



GMS Flash Alert

Global Compensation Edition

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Canada - Additional T4 Reporting Requirements According to CRA

The Canada Revenue Agency (CRA) has announced that all Canadian employers must report certain employment payments related to COVID-19 on the 2020 T4 slip, "Statement of Remuneration Paid," using new information codes that correlate to defined periods.¹ According to the CRA, this additional information is intended to validate payments made to individuals under the Canada Emergency Response Benefit (CERB) and the Canada Emergency Student Benefit (CESB) programs, as well as payments made to employers under the Canada Emergency Wage Subsidy (CEWS).

WHY THIS MATTERS

Employers and payroll administrators will have to adjust their procedures and policies to comply with this new requirement, which could add additional time and administrative burden to their information collecting and reporting obligations.

T4 and New Information Codes

The T4's new information codes for reporting employment income and retroactive payments to employees relate to the following time periods:

- Code 57: Employment income – March 15 to May 9
- Code 58: Employment income – May 10 to July 4
- Code 59: Employment income – July 5 to August 29
- Code 60: Employment income – August 30 to September 26.

Each period, which aligns with periods relating to COVID-19 benefit eligibility, pertains to the day the employee was paid and not necessarily the period of work the payment covered. For example, if an employer is reporting employment income for the period of April 25 to May 8, payable on May 14, that information would be reported under Code 58.

KPMG NOTE

These new reporting requirements are in addition to the existing requirement to report employment income in Box 14, "Employment Income" or Code 71, "Indian (exempt income) – Employment."

FOOTNOTE:

1 See the "CRA and COVID-19: Information for Employers" webpage at: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/support-employers-cra-covid-19.html> .

For T4 reporting information from the CRA, see: <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/completing-filing-information-returns/t4-information-employers.html> .

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RELATED RESOURCE:

This article is excerpted from "New 2020 T4 Reporting Requirements" (September 1, 2020), in *TaxNewsNOW*, an online publication of the KPMG International member firm in Canada.

You Are Invited to a Webcast on 10 September!

On 10 September 2020, from 2:00 p.m. – 3:00 p.m. EDT (UTC -4) KPMG will hold a webcast on '*Applying a "work anywhere" culture for your organization: Navigating through international and domestic issues*'. GMS professionals – Robert Smith and Kshipra Thareja – together with Prisco Morelos from eBay and Pam Dunleavy from Aires Relocation, will discuss the challenges of a work anywhere culture. Please [register to join us](#).

Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Canada:



Georgina Tollstam
Tel. +1 416-777-8735
gtollstam@kpmg.ca



Sonia Gandhi
Tel. +1 416-549-7870
soniagandhi@kpmg.ca

The information contained in this newsletter was submitted by the KPMG International member firm in Canada.

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