



Sage 300 Construction and Real Estate

(formerly Sage Timberline Office)

Payroll Tax (Canada) 2020
Release Notes

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Payroll Tax (Canada)

This document describes changes to payroll taxes in Canada. Please read this document carefully before you use the software.

Note: In order to use the Payroll tax updates for 2020, you should be using Sage 300 Construction and Real Estate version 18.

Important! The sample cheque forms that come with Sage 300 Construction and Real Estate may not be fully compliant with all federal and provincial laws and other requirements, which can differ from one jurisdiction to another. It is your responsibility to familiarize yourself with all applicable laws and requirements, and to modify your cheque forms as needed to ensure compliance.

Downloading and installing updated taxes

You can download the tax update from within Payroll or from the Sage Knowledgebase.

Caution! Do not install the tax update until all payroll checks for 2019 have been processed.

Download and install from within Payroll

- 1 If you use security, log onto your system as a user with permissions to the Download Taxes task (PR: Tools > Download Taxes).
- 2 Start the Payroll application.
- 3 Select **Tools > Download Taxes** to download the latest version of the tax files.

Note: If you are using a firewall, you must allow access to <http://downloads.timberline.com/route.asp> to enable Payroll to download the tax update.

- 4 Verify your Client Number.
- 5 Select the **Update tax file when download is complete** check box if you want to update the taxes automatically after the files are downloaded. If you do not select this check box, you must update the taxes, as described on [page 2](#).
- 6 View the printed journal for any error messages.
- 7 If you have multiple tax files, open the data folder and repeat these steps for each company.

Download from the Sage Knowledgebase

You can instead download the tax update from the Knowledgebase article titled "Download the Payroll Tax Updates" (Article ID 21576). You must have a service plan to access download articles from the Sage Knowledgebase.

- 1 Access the Sage Support website by clicking the following link: <https://support.na.sage.com>
- 2 Click **Log on** in the upper-right area of the page, enter your username and password, and then click **[Log on]**.
- 3 Type **21576** in the text box and click **[Search]**.
- 4 In the search results, open the article titled "How to download the Payroll Tax Updates."
- 5 Within the article under **Related resources**, click the link starting with "Download" that includes "PTCA" and then click **[Run]**.

Updating taxes

If you chose not to install taxes when you downloaded the tax update, you will need to perform additional steps.

New installations

If you did not select the **Update tax file when download is complete** check box when you downloaded the taxes, the system displays following error message when you select **Tools > Update Taxes**:

"The PR Tax file was not found. The file will be created."

Click **[OK]** to continue.

Tax updates

If you downloaded the taxes but you did not select the **Update tax file when download is complete** check box, replace the old taxes with any new ones:

- 1 Start the Payroll application.
- 2 Select **Tools > Update Taxes** to replace tax records in the **Tax.prx** file with tax records from the **New.prx** file (if the tax record in the **New.prx** file has a later effective date).
- 3 If you have multiple tax files, open the data folder and repeat step 2 for each company. See the "To Update Payroll tax rates" topic in Payroll Help for details.

Verification

To verify that the latest tax rates were installed or updated:

- 1 Select **Setup > Taxes > Tax Rates**.
- 2 In the **Tax Rate Setup** window for **Tax ID**, type the tax ID of one of the taxes listed in this document under **Federal Tax Changes** or **Provincial Tax Changes**, and then press **TAB**.
- 3 Check the date displayed for **Effective** in the lower-right area of the window.
 - If this date matches the effective date listed for that tax rate in the next section of this document, the taxes updated correctly.
 - If the effective dates do not match, review the installation instructions in the previous section of this document and repeat any necessary steps.

Changing provincial personal tax credits

If the personal tax credit amounts changed on the provincial Form TD1, you will need to update the information for the affected employees.

To make changes for an individual employee, select **Setup > Employees**, find the employee, click [**Province**], enter the ID of the Province that has the change, and enter the amount from the employee's provincial Form TD1 for **Personal tax credits**.

If many employees are affected, you can use the **Modify Personal Tax Credit Amounts** tool. Select **Tools > Modify Personal Tax Credit Amounts** and follow the instructions in the online help.

Payroll Tax Update 20.01

Update 20.01 includes two federal tax changes and many provincial tax changes.

Federal tax changes

- Canadian Pension Plan (CPP and CPP_E)
Effective date: 1 January 2020
The annual limit increased to \$58,700.
The contribution rate increased to 5.25%.

Note: The Canadian Pension Plan contribution calculations include the situation when an employee changed employment from Québec to another province during the year.

- Employment Insurance (EI and EI_E)
Effective date: 1 January 2020
The maximum annual insurable earnings increased to \$54,200.
The premium rate decreased to 1.58% in all provinces except for Québec.
The premium rate for Québec decreased to 1.20%.

Provincial tax changes

- Alberta (ABTAX)
Effective date: 1 January 2020
The federal tax tables changed.
- British Columbia (BCTAX)
Effective date: 1 January 2020
The federal and provincial tax tables changed.
- Manitoba (MBTAX)
Effective date: 1 January 2020
The federal and provincial tax tables changed.
- New Brunswick (NBTAX)
Effective date: 1 January 2020
The federal and provincial tax tables changed.
- Newfoundland and Labrador (NLTAX)
Effective date: 1 January 2020
The federal and provincial tax tables changed.
The tax for Temporary Deficit Reduction Levy was eliminated.
- Northwest Territories (NTTAX)
Effective date: 1 January 2020
The federal and provincial tax tables changed.
- Nova Scotia (NSTAX)
Effective date: 1 January 2020
The federal tax tables changed.

- Nunavut (NUTAX)
Effective date: 1 January 2020
The federal and provincial tax tables changed.
- Ontario (ONTAX)
Effective date: 1 January 2020
The federal and provincial tax tables changed.
- Prince Edward Island (PETAX)
Effective date: 1 January 2020
The federal tax tables changed.
- Québec (PQTAX and QTX)
Effective date: 1 January 2020
The federal and provincial tax tables changed.
- Québec Parental Insurance (QPIP and QPIP_E)
Effective date: 1 January 2020
The maximum insurable earnings increased to \$78,500.
The contribution rate for employees decreased to 0.494%.
The contribution rate for employers decreased to 0.692%.
- Québec Pension Plan (QPP and QPP_E)
Effective date: 1 January 2020
The annual limit increased to \$58,700.
The contribution rate for employees and employers increased to 5.7%.

Note: For the Québec Health Services Fund (QHSF), you need to enter the **Percent** and **Limit** that applies to your company (based on your total payroll amount) for **QHSF** in the **Tax Rate Setup** window.

- Saskatchewan (SKTAX)
Effective date: 1 January 2020
The federal tax tables changed.
- Yukon (YTTAX)
Effective date: 1 January 2020
The federal and provincial tax tables changed.