

CERIDIAN

2019 Pay Period One Supplement

Dayforce

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New Legislation for 2019

- **CPP and QPP** –The new 2019 employee contribution rates are 5.10% (CPP) and 5.55% (QPP). Dayforce automatically updates to the new rates with the first 2019 payment date.
- **Ontario:**
 - **Employer Health Tax** – Effective January 2019, the exemption is expected to increase from \$450,000 to \$490,000 (inflation adjustment). There is potential for a change to exemption eligibility so that it would only be available to individuals, charities, not-for-profit organizations, private trusts and partnerships, and CCPCs.
 - **Employment Standards** – On November 21, 2018, Ontario passed Bill 47 which repeals certain elements of Bill 148 and amend the Employment Standards Act, 2000 (ESA) and the Labour Relations Act, 1995 (LRA). Areas of amendment include scheduling, paid personal emergency leave days, minimum wage and equal pay provisions.
- **British Columbia:**
 - **Employer Health Tax** – An annual or quarterly tax on BC Payroll was announced in Budget 2018. There is a \$500,000 exemption for employers with BC Payroll below \$1.5M and a calculated rate for employers between \$500,000 and \$1.5M. Employers with BC Payroll above \$1.5M will pay 1.95%.
 - **Family Day** – 2019 holiday will be on the third Monday in February (rather than the second Monday in February)
- **Newfoundland** –Starting January 1, 2019, the threshold for Health and Post-Secondary Education Tax (Payroll Tax) will be increased by \$100,000, from \$1.2 million to \$1.3 million.
- **Québec:**
 - **Labour standards** – Bill 176 modified a number of labour standards requirements and entitlements. This includes equal treatment provisions, changes to staggering agreements and broadening holiday indemnity eligibility. In addition, as of 2019:
 - vacation entitlement increases to 3 weeks after 3 years (rather than 5 years)

- there are 2 days paid leave associated with bereavement, family, sick, organ donation and domestic leaves
- **Health Services Fund** – The upper total payroll threshold (beyond which the rate is 4.26%) is increasing for 2019 from \$5.5M to \$6.0M.
- **Manitoba** – Budget 2018-19 announced an end to the 15% Labour-Sponsored Funds Tax Credit on shares acquired after 2018.

Before the First Pay of the New Year

Prior to beginning the first pay of the year, we recommend that you perform the following activities as they apply to your payroll.

It is **NOT RECOMMENDED** the first pay of 2019 is committed until the 2019 Tax Tables are updated.

2019 Legislative Compliance Updates

****2019 Tax Tables, Federal and Provincial Basic Claim TD amounts, Yearly Maximum Pensionable Earnings (YMPE), RRSP Maximums, WCB limits, EI and CPP Maximums are scheduled to be updated effective December 19, 2018.****

Employment Insurance and Quebec Parental Insurance Plan (EI/QPIP) reduced rates, Workers' Compensation and employee Net Claim for taxes typically change on an annual basis. These rates must be changed before the first pay of 2019 is processed.

Rates can be changed in Dayforce at any time. Ensure the previous year records are end dated and the new record is effective dated January 1, 2019. If the 2019 rates were not changed before committing Pay Period 01, Dayforce will not calculate retro corrections and these corrections must be entered manually in Dayforce. Contact Customer Support for additional assistance.

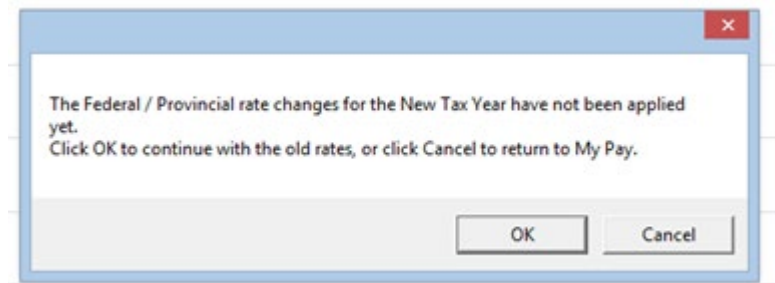
This guide and other resources are available in the Ceridian Support Portal at <https://support.ceridian.com>.

2019 Tax Tables

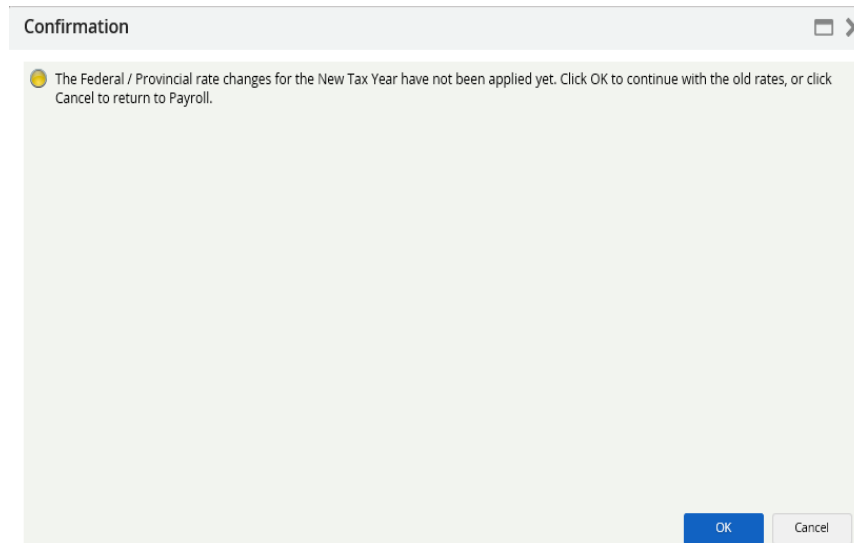
It is **NOT RECOMMENDED** the first pay of 2019 is committed until the 2019 Tax Tables are updated.

If "Lock" or "Commit" are selected for a 2019 pay date, prior to the release of 2019 Tax Tables, Dayforce will display a notification advising the Tax Tables "have not been applied yet".

My Pay



Payroll



Once Dayforce is updated with the 2019 rates, the message above will no longer appear.

If **OK** is selected and a 2019 pay is committed prior to the Tax Tables being updated, the following items must be considered:

- 2018 Tax Tables will apply to for all taxes.
- 2018 Tax Rates may result in discrepancies for Employee and Employer Taxes/Levies.
- Corrections may be required to avoid any potential discrepancies.

If **Cancel** is selected, payroll will not be committed. This will provide the option to process payroll after the 2019 Tax Rates are in place.

Employee Tax Exemptions

Before the first pay of the new year, review all employee Federal and Provincial Total Claim Amounts. All employee basic Total Claim Amounts will automatically update to the new 2019 values. All other employee Total Claim Amounts will remain the same as 2018.

On the Support Portal, see the related knowledge (KB) article *Tax Tables and TD1-XX (CAN)* or navigate to **Knowledge Base > Year End > Canada Year End**.

2019 Reminders

In Dayforce, annual changes to taxes and levy rates may be required. Updates may be made at anytime prior to the first pay of 2019. Ensure the current record is end dated and the new record has a Start Date of January 1, 2019.

Review the following taxes and levies **before** the first pay of the new year and make any required updates:

- Employment Insurance and Québec Parental Insurance Plan (EI/QPIP) reduced rates
- Workers Compensation
- Health Taxes and Levies
- Employee Federal and Provincial Tax Exemptions

Rates must be updated **before the first pay of 2019** is committed.

2019 CPP & QPP Rates & Amounts

CPP and QPP employee and employer rate changes are automatically updated in the Dayforce system prior to the first pay of 2019. No action is required by you.

| | CPP | QPP |
|---|-------------|-------------|
| Contribution Rate | 5.10% | 5.55% |
| Yearly Maximum Pensionable Earnings | \$57,400.00 | \$57,400.00 |
| Yearly Exemption | \$3,500.00 | \$3,500.00 |
| Yearly Maximum Contributory Earnings | \$53,900.00 | \$53,900.00 |
| Yearly Maximum Employee Contribution | \$2,748.90 | \$2,991.45 |

2019 EI & QPIP Rates & Amounts

Employer reduced rates for EI and QPIP must be updated in Dayforce annually. Employee rates are automatically updated in Dayforce on the first pay of the new year.

On the Support Portal, see the related knowledge (KB) article *Updating Employment Insurance: EI and QPIP Rates (CAN)* or navigate to **Knowledge Base > Year End > Canada Year End**.

Note: With the first pay of 2019, Dayforce will automatically update the values for **Full Rate** EI and QPIP. If applicable, you **MUST** update the values for **2019 Reduced Rates** for EI and QPIP.

| | EI | EI (Quebec employees) | | QPIP |
|---|-----------|-----------------------|--|----------|
| Employee Contribution Rate | 1.62% | 1.25% | Employee Contribution Rate | 0.526% |
| Employee Yearly Maximum Insurable Earnings | \$53,100 | \$53,100 | Employee Yearly Maximum Insurable QPIP Earnings | \$76,500 |
| Employee Yearly Maximum Premium | \$860.22 | \$663.75 | Employee Yearly Maximum QPIP Premium | \$402.39 |
| Employer Contribution Rate | 2.268% | 1.75% | Employer Contribution Rate | 0.736% |
| Employer Yearly Maximum | \$1204.31 | \$929.25 | Employer Yearly Maximum | \$563.04 |

Define Pay Holidays for the New Year

Pay Holiday dates must be added to Dayforce each calendar year. New holiday dates need to be attached to a Holiday Group in order to populate employee timesheets. This should be done **BEFORE** you generate your 2019 Pay Calendars to ensure that Impound and/or Pay Date don't fall on Bank Holidays. This will stop your payroll commit until Pay Calendars are adjusted.

For a list of 2019 holidays, on the Support Portal, see the related knowledge (KB) article *Important Dates, Deadlines and Holidays (CAN)* or navigate to **Knowledge Base > Year End > Canada Year End**.

To define pay holidays for 2019, on the Support Portal, see the related knowledge (KB) article *How Do I Define Holidays and Holiday Groups?* or navigate to **Knowledge Base > Year End > Canada Year End**.

Verify Balance Rollovers for Entitlements

To verify Entitlement balance roll overs for 2019, on the Support Portal, see the related knowledge (KB) article *Entitlement Balance Roll Overs* or navigate to **Knowledge Base > Year End > Canada Year End**.

Modify Benefit Plan Rates

To modify Benefit plan rates for 2019, on the Support Portal, see the related knowledge (KB) article *How Do I Update Benefit Rate Changes?* or navigate to **Knowledge Base > Dayforce Benefits > Benefits Maintenance**.

Updating Provincial Health Care Levies, Quebec CSST and Workers' Compensation

The following provincial health care/payroll levies may apply if payroll includes employees who report for work in these jurisdictions:

- BC Employer Health Tax
- Manitoba Health and Post-Secondary Education Tax Levy (HAPSET)
- Newfoundland and Labrador Health and Post-Secondary Education Tax (HAPSET)
- Northwest Territories/Nunavut Payroll Tax
- Ontario Employer Health Tax (EHT)
- Quebec Health Services Fund (QHSF)
- Workers Compensation (WCB)

Access **Org Setup > Organization > Legal Entity > Tax Authorities > Tax Setting**.

Ensure that **Start Date** and **End Date** are populated for the current and next year.

BC Employer Health Tax

On the Support Portal, see the related knowledge (KB) article *Updating BC Employer Health Tax (CAN)* or navigate to **Knowledge Base > Dayforce Payroll & Taxes**.

Manitoba Health and Post-Secondary Education Tax Levy (HAPSET)

On the Support Portal, see the related knowledge (KB) article *Updating Manitoba Health and Post-Secondary Education Tax (CAN)* or navigate to **Knowledge Base > Dayforce Payroll & Taxes**.

Newfoundland and Labrador Health and Post-Secondary Education Tax (HAPSET)

On the Support Portal, see the related knowledge (KB) article *Updating Newfoundland and Labrador Health and Post-Secondary Education Tax (CAN)* or navigate to **Knowledge Base > Dayforce Payroll & Taxes**.

Northwest Territories and Nunavut Payroll Tax

On the Support Portal, see the related knowledge (KB) article *Updating Northwest Territories and Nunavut Payroll Tax (CAN)* or navigate to **Knowledge Base > Dayforce Payroll & Taxes**.

Ontario Employer Health Tax (EHT)

On the Support Portal, see the related knowledge (KB) article *Updating Ontario Employer Health Tax (CAN)* or navigate to **Knowledge Base > Dayforce Payroll & Taxes**.

Québec Health Services Fund (QHSF)

On the Support Portal, see the related knowledge (KB) article *Updating Québec Health Services Fund (CAN)* or navigate to **Knowledge Base > Dayforce Payroll & Taxes**.

Workers' Compensation Maximum Assessable Earnings 2019

On the Support Portal, see the related knowledge (KB) article *Updating Workers' Compensation (CAN)* or navigate to **Knowledge Base > Dayforce Payroll & Taxes**.

Processing Your Final Pay of the Year

Your Final Pay Run of the Year

Several activities occur automatically once you commit the final pay of the year:

- Year-to-date totals are based on **Pay Dates** from January 1, 2018 to December 31, 2018.
- Dayforce triggers the statutory deduction calculations for 2019 to apply to the first run of the new year (2019 cheque date). Before you process the first pay of 2019, please see *2019 Tax Tables*, page 5.

Dating Your Final Pay of the Year

Legislation requires that earnings belong to the year in which they are paid. This is determined by the cheque date. For example, if a pay period ends on December 31, 2018 and is paid on January 5, 2019, this is considered earnings for 2019, and is therefore to be included in the 2019 Tax Form/ Statement.

Note: Even though the Pay Calendar is generated by the system, we recommend that you review for accuracy and maintain within the Dayforce Product.

Preventing CPP/QPP Deficiencies (When Processing a 27th or 53rd Pay of the Year)

On the Support Portal, see the related knowledge (KB) article *How Do I Address Additional Pay Periods in the Year?* or navigate to **Knowledge Base > Year End > Canada Year End**.

CRA AND RQ REMITTANCE FREQUENCY THRESHOLDS

If you have been notified of a frequency change by CRA or RQ, you will be required to update the Remittance Frequency for your legal entity.

To update Remittance Frequency in Dayforce:

1. Navigate to **Org Set Up > Organization > Legal entity**.
2. Select the legal entity for which the change applies and select the **Tax Remittance** tab.
3. Select the existing record for the respective tax Authority and **End Date** the record as December 31, 2018.
4. Create a new record for that tax Authority with January 1, 2019 **Start Date**. An End date is not recommended for this change.
5. Save the record and complete this process for all legal entities as required.

| Name * | Description | Operating Country * | Federal Identification Number/Business ID Number | Active * | Start Date * | End Date | Reference Code * | No Back Office * |
|-------------------|-------------------------|---------------------|--|-------------------------------------|--------------|--------------|------------------|--------------------------|
| ABC Corporation 2 | Canadian Legal Entity 2 | Canada | 111444550 | <input checked="" type="checkbox"/> | 1995/12/01 | <yyyy/MM/dd> | LECN2 | <input type="checkbox"/> |

| Authority * | Remittance Frequency * | Is Remitted | Start Date * | End Date |
|----------------|----------------------------|-------------------------------------|--------------|--------------|
| Canada Federal | Threshold 1 (Semi-Monthly) | <input checked="" type="checkbox"/> | 2012/01/01 | 2018/12/31 |
| Canada Federal | Threshold 2 (Weekly) | <input checked="" type="checkbox"/> | 2019/01/01 | <yyyy/MM/dd> |

For more information on your remitter type and due dates go to:

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/remitting-source-deductions/when-remit-source-deductions.html>