![Avanti logo]

9.43 Avanti Tax Release Guide: Hosted
July 2020

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Document Release
RELEASE: 9.43 -0720

Table of Contents

What is included in this release?

9.43 Avanti Tax Release Guide
- Outlines the Tax updates effective for July 1st, 2020

Request a Feature
Do you have an idea that could improve Avanti?

Avanti is partnered with UserVoice – a third-party service designed to collect product ideas and suggestions. We call it the Avanti Product Feedback Forum Powered by UserVoice. The Product Feedback Forum is now available through the Avanti Self-Service Portal. Look for the widget!

112ᵗʰ Edition Tax Update

Federal TD1 values

There are no changes from the January 1ˢᵗ tax release to the federal tax rates, income thresholds, or personal amounts.

Federal TD1 Fields	Jan 1, 2020
Basic Personal	12,298
Caregiver amount for infirmed children under age 18	$2,272
Age amount	$7,636
Pension Income Amount	$2,000
Disability Amount	$8,576
Spouse or common-law partner amount	$12,298
Amount for eligible dependant	$12,298
Caregiver amount for dependants, spouse or common-law	$7,276
Caregiver amount for dependant(s) 18+	$7,276
Indexing Factor	1.9%

Provincial Changes

There are July 1ˢᵗ, 2020 tax changes for the following provinces:

- British Columbia
- Yukon

British Columbia
Effective for the 2020 and subsequent tax years, the province is adding a top marginal personal income tax rate of 20.5% for taxable income greater than $220,000.

Since employees in this income tax bracket have been taxed at the lower rates for the first six months of this year, a prorated tax rate of 24.2% will be applied for the remaining six months commencing with the first payroll in July.

British Columbia		
Over	But Not Over	Rate
0	41,725	5.06%
41,725	83,451	7.70%
83,451	95,812	10.50%
95,812	116,344	12.29%
116,344	157,748	14.70%
157,748	220,000	16.80%
220,000	Over	24.20%

Yukon

With the July 1st, 2020 tax changes, Yukon is adapting the Federal method of having a partial claim amount for Basic Personal Amount.

The maximum 'Basic personal amount' will increase to $13,229 from $12,298 for the 2020 Tax Year. Since $12,298 has been used for employees for the first six months of this year, a prorated basic personal amount of $14,160 will be applied for the remaining six months commencing with the first payroll in July.

By default, the Basic Personal Amount for Yukon will remain the partial claim amount of $12,298, to prevent under-taxing employees.

If you would like the Basic Personal Amount to default to the full claim amount, a script is available. This script should only be run once all pays prior to July 1st, 2020 have been processed.

Employees that do not qualify for the default Basic Personal Amount you select should submit a new provincial TD1.

For Example

1. Install the Avanti 9.43 Release any time prior to running the first pay in July.

2. Process all pays with a Payment Date prior to July 1st.

3. Contact our Support Team or follow our Help Centre article for instructions about running the script to automatically update affected employees that require the July 1st, 2020 Basic Personal Amount update.

This approach has been taken to provide a larger time frame to install the release. If you have any questions, please contact Avanti Support.

Minimum Wage Changes

Recently, some provinces have increased their minimum wages. The amounts will automatically update to the new minimum wage if the old minimum wage is indicated. Otherwise, the system will not change the amounts automatically.

Minimum Wages can be viewed or modified in Canadian Payroll >> Taxation & Assessment Tables >> Provincial Tax.

Province	New Minimum Wage	Old Minimum Wage
British Columbia	14.60	13.85
New Brunswick	11.70	11.50
Newfoundland and Labrador	11.65	11.15
Nova Scotia	12.55	11.55
Prince Edward Island	12.85	12.25
Quebec	13.10	12.50
Yukon	13.71	12.71

Payroll Processing

The tax factors used and the CRA Edition message shown during Payroll Processing will change based on the Payment Date entered.

When processing a pay run with a Payment Date prior to July 1st, 2020, the CRA edition number will remain as 111th Edition and will be processed using January 1st, 2020 tax factors. Pay runs processed with a Payment Date on or after July 1st will display and process with the CRA 112th Edition changes reported in this document.

Avanti System Changes

Use Maximum Basic Personal TD1 Amounts

Avanti now has the ability to set the default Basic Personal Amount to the maximum for the:

- Federal TD1
- Nova Scotia TD1
- Yukon TD1

The default Federal TD1 amount will populate the Tax Factors when a new employee is created. The default provincial TD1 amount will populate the Tax Factors when an employee is created or when the province of employment changes for an existing employee.

By default, the partial claim amount will be used for the default Basic Personal Amount on the TD1. To use the maximum amount, update the value from N to Y in System Administration >> System Parameters >> Program Options:

> **Py.UseTD1BasicMaxAmount** will impact the Federal Basic Personal Amount.

> **Py.UseTD1BasicMaxAmountNS** will impact the Nova Scotia Basic Personal Amount.

> **Py.UseTD1BasicMaxAmountYT** will impact the Yukon Basic Personal Amount.
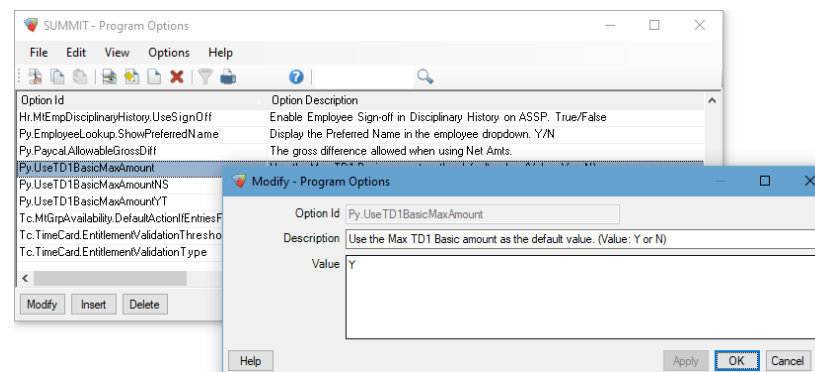
Defaulting to the maximum Basic Personal Amount may result in insufficient tax deduction from employees who are only eligible for a partial claim.

Appendix A: Provincial TD1 Values

Please note: The only Provincial TD1 Value changed was the Basic Personal amount for Yukon.

Provincial TD1 Factors July 1, 2020											
	AB	BC	MB	NB	NL	NS	ON	PE	SK	NU	NT	YT
Basic personal	19369	10949	9838	10459	9498	8481	10783	10000	16065	16304	15093	14160
Age amount	5397	4911	3810	5107	6063	4141	5264	3764	4894	10408	7383	7636
Age Supp (NS)	0	0	0	0	0	0	0	0	0	0	0	0
Senior Supp (Sask)	0	0	0	0	0	1465	0	0	1292	0	0	0
Pension Income	1491	1000	1000	1000	1000	1173	1491	1000	1000	2000	1000	2000
Disability amount	14940	8212	6316	8468	6409	7341	8711	6890	9464	13877	12239	8576
Spousal	19369	9376	9335	8882	7761	8481	9156	7780	16065	13877	15092	12298
Spousal Supp (NS)	0											
Eligible Dependent	19369	9376	9335	8882	7761	8481	9156	7780	16065	13877	15092	12298
Eligible Dependent Supp (NS)	0	0	0	0	0	3000	0	0	0	0	0	0
Caregiver amount for children	0	0	0	0	0	0	0	0	6094	0	0	2272
Caregiver amount	11212	4791	3684	4940	3017	4898	5082	2446	9464	5003	5003	7276
Infirm dependent 18+	11212	0	3684	4939	3017	2798	0	2446	9464	5002	5002	7276
Provincial TD1 Factors January 1, 2020											
	AB	BC	MB	NB	NL	NS	ON	PE	SK	NU	NT	YT
Basic personal	19369	10949	9838	10459	9498	8481	10783	10000	16065	16304	15093	12298
Age amount	5397	4911	3810	5107	6063	4141	5264	3764	4894	10408	7383	7636
Age Supp (NS)	0	0	0	0	0	0	0	0	0	0	0	0
Senior Supp (Sask)	0	0	0	0	0	1465	0	0	1292	0	0	0
Pension Income	1491	1000	1000	1000	1000	1173	1491	1000	1000	2000	1000	2000
Disability amount	14940	8212	6316	8468	6409	7341	8711	6890	9464	13877	12239	8576
Spousal	19369	9376	9335	8882	7761	8481	9156	7780	16065	13877	15092	12298
Spousal Supp (NS)	0											
Eligible Dependent	19369	9376	9335	8882	7761	8481	9156	7780	16065	13877	15092	12298
Eligible Dependent Supp (NS)	0	0	0	0	0	3000	0	0	0	0	0	0
Caregiver amount for children	0	0	0	0	0	0	0	0	6094	0	0	2272
Caregiver amount	11212	4791	3684	4940	3017	4898	5082	2446	9464	5003	5003	7276
Infirm dependent 18+	11212	0	3684	4939	3017	2798	0	2446	9464	5002	5002	7276

Appendix B: Quebec TP-1015.3-V Values

Please note: There are no changes to these values since the January 1st tax release.

Source Deductions Return January 1, 2020	2020
Basic Amount	$15,532
Amount transferred from one spouse to the other	$15,532
Amount for other dependants who are 18 or older	$4,348
Amount for a child under 18 enrolled in post-secondary studies	$2,983
Additional amount for a person living alone (single parent family)	$2,197
Amount for a severe and prolonged impairment in mental or physical functions	$3,449
Amount for a person living alone	$1,780
Age amount	$3,267
Amount for retirement income	$2,902
Reduction threshold used to calculate net family income	$35,205