

2023 Payroll Year-End Addendum

December 2023

The following document will provide instructions with respect to some significant changes to the 2023 Payroll Year-End.

The following topics will be covered:

- CPP Enhancement Program (New CPP Requirements beginning in 2024)
- Canada Dental Care Measures Act (T4 Box 45 – mandatory completion)
- BC Municipal Pension Plan Reporting Requirements (2022 MPP Retro – BC Only)

ComVida STRONGLY suggests that you register for one of our year-end courses so that you can see how the changes are made in real-time and learn some additional background on what impacts these changes may have on your organization.

CPP Enhancement Program

Beginning in 2024, employees are no longer capped at the yearly maximum pensionable earnings for CPP contributions. There is now a 2nd rate of contribution (2024 = 4%) when employees reach the YMPE amount for the year, which is referred to as the YAMPE (Yearly Additional Maximum Pensionable Earnings). This means that employees will contribute to CPP as follows for the 2024 year:

- 5.95% of qualifying earnings up until YMPE (2024 = \$68,500)
- **NEW** – 4.00% of qualifying earnings between YMPE and YAMPE (2024 = \$73,200)
- The \$3,500 exemption remains, and is applied by dividing the \$3,500 by the number of pay periods an employer has within a year, as prescribed by CRA regulations.
- Employers will continue to need to match employee contributions as they do currently

The following table provides a comparison between the program as it is in 2023, versus what it will be in 2024:

	2023	2024 YMPE	2024 YAMPE <i>*NEW*</i>	2024 MAX CPP
Maximum Pensionable Earnings	\$66,600 (YMPE)	\$68,500 (YMPE)	\$4,700 (YAMPE)	\$73,200 (TOTAL)
Year's Basic Exemption	\$3,500	\$3,500	N/A	\$3,500
Contributory Earnings	\$63,100	\$65,000	\$4,700	\$69,700
Contribution rate	5.95%	5.95%	4.00%	-
Employee/Employer Max Contribution	\$3,754.45	\$3,867.50	\$188.00	\$4,055.50

The impact of these changes is that we can no longer simply track an employee's earnings and contributions until YMPE, we also need to track YAMPE earnings and YAMPE contributions and ensure the reporting that we are doing on CPP reflects these new requirements. There are also changes to the T4 so that these items are reported correctly to CRA in the future.

The changes that will be a part of ComVida's Year-End update to facilitate this program will be as-follows:

- Any employee who currently has CPP items on their payroll profile will be given 2 new item codes automatically (Items 7202 & 7222) – a description of these items is below:

- Item 7202 (CPP2-DED; CPP Additional Earnings); the values it calculates will be as-follows:

INPD: Represents the Total CPP Earnings (including YMPE & YAMPE) for an employee
*This is the value that will be reported on T4 Box 26 moving forward, beginning with the 2023 T4 submission. Item 7200 will **NO LONGER** report the Box 26 earnings on the T4 as it is capped at the YMPE value to ensure that the contributions occur at the correct rate.*

AMPD: Represents the YAMPE deduction for the employee
This value will be reported on T4 Box 16A; which is a new T4 box for "Employee's Second CPP Contributions".

Note that for the 2023-year the Box 16A value for an employee should be \$0 or blank, however the box will still appear on the T4 as the form has changed.

- Item 7222 (CPP2-ER; CPP Employer Additional)

INPD: Represents the Employer's Portion of CPP for an employee's YAMPE contribution only.
This item does not report to a T4 box.

- The PIER Check Tool within ComVida’s Payroll has been updated to automatically accommodate for these changes.
- Any Report Writer reports which exist within your database will be updated for you with the following changes:
 - a) Reports which reference the INPD value of 7200 will now reference for the INPD value of 7202 so that total CPP Qualifying Earnings continue to be accurately represented.
 - b) Reports which reference the AMPD value of 7200 will now reference the combined AMPD values of 7200 & 7202 so that the total CPP Employee Deduction amounts continue to be accurately represented, including contributions made under both rates of contribution.

If you wish to have separate reporting on the different rates of contribution for a specific report, the individual report settings will need to be modified to add the additional column.

- c) Reports which reference the INPD value of 7220 will now reference the combined INPD values of 7220 & 7222 so that the total CPP Employer Contribution amounts continue to be accurately represented. Employers will continue to match employee contributions dollar-for-dollar regardless of the rate of the employee’s contribution

If you wish to have separate reporting on the different expenses incurred for a specific report, the individual report settings will need to be modified to add the additional column.

- All GL Expense accounts associated with CPP will be automatically updated for clients who are using GL Accounts mapped at the item level.

Clients who run the GL Extract with the older “Use GL Bridge” setting will need to map the new items appropriately when the tool is run as this will be the first time the system detects instances of 7202 & 7222.

GL Extract	
Payroll	
PR Tools	
Amounts	
Payments	
T4 and T4A	
Extracts	
CSSEA Extract	
HSCIS Extract	
GL Extract	
MPP Extract	

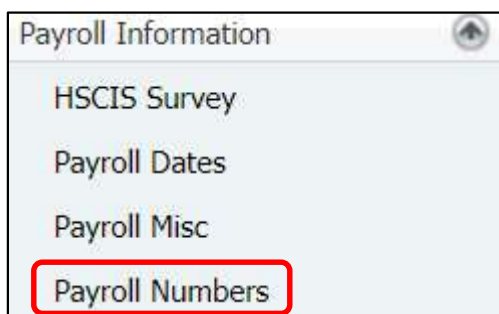
<input checked="" type="checkbox"/> GL Expense Report:	GL-EXLA
<input checked="" type="checkbox"/> PR-EXP (Employer Expenses):	PR-EXLA
Balance Sheet Account Range:	1000 - 2999
Batch Date:	29/Nov/2023
Export Type:	S. Simply Accounting
GL Account Delimiter:	-
<input checked="" type="checkbox"/> Use GL Bridge	<input checked="" type="checkbox"/> Summarize Matching Accounts
	<input checked="" type="checkbox"/> Add Missing Rows

Canada Dental Care Measures Act

Beginning with the 2023 tax year, a new requirement has been enacted requiring employers to report whether dental care for an employee (or their spouse and/or dependents) is being offered based on their employment status as of December 31st of the current year.

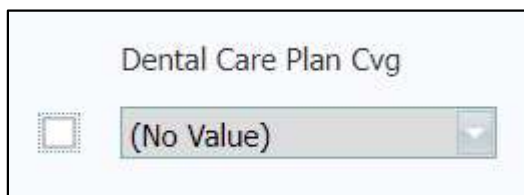
This status needs to be completed in a new T4 Box (Box 45) and is maintained within ComVida.

The new field which determines the associated claim codes resides within **Human Resources**, on the **Payroll Numbers** page. It is called “Dental Care Plan Cvg”:



Payroll Information

- HSCIS Survey
- Payroll Dates
- Payroll Misc
- Payroll Numbers**



Dental Care Plan Cvg

(No Value)

Note that the field can be re-located to a different HR Page should you wish for it to reside somewhere else.

The claim code options you can select from are:

Code	Description
1	No dental insurance or coverage of any kind
2	Payee
3	Payee, spouse and dependent children
4	Payee and their spouse
5	Payee and their dependent children

For the 2023 tax year only, the completion of this field is not required when and only when the employee’s claim code is 1. In all other instances, a claim code MUST be submitted. For the 2024 tax year, completion of this field is likely to be mandatory.

The code you select needs to reflect the coverage that the employee COULD be entitled to **as of December 31st, 2023**. This does **not** mean what benefit level that the employee is currently enrolled in (if any), but what coverage is available to them as per their position within the organization, and the benefits group plan (or health benefit spending account) they have access to.

This box is required to be completed for every employee, including terminated staff. This means that when an employee leaves the organization, their claim code needs to be set to “1” unless they were provided coverage as of December 31st, 2023. This will need to be maintained for future hires and terminations.

Example 1: An employee qualifies for a dental coverage plan for only themselves, but has chosen not to enroll in the group coverage because they are already adequately covered on their spouse’s benefit plan.

Claim code 2 should be chosen for this employee; the plan offers them coverage as an individual and they have elected not to pursue it.

Example 2: An employee leaves the organization on December 19th, 2023. While they were part of the organization, they were fully covered for themselves, their spouse, and their dependents on the dental group plan:

- a) If the employee maintains coverage for the duration of the month through December 31st, 2023, then claim code 3 should be chosen.
- b) If the employee’s coverage ended the same day of their employment termination (December 19th, 2023), then claim code 1 should be chosen.

Example 3: An employee is single without any dependents. This employee is enrolled in the “Single” dental coverage provided by the employer, but if they had a spouse or dependents, those individuals would qualify for coverage based on the group plan available to the employee.

Claim code 3 should be chosen for this employee; the fact that they are single and that the employer pays a single rate for them means the coverage is still accessible to the employee should their familial situation change.

Updating the system values for multiple employee records can be done via Excel, using the Data Templates function within ComVida.

See the “Filing T4s-T4As and Procedures for 2023” for details specific to T4 generation on these policies.

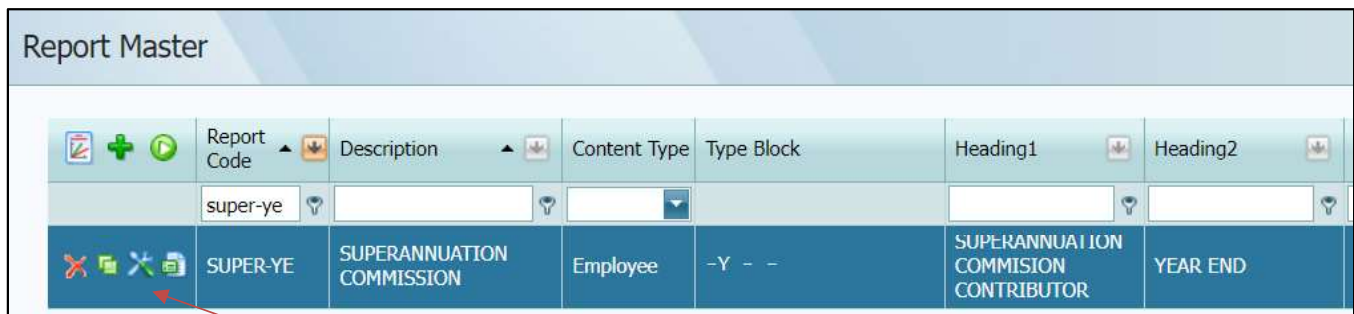
BC Municipal Pension Plan – Reporting Requirements for 2022 Retro Payments


When the requirement to report payments for 2022 separately arrived for MPP, clients worked with the HelpDesk to create a separate item code to track and remit those payments to MPP so that these payments could be reported as service type “RT” instead of “RG” on the MPP annual report.

This was a new requirement that had never been seen before and ComVida worked with clients on a per-case basis to fit this into each client’s payroll database.

As part of the year-end update, ComVida has updated the MPP Extract so that the reporting requirements to MPP are satisfied. In order to have the retro payments appear on the MPP Extract, two new columns have been added to the last MPP report that was used by the extract to allow for those items to be added to the report.

In order to update this, locate your MPP report within **Payroll | Reports**. If you have been on ComVida for many years then your report may be called “**SUPER-YE**” or if you are newer client your report may be called “**MPP-YE**”:



Select **Modify Report Settings**  - there should be columns 13 and 14 called “Retro Earn” and “Retro Contr”:

Columns								
	Number	Position	Title	Column Type	Item/Field	Item Filter	Column Value	
	14	190	Retro Contr	Item	6499		PLCU	
	13	175	Retro Earn	Item	6499		PLCU	

These new columns must have their **Item/Field** and **Column Value** settings modified to match your 2022 MPP Retro payroll item codes. In many cases, item code 6701 was used and if that is the case for your organization, the values should be populated as follows:

Columns								
	Number	Position	Title	Column Type	Item/Field	Item Filter	Column Value	
	14	190	Retro Contr	Item	6701		AMCUYR	
	13	175	Retro Earn	Item	6701		INCUYR	

If your item code for MPP retro for 2022 is different, populate the item code appropriately.

When you have saved these changes, go back to the **Report Master**, and select **Modify Report Filters** .

Report Master

Report Code	Description	Content Type	Type Block	Heading1	Heading2
super-ye					
SUPER-YE	SUPERANNUATION COMMISSION	Employee	-Y - -	SUPERANNUATION COMMISSION CONTRIBUTOR	YEAR END

Within the **Test Criteria**, modify your settings to the ones below:

SUPER-YE - SUPERANNUATION COMMISSION Filters

Test Criteria									
	Number	Type	Item/Field	Item Filter	Filter Value	Filter Oper	Filter Test	Filter Join	
	1	Item	6700		AMCUYR	<	0.00	OR	
	2	Item	6701		AMCUYR	<	0.00		

Note: If you used a different item code than 6701 for your 2022 MPP Retro, replace 6701 with the value appropriate to your organization. Leave 6700 intact in all cases.

If you have completed the steps above correctly, the MPP Extract report (**Tools | Extracts | MPP Extract**) will display the retro payments for your employees, and the data will be contained within the annual reporting file to MPP correctly, as shown below:

Payroll Municipal Pension Plan - Contributor Report

Start Date: 01/Jan/2023 End Date: 31/Dec/2023
 EMS Type Block: ???-?!?-???-???
 Employer Number: 556
 Year: 2023

Last Name	SIN	Pensionable Service	Compulsory Contributions	Other Contributions	Special Agreement	Contributory Salary	Contributory Service	Comment
Adam	000-000-000	12.8571	4,209.62	0.00	0.00	71,547.50	12	
			Retro Contributions: 947.10			Retro Earnings: 11,000.00		
Alajane	000-000-000	12.8145	3,170.00	0.00	0.00	48,079.38	12	
			Retro Contributions: 464.94			Retro Earnings: 5,400.00		
Anders	000-111-120	12.8522	2,744.78	0.00	0.00	44,895.15	12	
			Retro Contributions: 542.43			Retro Earnings: 6,300.00		
Aragon	000-111-120	12.8571	2,848.95	0.00	0.00	38,477.50	12	
			Retro Contributions: 215.25			Retro Earnings: 2,500.00		

If the retro contributions are not showing, a step has been performed incorrectly. Revisit the instructions above and try again or contact the HELPDESK for assistance at helpdesk@comvida.com