



Sage 50 Accounting—Canadian Edition

What's New

Release 2021.1

December 2020

Sage 50—Canadian Edition

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Sage 50 Accounting—Canadian Edition (Release 2021.1)

This product update covers all product solutions of Sage 50 Accounting (Release 2021.1) and includes the updates from previous releases.

What's new and product improvements

New features and product enhancements

	Pro	Premium	Quantum
Government compliance			
Canada Revenue Agency and COVID-19 CRA has changed reporting requirements due to COVID-19. With Release 2021.1, employment income during COVID-19 pay periods are now automatically calculated and reported on T4s. Sage helps you keep your business compliant. ¹	Yes	Yes	Yes
Payroll tax updates for January 1, 2021 If you have a support plan that includes payroll tax updates, you benefit from timely and comprehensive in-house payroll processing within Sage 50 Accounting to help you save time and reduce the risk of payroll tax penalties at year-end. ²	Yes	Yes	Yes

Resolved Issues

The following issues have been resolved:

(Premium Accounting and higher) Auto Backup was locking the database, which interfered with using Remote Data Access and converting the company file. This has been fixed.

¹ You need a service plan that includes payroll.

² You need a service plan that includes payroll.

(Pro Accounting and higher) When creating a Trial Balance report with the option Net Changes for Period, bank deposit transactions are no longer missing from the report's For Period columns.

(Pro Accounting and higher) After processing an order with an inventory item and then changing the item number for that inventory item, any subsequent adjustment to the order will now properly affect the original item.

(Pro Accounting and higher) In Sage Accounting, if you processed an invoice and then turned off the regional tax for that invoice, you would get a generic error when downloading the transaction to Sage 50. The message has been improved to help clarify the steps needed to correct the problem.

Payroll tax changes - Effective January 1, 2021

Important! If you have a support plan that includes payroll tax updates, your Product Update includes the payroll tax changes for January 1, 2021. For complete details on the CRA income tax changes, contact your local tax services office or visit the [CRA web site](#).

Your payroll update reflects the federal and provincial tax schedules in effect on January 1, 2021, as stated in the latest edition of the documents Payroll Deductions Formulas and Employers' Guide - Payroll Deductions and Remittances from the CRA, Revenu Québec's Guide for Employers: Source Deductions and Contributions, as well as the schedules of Employment Insurance, Canada Pension Plan, and Québec Pension Plan.

What's new in this tax update

This tax update contains changes to payroll tax tables and Sage 50 Accounting payroll tax calculations. This document addresses only the payroll tax changes that may require you to adjust your payroll records.

Changes to tax brackets and rates

The following changes have been announced for either tax rates or income thresholds. These changes are effective January 1, 2021, unless otherwise stated.

Federal

Federal tax brackets and rates

2021 Brackets	Rates
First \$49,020	15%
Over \$49,020 to \$98,040	20.5%
Over \$98,040 to \$151,978	26%

2021 Brackets	Rates
Over \$151,978 to \$216,511	29%
Over \$216,511	33%

Alberta

No changes

Alberta tax brackets and rates

2021 Brackets	Rates
First \$131,220	10%
Over \$131,220 to \$157,464	12%
Over \$157,464 to \$209,952	13%
Over \$209,952 to \$314,928	14%
Over \$314,928	15%

British Columbia

British Columbia tax brackets and rates

2021 Brackets	Rates
First \$42,184	5.06%
Over \$42,184 to \$84,369	7.7%
Over \$84,369 to \$96,866	10.5%
Over \$96,866 to \$117,623	12.29%
Over \$117,623 to \$159,483	14.7%
Over \$159,483 to \$222,420	16.8%
Over \$222,420	20.5%

Manitoba

Manitoba tax brackets and rates

2021 Brackets	Rates
First \$33,723	10.8%
Over \$33,723 to \$72,885	12.75%
Over \$72,885	17.4%

New Brunswick

New Brunswick tax brackets and rates

2021 Brackets	Rates
First \$43,835	9.68%
Over \$43,835 to \$87,671	14.82%
Over \$87,671 to \$142,534	16.52%
Over \$142,534 to \$162,383	17.84%
Over \$162,383	20.3%

Newfoundland & Labrador

Newfoundland & Labrador tax brackets and rates

2021 Brackets	Rates
First \$38,081	8.7%
Over \$38,081 to \$76,161	14.5%
Over \$76,161 to \$135,973	15.8%
Over \$135,973 to \$190,363	17.3%
Over \$190,363	18.3%

Northwest Territories

Northwest Territories tax brackets and rates

2021 Brackets	Rates
First \$44,396	5.9%
Over \$44,396 to \$88,796	8.6%
Over \$88,796 to \$144,362	12.2%
Over \$144,362	14.05%

Nova Scotia

No change

Nova Scotia tax brackets and rates

2021 Brackets	Rates
First \$29,590	8.79%
Over \$29,590 to \$59,180	14.95%
Over \$59,180 to \$93,000	16.67%
Over \$93,000 to \$150,000	17.5%
Over \$150,000	21%

Nunavut

Nunavut tax brackets and rates

2021 Brackets	Rates
First \$46,740	4.0%
Over \$46,740 to \$93,480	7.0%
Over \$93,480 to \$151,978	9.0%
Over \$151,978	11.5%

Ontario

Ontario tax brackets and rates

2021 Brackets	Rates
First \$45,142	5.05%
Over \$45,142 to \$90,287	9.15%
Over \$90,287 to \$150,000	11.16%
Over \$150,000 to \$220,000	12.16%
Over \$220,000	13.16%

Prince Edward Island

No change

Prince Edward Island tax brackets and rates

2021 Brackets	Rates
First \$31,984	9.8%
Over \$31,984 to \$63,969	13.8%
Over \$63,969	16.7%

Quebec

Quebec tax brackets and rates

2021 Brackets	Rates
First \$45,105	15%
Over \$45,105 to \$90,200	20%
Over \$90,200 to \$109,755	24%
Over \$109,755	25.75%

Saskatchewan

Saskatchewan tax brackets and rates

2021 Brackets	Rates
First \$45,677	10.5%
Over \$45,677 to \$130,506	12.5%
Over \$130,506	14.5%

Yukon

Yukon tax brackets and rates

2021 Brackets	Rates
First \$49,020	6.4%
Over \$49,020 to \$98,040	9.0%
Over \$98,040 to \$151,978	10.9%
Over \$151,978 to \$500,000	12.8%
Over \$500,000	15.0%

Changes to taxes and rates

Effective January 1, 2021, the federal, provincial, and territorial personal tax credits that employees can claim are changing. These changes are reflected in the new federal, provincial, and territorial TD1 forms, and the Quebec TP-1015.3-V form.

Federal and provincial basic personal amounts

Provinces / Territories	Basic Personal Amounts
Federal	\$13,808
Alberta	\$19,369
British Columbia	\$11,070
Manitoba	\$9,936
New Brunswick	\$10,564

Provinces / Territories	Basic Personal Amounts
Newfoundland and Labrador	\$9,536
Northwest Territories	\$15,243
Nova Scotia	\$11,481
Nunavut	\$16,467
Ontario	\$10,880
PEI	\$10,500
Quebec	\$15,728
Saskatchewan	\$16,225
Yukon	\$13,808

Indexing factors for 2021

The federal government, provinces, and territories have announced their indexing factors for 2021.

Federal and provincial indexing factors

Provinces / Territories	Indexing Factor
Federal	1.0%
British Columbia	1.1%
Manitoba	1.0%
New Brunswick	1.0%
Newfoundland and Labrador	0.4%
Northwest Territories	1.0%
Nunavut	1.0%
Ontario	0.9%
Quebec	1.26%
Saskatchewan	1.0%
Yukon	1.0%

Workers' Compensation Board Maximum Assessable Earnings for 2021

The maximum assessable earnings are as follows:

Provinces / Territories	Maximum Assessable Earnings
Alberta	\$98,700.00
British Columbia	\$100,000.00
Manitoba	\$127,000.00
New Brunswick	\$67,100.00
Newfoundland and Labrador	\$67,985.00
Northwest Territories	\$97,300.00
Nova Scotia	\$64,500.00
Nunavut	\$97,300.00
Ontario	\$102,800.00
PEI	\$55,300.00
Quebec	\$83,500.00
Saskatchewan	\$91,100.00
Yukon	\$91,930.00

Changes to the Canadian Pension Plan

For 2021, the maximum pensionable earnings for the Canada Pension Plan (CPP) has increased to \$61,600. The contribution rate for employees is 5.45%. An employee can contribute up to a maximum of \$3,166.45. The employer can contribute an amount equal to the total of the employee's contribution.

Changes to the Quebec Pension Plan

In 2021, the maximum pensionable earnings has increased to \$61,600. The Quebec Pension Plan (QPP) contribution rate for employees is 5.9%. The maximum employee contribution to QPP for 2021 will be \$3,427.90. The employer's contribution is an amount equal to the total of the employee's contributions.

Changes to Employment Insurance

For 2021, outside Quebec, premium rates will be 1.58%. The annual maximum insurable earnings will be \$56,300 for a maximum annual premium amount of \$889.54.

In Quebec, premium rates for employment insurance will be 1.18%, with the annual maximum insurable earnings at \$56,300. The maximum annual premium amount will be \$664.34.

Changes to the Quebec Parental Insurance Plan

For 2021, the maximum Quebec Parental Insurance Plan (QPIP) insurable earnings amount will be \$83,500. The QPIP employee premium rate is 0.494%. The QPIP employer premium rate is 0.692%.

Before you start processing payroll

- Review the new federal TD1 form and the TD1 form for your province or territory (or the TP 1015.3-V form for Québec) to become familiar with any changes.
- Provide your employees with the 2021 federal/provincial/territorial TD1 forms if they need to make changes to their personal claims.
- Adjust your employee records in Sage 50 Accounting to reflect the new tax credit amounts.

Preparing for payroll after tax changes

This section describes what you need to adjust in Sage 50 Accounting after tax changes become effective.

Step 1: Adjust employees' federal personal tax credit claims

To adjust the federal personal tax credit claims, follow these steps:

1. If an employee's personal claim amount has changed, this employee must complete the new federal TD1 form.
2. Close all Employee Records windows in Sage 50 Accounting.
3. From the Home window, choose the Maintenance menu, then Update Employee Claims.
4. Select Federal to indicate you are updating the federal tax credits.
5. From the list, select all or only those employees you want to modify.
6. To update the basic personal amounts, click Update Basic Personal Amount.
7. To update the indexed amounts from the federal TD1 form, do one of the following:
 - Select Factor and enter the factor by which the claim amount will increase.
 - Select Amount and enter the amount by which the claim amount will increase. If you need guidance in calculating this amount, see [Indexation Guidelines](#).

8. To update the non-indexed amounts from the federal TD1 form, enter the amount changes in the Non-Indexed Amounts column for each employee.

Step 2: Adjust employees' provincial (or territorial) personal tax credit claims

To adjust the provincial/territorial claims, follow these steps:

1. If an employee's personal claim amount has changed, the employee must complete the new provincial or territorial TD1 form (or TP 1015.3 V form, for Québec).
2. Close all Employee Records windows in Sage 50 Accounting.
3. From the Home window, choose the Maintenance menu, then Update Employee Claims.
4. Select Provincial to indicate you are updating the provincial or territorial tax credits and then the province or territory that you want to make changes for.
5. From the list, select all or only those employees you want to modify.
6. To update the basic personal amounts, click Update Basic Personal Amount.
7. To update the indexed amounts from the provincial or territorial TD1 form, do one of the following:
 - Select Factor and enter the indexing factor by which the claim amount will increase.
 - Select Amount and enter the amount by which the claim amount will increase. If you need guidance in calculating this amount, see [Indexation Guidelines](#).
8. To update the non-indexed amounts from the federal TD1 form, enter the amount changes in the Non-Indexed Amounts column for each employee.

Indexation Guidelines

In Sage 50 Accounting there are two fields on the Taxes tab of the Employees Record window which hold the employee's claim amounts that are subject to indexing:

- Federal Other Indexed Amounts
- Provincial Other Indexed Amounts

Calculate the federal claim amount that is subject to indexing

From the Total Claim Amount of the federal TD1 form, subtract the items that are not subject to indexing. Currently, the personal tax credit amounts on the federal TD1 form that are not subject to indexing are:

- Pension Income Amount
- Tuition and Education Amount (full time)
- Tuition and Education Amount (part-time)
- Pension Income, Tuition, and Education Amounts Transferred from Spouse or Dependant

For provincial claims, some provincial and territorial governments have set their own indexation requirements. For example, in Alberta and Ontario, all personal tax credit amounts are subject to indexing.

Because indexation requirements vary from jurisdiction to jurisdiction, and are subject to change, you should review the indexation requirements set by the federal, provincial or territorial governments before entering the employee's Federal (or Provincial) claim subject to indexing field.

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What's new and product improvements

New features and product enhancements

	Pro	Premium	Quantum
Improvements for Sage 50			
Never miss an update Your News Feed can be seen by clicking on the “bell” icon in the top navigation on your home window. Here you’ll have quick access to important communications, such as product updates, support alerts, and more.	Yes	Yes	Yes

General Information about Product Updates and Product Upgrades

Important! Sage 50 Accounting product updates are only available to current subscribers of a Sage Business Care plan. Payroll updates and features are only available to current subscribers of a Sage Business Care plan with payroll tax table updates. If you do not know whether your subscription is current, or you need to sign up or renew your subscription, contact Customer Sales at 1-888-261-9610.

How is Sage 50 Accounting updated?

- Automatically, using Sage 50 Accounting (recommended)
- Manually, using Sage 50 Accounting.
- By downloading the update from the Sage 50 website.
- If you have paid to receive a CD, by running the product update CD.

Important! Always back up your data before installing your product update, and before any major changes, such as before advancing the session date to a new calendar or fiscal year.

How to automatically update Sage 50 Accounting

Sage 50 Accounting automatically checks for product updates whenever you are connected to the Internet. When an update is available, the update downloads in the background. When you close Sage 50 Accounting, you will be notified that an update is available to be installed. Click Yes to install it. You do not need to enter any information during the update process.

For more information, search for “Automatic Updates” in the Help.

How to manually update Sage 50 Accounting

By default, “Automatic Updates” are turned on. We recommend that you keep this setting turned on. If you choose to turn off this option, you can always manually download the updates when you are connected to the Internet.

Download product updates from the Sage 50 website

For your convenience, updates are also available on the [Sage 50 website](#). Please follow the installation instructions.

Important! Updating Sage 50 Accounting in a multi-user environment (Sage 50 Premium Accounting and higher)

- Install this product update on all computers running Sage 50 Accounting, including computers on which you have performed server-only type installations of Sage 50 Accounting.

How to upgrade to Sage 50 Accounting

An upgrade of Sage 50 Accounting can involve one or more of the following changes:

- **Getting the latest version** - If you would like to get the latest updates offered for your current Sage 50 Accounting product, you can upgrade from an earlier version of Sage 50 Accounting.
- **Moving to a higher Sage 50 Accounting product** - If your business requires a richer set of accounting features, you can upgrade to the latest version of a higher Sage 50 Accounting product (for example, moving from Sage 50 Premium Accounting to Sage 50 Quantum Accounting). This option also upgrades your version of Sage 50 Accounting if you are not already using the latest version of the program.
- **Adding more user licences** - If you want to increase the number of concurrent users in Sage 50 Accounting, you can upgrade your program to allow more users. If required, this option also upgrades your version and moves you to a higher Sage 50 Accounting product at the same time.

For any of these scenarios or for more information about upgrading your Sage 50 Accounting solution, contact Customer Sales at 1-888-261-9610.