



Sage 300 Construction and Real Estate (formerly Sage Timberline Office)

Payroll Tax (Canada) 2016

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.

Downloading and installing updated taxes

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



CAUTION: Do not install the tax update until all payroll checks for 2015 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 Customer Portal

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

- 1 Access the Sage Support website by clicking the following link: <https://support.na.sage.com>
- 2 Click **Login** in the upper-right area of the page, enter your username and password, and then click [Log on].
- 3 Click the **Knowledgebase** tab.
- 4 Type **21576** in the text box and click [Search].
- 5 In the **Search Results** list, open the article titled "Download the Payroll Tax Updates."
- 6 Within the article under **Attachments**, click the link starting with **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.

Provincial taxes

Provincial personal tax credit amounts may have been revised on the provincial TD1 forms. Select **Tools > Modify Personal Tax Credit Amounts** and make these adjustments.

Payroll Tax Update 16.01

Update 16.01 includes two federal tax changes and many provincial tax changes.

Federal tax changes

- Canadian Pension Plan (CPP & CPP_E)
Effective date: 1 January 2016
The annual limit increased to \$54,900.
The contribution rate remains 4.95%.
- Employment Insurance (EI & EI_E)
Effective date: 1 January 2016
The maximum annual insurable earnings increased to \$50,800.
The premium rate remained at 1.88% in all provinces except for Québec.
The premium rate for Québec decreased to 1.52%.

Provincial tax changes

- Alberta (ABTAX)
Effective date: 1 January 2016
The federal tax tables changed.
- British Columbia (BCTAX)
Effective date: 1 January 2016
The federal and provincial tax tables changed.
- Manitoba (MBTAX)
Effective date: 1 January 2016
The federal tax tables changed.
- New Brunswick (NBTAX)
Effective date: 1 January 2016
The federal and provincial tax tables changed.
- Newfoundland and Labrador (NLTAX)
Effective date: 1 January 2016
The federal and provincial tax tables changed.
- Northwest Territories (NTTAX)
Effective date: 1 January 2016
The federal and provincial tax tables changed.
- Nova Scotia (NSTAX)
Effective date: 1 January 2016
The federal tax tables changed.
- Nunavut (NUTAX)
Effective date: 1 January 2016
The federal and provincial tax tables changed.
- Ontario (ONTAX)
Effective date: 1 January 2016
The federal and provincial tax tables changed.

- Prince Edward Island (PETAX)
Effective date: 1 January 2016
The federal tax tables changed.
- Québec (PQTAX and QTX)
Effective date: 1 January 2016
The federal and provincial tax tables changed.
- Québec Health Contribution (QTX_PHC)
Effective date: 1 January 2016
The income thresholds (used to calculate the value of the health contribution) changed.
The rates and the amounts used in the calculation did not change.
- Québec Parental Insurance (QPIP and QPIP_E)
Effective date: 1 January 2016
The maximum insurable earnings increased to \$71,500.
The contribution rate for employees is 0.548%.
The contribution rate for employers is 0.767%.
- Québec Pension Plan (QPP & QPP_E)
Effective date: 1 January 2016
The annual limit increased to \$54,900.
The contribution rate increased to 5.325%.
- Saskatchewan (SKTAX)
Effective date: 1 January 2016
The federal and provincial tax tables changed.
- Yukon (YTTAX)
Effective date: 1 January 2016
The federal and provincial tax tables changed.