



# Sage 300 Construction and Real Estate

Payroll Tax Release Notes 2024

Canada

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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:** The changes in the 2024 tax updates are compatible with Sage 300 Construction and Real Estate version 23.2 or later. If you are on an earlier version when you install the 2024 tax update, confirm the taxes calculate correctly.

**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.

**Caution!** Do not install the first tax update of a new payroll year until all payroll cheques for the previous year have been processed.

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](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 in [Updating taxes](#).

**Note:** For information about what happens when you download taxes and select the check box to update tax files, see Knowledgebase article: [What happens when I download taxes and I select the option to update tax files?](#)

For information about what happens when you download taxes without selecting this check box, see Knowledgebase article: [What happens when I download taxes without selecting the option to update tax files?](#).

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.

## 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 the following error message when you select **Tools > Update Taxes**:

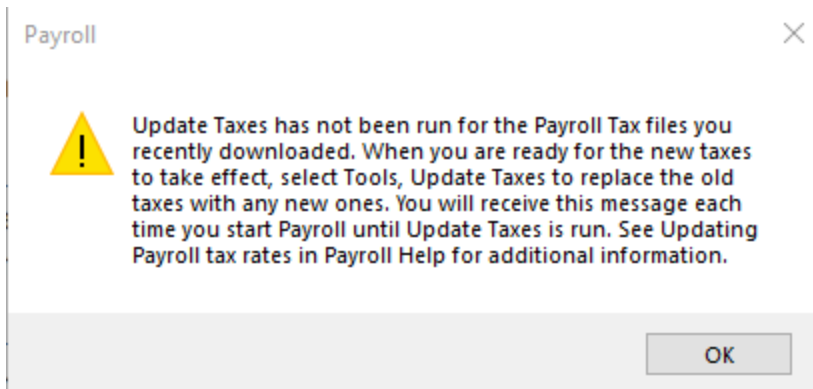
“The PR Tax file was not found. The file will be created.”

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, taxes will not be updated until you run the Update Taxes tool:

1. Start the Payroll application. If the **Update tax file when download is complete** check box was not selected, you will receive a message that Update Taxes has not been run for the payroll tax files you recently downloaded. You will receive this message each time you start Payroll until Update Taxes is run.



2. When you are ready to begin using the latest tax rates, select **Tools > Update Taxes**.
3. In the **Update Taxes - Print Selection** window, make any necessary print selections, and then click [**Start**].

**Note:** The program automatically creates a backup file containing the existing Payroll tax file (**Tax.prx**) and the Payroll formula file (**Pr.frm**) in the **backup\_tax** subdirectory of the folder containing the **Tax.prx** file that is being updated.

4. If you have multiple tax files, open the data folder and repeat steps 2 and 3 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 (and the effective date was not manually changed in the setup), 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 24.01

Update 24.01 includes two federal tax changes and many provincial tax changes.

**Note:** You must [upgrade to Version 23.2](#) to enable the additional Canadian Pension Plan (CPP2 and CPP2\_E, QPP2 and QPP2\_E) taxes found in this tax update.

## Federal tax changes

- Canadian Pension Plan (CPP and CPP\_E)  
*Effective date:* 1 January 2024  
The annual limit increased from \$66,000 to \$68,500.  
The contribution rate remains the same.
- Additional Canadian Pension Plan contribution (CPP2 and CPP2\_E)  
*Effective date:* 1 January 2024  
The tax calculation limits are between earnings of \$68,500 and \$73,200.  
The contribution rate is 4%.

[See the Knowledgebase for steps on adding this tax to the necessary tax group.](#)

**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 2024  
The maximum annual insurable earnings increased from \$61,500 to \$63,200.  
The premium rate increased from 1.63% to 1.66% for all provinces except Québec.  
The employer premium increased to 2.32% for all provinces except Québec.  
The premium rate for Québec increased from 1.27% to 1.32%.

## Provincial tax changes

- Alberta (ABTAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.
- British Columbia (BCTAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.



- Manitoba (MBTAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.
- New Brunswick (NBTAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.
- Newfoundland and Labrador (NLTAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.
- Northwest Territories (NTTAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.
- Nova Scotia (NSTAX)  
*Effective date:* 1 January 2024  
The federal tax tables have changed.
- Nunavut (NUTAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.
- Ontario (ONTAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.
- Prince Edward Island (PETAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.
- Québec (PQTAX and QTX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.
- Québec Parental Insurance (QPIP and QPIP\_E)  
*Effective date:* 1 January 2024  
The maximum insurable earnings increased from \$91,000 to \$94,000.
- Québec Pension Plan (QPP and QPP\_E)  
Introduced Additional Québec Pension Plan contribution (QPP2 and QPP2\_E)  
*Effective date:* 1 January 2024  
The annual limit increased from \$66,600 to \$68,500.  
The contribution rate remains the same.

- Additional Québec Pension Plan contribution (QPP2 and QPP2\_E)  
*Effective date:* 1 January 2024  
The tax calculation limits are between earnings of \$68,500 and 73,200.  
The contribution rate is 4%.  
[See the Knowledgebase for steps on adding this tax to the necessary tax group.](#)
- Saskatchewan (SKTAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.
- Yukon (YTTAX)  
*Effective date:* 1 January 2024  
The federal and provincial tax tables have changed.