

# Taxation Notice

ComVida Payroll

December 2019

The following paragraphs are summarized from form T4127(E) Rev. 20/01, *Payroll Deductions Formulas for Computer Programs, 110<sup>th</sup> Edition*, available on the internet at [T4127 Payroll Deductions Formulas for Computer Programs - Effective January 1, 2020](#).

**NOTE: The Canada Revenue Agency uses the *cheque date* NOT the pay period end date to determine when the new rates apply.**

E.g. If your pay period end date is Dec 27<sup>th</sup> and your cheques are dated Jan 3<sup>rd</sup>, 2019, you must install this tax update prior to running Calculate Period for the pay period ending Dec 27<sup>th</sup>, 2019.

1. Federal tax rates and brackets

Indexed to 1.9%.

2. CPP & EI

CPP contributions have been increased to 5.25% for both the employee and for the employer with the maximum contributory earnings of \$58,700 and a maximum contribution for the year of \$2,898.00 for employees.

EI has been reduced to 1.58% from 1.62% with maximum insurable earnings of \$53,100 and a maximum annual premium of \$856.36 for the employee.

3. Provincial and territorial changes

There are tax changes as a result of provincial and territorial budgets. The changes are summarized below:

Province	Basic Personal Amount*	Income Thresholds (Tax Brackets)	Tax rate
Alberta	No change	No Change	n/c
British Columbia	Indexed by an increase of 2.5%	Indexed by an increase of 2.5%	n/c

Manitoba	Indexed by an increase of 2.2%	Indexed by an increase of 2.2%	n/c
New Brunswick	Indexed by an increase of 1.9%	Indexed by an increase of 1.9%	n/c
Newfoundland & Labrador	Indexed by an increase of 0.9%	Indexed by an increase of 0.9%	n/c
NW Territories	Indexed by an increase of 1.9%	Indexed by an increase of 1.9%	n/c
Nova Scotia	BPA -to a max of 11,481 based on income.	n/c	n/c
Nunavut	Indexed by an increase of 1.9%	Indexed by an increase of 1.9%	n/c
Ontario	Indexed by an increase of 1.9%	Indexed by an increase of 1.9%	n/c
Prince Edward Island	Increase for the basic personal amount to 10,000.00	n/c	n/c
Saskatchewan	Indexing has been temporarily suspended for 2020	Indexing has been temporarily suspended for 2020	n/c
Yukon	Indexed by an increase of 1.9%	Indexed by an increase of 1.9%	n/c

\* **Personal Amounts:** ComVida Payroll will automatically apply changes to the Basic Personal Amount for each employee when the **CLAIM** and **PRVCLAIM** numbers are set to zero. For employees claiming **other than Basic (Claim Code 1)**, you must manually adjust their claim amounts to reflect the indexed rates for 2020.

**Disclaimer:** This information is provided for your convenience only, for official changes to Payroll calculations please contact your local CCRA office, or check their web site at <https://www.canada.ca/en/services/taxes.html>