee's profile and on the Edit Tax Forms screen as well.

**Important:** Deluxe does not make remittances for payments made outside our payroll application. As well, Deluxe payroll is not responsible for making remittances for any monies that are attributed to Tax Form edits, or any penalties associated with these payments made outside the Deluxe Payroll platform.

### **Navigating the Tax Forms Edit screen:**

- » To access the menu, click on step 3. Review/Edit & Authorize Tax Forms which is located on the Year-end Progress bar in the Main Menu (bottom center of the screen)
- » On the left pane of the Tax Forms Options screen will be the Edit options
- » Select the appropriate Tax Forms to edit
- » Select the employee from the list and press ENTER
- » You will be presented with the employee's T4 draft:
  - ✓ The amounts outside the box are the amounts from the payroll records
  - ✓ To override the total amounts, type in the amount to show as the final amounts for the particular item on the first empty box and then choose Replace from the dropdown of the second box.

If you want the system to make the adjustments for you, type in adjusting entry (positive amount to increase the amount outside the box and negative to decrease) and for the second box select Adjust from the drop down menu. Pressing ENTER will update the figures and save the changes made so far.
  - ✓ If there are taxable benefits or other items to declare on the Tax Form and were not pre-programmed in your Deluxe Payroll account, there will be boxes with no labels with a magnifying glass next to it. Clicking on the magnifying glass will provide you with a complete list of items that the government wants to be declared on a Tax Form.
- » To edit another Tax Form or to exit the menu altogether, click on Next Form
- » Clicking on Exit/Create Reports will allow you to leave the menu and will generate a new Tax Forms Audit Report (this appears under group YEAUDIT)

### **Reminders:**

- » Editing a T4 slip almost means editing the corresponding RL-1 slip as well
- » Always check to see if there are other boxes to adjust. For example a typical taxable benefit would be reported on box 14 and 40 of a T4 slip and since it is subject to CPP, box 26 must also be adjusted (unless the employee has reached the maximum pensionable earnings for the year). Income Tax would be an employee responsibility and will be assessed at the time the employee files their personal income tax return. If the CPP contribution maximum has not been reached it will be assessed by the CRA and may result in a PIER Notice.

<sup>iv</sup> <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4120/employers-guide-filing-t4-slip-summary.html>

<sup>v</sup> <https://www.revenuquebec.ca/en/online-services/forms-and-publications/current-details/rl-1-g-v/>



## Approving Tax Forms for Processing (Submission to CRA, RQ) and Deciding Delivery Method for Employees

Deluxe Payroll has set February 17, 2023 as the deadline for our clients to approve the Tax Forms for approval (T4, T4A, T5018 and RL-1 Slips). This ensures that the copies of the tax forms can be printed, shipped (if applicable) and transmitted to the CRA<sup>vi</sup> and RQ well ahead of the deadlines.

The deadline for employees and for the CRA to receive their copies of the Tax Forms would be March 1st. In Quebec, the RL-1 Slips, and Summary copies must have been received by the employees and Revenu Quebec (RQ)<sup>vii</sup> no later than February 28th. Failure to submit by the deadline may result in penalties from both government bodies.

### Items to Review Prior to Approving:

- » At this point, we will assume that any errors indicated in the Tax Forms Audit Report have been corrected and any other taxable benefits/allowances not processed through the Deluxe Payroll System have been corrected using the appropriate Edit Tax Forms Option (accessed via clicking on step 3 Review/Edit & Authorize Tax Forms, and then clicking on the appropriate Tax Form to edit on the left side of the screen)
- » Deluxe Payroll allows our clients to send electronic copies of the Tax Forms slips to their employees, however as part of the government requirements for payroll providers who send copies via email, an Electronic Consent Form must be signed by employees agreeing to this delivery method. Deluxe Payroll does not require you to send a copy to us. However, make sure that you save a copy and keep it with the employees' records as this is one item that CRA and RQ may audit in the future. A sample consent form is located here:

[Sample consent form](#)

### How to Approve the Tax Forms for Processing:

The default setting is for Deluxe Payroll to transmit the appropriate government copies electronically to CRA- T4, T4A, T5018 slips and corresponding summaries. For our clients in Quebec, the RL-1 slips will be sent to RQ electronically with the corresponding RL-1 Summary created by the client and sent directly to RQ (process outside of Deluxe as the RL-1 Summary requires additional company information generally not made available to payroll service providers).

### Steps in Approving the Tax Forms:

- » From the Deluxe Payroll Main Menu click on step 3 Review/Edit & Authorize Tax Forms
- » Click anywhere inside the text box that says "Tax Forms Not Approved"
- » The landing page will give a summary of what is contained on the Tax Forms file (business number and the number of slips generated). There will also be a running tab on top of the screen which indicates the step you are currently in the approval process.
- » Click on Start to continue to the next screen

<sup>vi</sup> [https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4120/employers-guide-filing-t4-slip-summary.html#P208\\_14224](https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4120/employers-guide-filing-t4-slip-summary.html#P208_14224)

<sup>viii</sup> <https://www.revenuquebec.ca/en/online-services/forms-and-publications/current-details/rl-1-g-v/>



- » The Filing screen will show that Deluxe will send the government copies electronically (default setting). Please review the contact information on this screen. The contact person will be the person CRA or RQ will attempt to contact from the company if there is any issue with the Tax Forms submitted while the address will be the legal address printed on the Tax Forms.
- » Clicking on Save and Continue will present you with the Tax Forms Delivery Options for your employees:
  - ✓ Option 1: would allow you to print all the Tax Forms at your end, no copies will be sent by Deluxe Payroll to you, there will be no email copies sent to your employees
  - ✓ Option 2: would allow you to print Tax Forms for your employees who declined to receive them via email and for those employees who gave consent for electronic copy will receive them via email password protected with the same password used to access their paystubs
  - ✓ Option 3: would instruct Deluxe Payroll to print Tax Forms for employees who declined to receive them via email (in a self-sealed envelope). The printed Tax Forms will be sent to the company via address indicated in the approval process- signature required for delivery. Shipping charges will apply.
  - ✓ Option 4: would instruct Deluxe Payroll to print company copies and print Tax Forms for employees who declined to receive them via email. The Tax Forms package will be sent to the company address indicated in the approval process- signature required for delivery. Shipping charges will apply.

- Notes:**
1. Pricing for the different options will be indicated on this screen.
  2. All options above will have an electronic back up. Both employee and employer copies under View Reports- Download Tax Forms option archived for seven years.

- » Once the desired option has been selected, an onscreen view of the delivery method for each employee will be displayed with an option to convert the information to an Excel spreadsheet (a pdf copy of this onscreen list will also be made available after the approval process has been completed)
- » After confirming the delivery method (this appears as a pop-up message after clicking on Save and Continue), the system will confirm the legal address one more time
- » Clicking on OK will complete the approval process and will now allow you to download the copies of the official Tax Forms
- » Clicking on Exit will bring you to Tax Forms Menu where you are able to participate in our Year-end Survey

- Important:**
1. The emails are sent out nightly at 12:01 am EST (except weekends)
  2. If you will need the RL-1 Summary Tool to complete an RL-1 Summary that you will send to RQ, step 4 Create RL-1 Summary will not be available until the system has detected that the T4 slips and RL-1 slips have been emailed/printed. Once this process completes, this option will be highlighted in orange instead of being greyed out indicating that it is ready for use.



## Completing an RL-1 Summary Using the Deluxe Payroll System

As has been discussed in previous sections, Deluxe Payroll will transmit electronic copies of the Tax Forms to both CRA and RQ. For clients outside of Quebec, we will also submit the corresponding summary. In Quebec, due to specific requirements/information not made available to payroll service providers, Deluxe Payroll is not able to automatically submit RL-1 Summary to RQ. However, we have provided our clients in Quebec an RL-1 Summary Tool that helps with this process.

The RL-1 Summary that can be generated by our clients using our system is not archived- please make sure to save a copy. Also, make sure to send the RL-1 Summary to RQ before the deadline to avoid penalties.

The RL-1 Summary Tool which is located in the Main Menu as step 4 Create RL-1 Summary is inaccessible until the system has detected that both the T4 slip and the RL-1 slip has been emailed to the employee or has been printed.

Information on how to use the RL-1 Summary Tool, including a video tutorial and a pdf guide are available at our Manuals page under the Year-end section:

[deluxepayroll.info/year-end-central](http://deluxepayroll.info/year-end-central)



## Other Government Reconciliation and Annual Returns requirements

Aside from submitting Tax Forms to CRA and RQ, there are other government bodies that require a Reconciliation or an Annual Return Form to be submitted. Some of the well-known ones are:

- » Employer Health Tax Annual Return (British Columbia and Ontario, in Quebec this is part of the RL-1 Summary)
- » WCB (Worker's Compensation Board) Reconciliation Form

### Employer Health Tax (EHT) Annual Return Form:

#### 1. Ontario

- » Deadline to file is March 15th
- » Deluxe Payroll does not process EHT Annual Return Forms (if you would want us to complete the annual return form that you will submit to the Ministry of Finance, there will be a \$150.00 fee. Please send an email to [Accounting@deluxe.ca](mailto:Accounting@deluxe.ca) with your Deluxe Payroll Account Number along with a copy of the form provided to you by the Ontario Ministry of Finance).
- » There are reports that can assist you with completing the form: T4 Summary, EMPLREG- Earnings and Deductions Register by Employee (use the very last one from the year, the information would be under the Company Totals- last two pages of the report)

#### 2. British Columbia

- » Deadline to file the Annual Return is March 31st
- » Deluxe Payroll is not able to remit the EHT payment to BC Ministry of Finance nor prepare the Annual Return Form
- » Deluxe Payroll has provided a report that a client may generate to help in completing the Annual Return, the report can be generated by going to the Main Menu, clicking on Additional Features and then Additional Reports 2 and then putting a check mark on BC Employer Health Tax Report

### Workers' Compensation Board Annual Reconciliation Form:

- » In Ontario, the deadline to submit the Annual Reconciliation Form to WSIB (Workers' Safety and Insurance Board) is on the last day of March
- » In BC, the deadline to submit the Annual Reconciliation Form to WorkSafe BC is on the last day of February
- » In Quebec, the Reconciliation Form must be filed before March 15th
- » Deluxe Payroll does not automatically submit an Annual Reconciliation Form (for Ontario and BC clients who would want us to complete the Annual Reconciliation Form, please send an email to [Accounting@deluxe.ca](mailto:Accounting@deluxe.ca) with your Deluxe Payroll Account number along with a copy of the form. There is a \$150.00 service fee. Unfortunately, this service is not offered to our clients in Quebec).



## 2023 Banking/Financial Institutions and Deluxe Payroll Observed Holidays

Deluxe Payroll is an online payroll service provider which allows you to process your payroll virtually at any time and anywhere where high-speed internet is available. However, since payroll involves moving monies around, actual direct deposit dates revolve around the holidays observed by financial institutions. The Pay Period Schedule generated by the system for 2023 already accounts for these holidays.

Deluxe Payroll Customer Support observes some of these holidays as well and therefore our offices would be closed.

Please note that the calendar provided below ONLY deals with bank holidays and closures and may not be an actual statutory holiday in your province or jurisdiction. A list of Statutory Holidays applicable to your jurisdiction would be available through the Employment Standards Act for your province/jurisdiction.

2023 Bank Holidays Calendar:

Date	Day	Holiday	Deluxe Office Hours
January 02	Monday	Observing January 1 New Year's Day	Closed
February 20	Monday	Family Day	8:00 am - 4:30 pm EST
April 7	Friday	Good Friday	Closed
May 22	Monday	Victoria Day	Closed
July 3	Monday	Observing July 1 Canada Day	Closed
August 7	Monday	Civic Holiday	Closed
September 4	Monday	Labour Day	Closed
October 2	Monday	Observing September 30 The National Day for Truth and Reconciliation	7:00 am - 8:00 pm EST
October 9	Monday	Thanksgiving Day	Closed
November 13	Monday	Observing November 11 Remembrance day	7:00 am - 8:00 pm EST
December 25	Monday	Christmas Day	Closed
December 26	Tuesday	Boxing Day	Closed



# Deluxe Payroll Year-end Reports

## 1. **YEPURGE**- Year-end Purge Report

- » Lists all inactive employees that have been deleted from the payroll history

## 2. **YEEXEMPT**- Year-end Exemption Update Report

- » Lists employees that have claimed exemptions other than the basic amount set by CRA
- » List employees with TD1 factors (these TD1 factors are reset to zero for the new year), it is recorded in the system under Other Tax Exemptions in the profile
- » The report is designed to assist you in determining who among your employees need to be contacted to see if there is any change to their personal situation that may result in the extra exemption being voided. Those with TD1 factors would have to be contacted to verify if they have a new letter from the CRA (employees need to apply to the CRA for any exception for the New Year).
- » Employees who have amounts other than the basic tax exemption amounts are advised to fill out new TD1 Federal and Provincial Forms (2023 forms can be downloaded from the [CRA website](#) once they are made available)

## 3. **ACCREST**- Accrual Reset Report

- » List all balance forward, earned and taken up until the last payroll of the current year (for our clients who have provided us with a fiscal year: this report is not generated until the fiscal year-end is reached and an accrual reset has been triggered at the client's end)
- » Employees owed vacation earnings (under the old system only) are still reflected on the Vacation Report even if their profiles have been deleted from the system

## 4. **PIER/PPP/YEAR END AUDIT**

- » Similar to the PIER Report that can be run throughout the year
- » Shows any "calculated" over and under payment for CPP and EI

## 5. **T4AUDIT**- T4 Audit Report

- » Generated only when at least 1 employee profile is set to create T4 slips on their employee profile
- » List all employees who have earnings for the current year (including inactive employees)
- » Review this report prior to approving the Tax Forms for processing
- » Names are listed alphabetically (by surname)
- » If there are two RP accounts, RP001 comes first and then RP002, both with subtotals

## 6. **T4ERRORS**- T4 Errors

- » Only generated if the system detects anomalies in the formatting of the following: name, address, SIN
- » Any boxes that contain a negative amount will produce an error both on the report and on the approval process itself

**Note:** CRA dictates that the SIN must be shown to the employer (either the SIN card or the letter) within three days of the employee's start date.

If the SIN cannot be obtained, the client must keep record of three reasonable attempts (method used, date and the result) and have this record attached with the rest of the employee's HR files.

**7. T4AAUDIT**- T4A Audit Report

- » Only generated if there are employee profiles marked as T4A Other and earnings were paid in the current year

**8. T4AERROR**- T4A Errors Report

- » Only generated if the system detects anomalies in the formatting of the following: name and address, missing SIN (Social Insurance Number) or BN (Business Number)
- » Any boxes that contain a negative amount will produce an error both on the report and on the approval process itself

**9. REL1AUD**- Releve1 Audit Report

- » Not generated if none of the employees are set to Quebec as Province of Employment
- » Lists all employees (active or inactive) if earnings were paid in the current year

**10. REL1ERRS**- RL1 Errors Report

- » Only generated if errors were detected
- » SIN is required for RL-1 slips to be processed, otherwise Tax Forms approval cannot be performed

**11. RPT5018AUD**- T5018 Audit Report

- » Lists final totals for all T5018 (Statement of Contract Payments- construction subcontractor) slips
- » The errors are reflected on this report (no separate report)
- » Not generated if there are no employee profiles marked with T5018

**12. PPERLIST**- Pay Period List

- » 2023 Pay Period List

**13. TAXBEN**- Taxable Benefits Report

- » Lists year-to-date benefits (taxable) for each employee (both active and inactive) as of the very last payroll of the year – Taxable Benefits 1-5

**Note:** Taxable Benefit codes that were set up recently are not part of the Year-end Reports- you will have to use the EMPLDED (Employee Deductions and Benefits Report) from the very last payroll of year

**14. YTDEARN**- Year-to-date Earnings Summary Report

- » Lists the year-to-date hours and dollar earnings by pay type for each employee

**15. YTDED**- Year-to-date Deductions Summary Report

- » Lists all year to date deduction amounts by deduction code for each employee (source deductions are not on this report)

## 16. **EARNLIST**- Earnings Type and Deductions Listing

- » As noted previously, it is generated during the year-end reset process. However, the GROUP name will be NEBS
- » Lists Earnings, Deductions and Taxable Benefits (1-5) under the Taxable Benefits Heading including taxation behaviour; the newer Taxable Benefit code setup shows under the Earnings Category but does not indicate what source deductions these benefits attract (system limitation- please contact our Support Team if you need the taxation behaviour verified)

## 17. **YTDWCB** Report (Entire Year)

- » Contains T4, Assessable, Excess Earnings Per Employee
- » Premiums paid for the year

**Note:** This report is system generated as part of the YREND reports only if there are WCB Rates on the company's profile in the Deluxe Payroll account.

## MISCELLANEOUS REPORTS

### 1. **Remittance to Receiver General Report**

- » Not generated if the Remittance Feature is turned off throughout the year
- » Useful for clients who want to reconcile their internal records to the remittance total remitted by Deluxe Payroll (Note: This is typically box 80 of the T4 Summary, however for electronic filing this box is left blank as per CRA as they have the year's total remittances on record)
- » Contains the reporting period, the amounts and the last four digits of the cheque number
- » This report will not contain the last pay period of the year (until Deluxe Payroll has remitted the funds to the government(s) which depends on the company's remittance threshold)
- » To generate the report: Main Menu>>> Additional Features>>>Additional Reports>>> Remittance>>> Set the date fields: January 01, xxxx to December 31, xxxx

### 2. **EMPLREG**- Earnings and Deductions Register by Employee

- » The very last EMPLREG Report of the payroll year is where the T4 Audit Report gets information from
- » Contains company totals on the very last two pages

### 3. **EEREG**- Employee Register

- » Same information presented on the EMPLREG Report
- » The company totals (last page) will now list the Quebec Health Services Funds YTD totals (very last EEREG of the payroll year)