

**YEAR END PROCEDURES FOR CANADIAN
PAYROLL**
DECEMBER 2023



encore

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About the Manual

This instruction manual has been prepared exclusively for clients of Encore Business Solutions. This document provides users with detailed steps to successfully complete the Year End Procedures for Canadian Payroll.

Symbol Definitions



This indicates an alert.



This indicates a helpful tip, trick, shortcut, or suggestion.



This indicates a reminder.



This indicates a definition.

Year End Procedures for Canadian Payroll

INSTALLATION OF YEAR END TAX UPDATE



If you have installed that Compliance Update patch for November 2023 (version GP 18.6.1695, STOP AND CALL ENCORE!)

1. Complete all 2023 pay runs.



Any batch with a cheque date of 2024 should be processed after the Year End File Reset. For example, if the cheque date of the final pay period for 2023 is January 1, 2024, the 2024 tax tables must be used for that pay run.



While batches may need to be open for January payroll, it is not recommended. If an open batch is required due to timing, ensure it is not processed and do not calculate the batch.

2. Complete any necessary 2023 payroll reports.



After the year end close, most reports, such as WCB or Receiver General will still be available through Inquiry > Employee Last Year Information.

3. Make a backup of your data titled “2023 Pre Year-End Update”.

4. Install the 2023 Canadian Payroll Year-End Update.



See documentation for Year-end installation of Tax Patch.

BEFORE YOU BEGIN

1. It is vital to do your Year End Tax update installation before the Year End Reset because you are prompted during the Year End Reset to update Basic Personal Amounts. The Basic Personal Amounts come directly from the tax update installation. If you miss this, you will need to restore from a backup and start again.
2. When you do the year end close, it moves all your current posted data into the Last Year (LY) tables. It does not take the date into consideration. For this reason, it is very important that you complete ALL 2023 Payrolls and then complete the year end file reset before doing any 2024 payrolls.
3. When you do the year end file reset it changes the Basic Personal Amounts for employees. Depending on the Province it will either add a fixed amount or increase the amount by an indexation factor as determined by the Provincial Authority.
4. The 2023 Quebec Software and Authorization numbers are:
 - Software Developer Number for electronically filed RL-1 (XML) = **RQ-23-01-112**
 - Authorization Number for Computer Generated RL-1 Slip = **TBD**
To be entered in the Payroll T4/R1 Print window



Please read through the following instructions prior to beginning.



If you haven't already done so, MAKE A BACKUP CALLED “Pre-Payroll Year-End Reset”.

Copy this backup to an Archive folder and rename it to “2023 Payroll Archive.”

Year End Process

RESET YEAR END



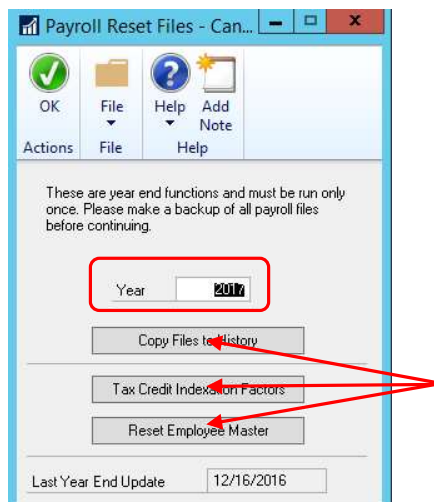
Before running the Year end file reset, ensure your Employer IDs are checked. The Names, addresses and business numbers are correct. After the reset these cannot be changed.

1. Reset the Year end File

Go to Routines > Year end File Reset

You will receive a message:

“This is a year end function, are you sure you wish to continue?” Click **YES**

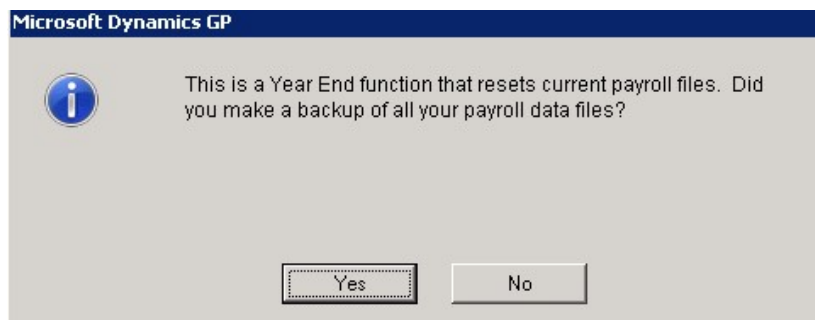


Be sure that the year you are creating T4's for is in the field marked Year. It is critical that the correct year be showing in this field. This year you should see **2023**.

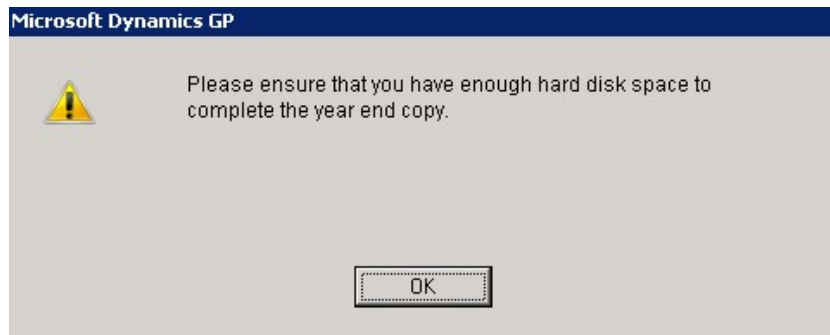


Last Year End Update field should have the new 12/20/2023 date populated.

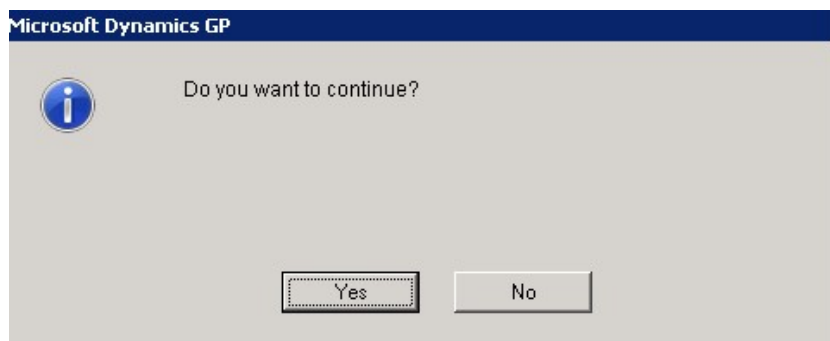
a. Click Copy Files to History



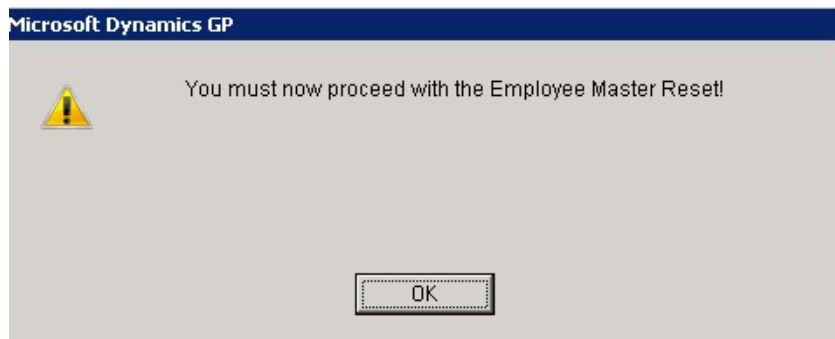
- Click **Yes**.



- Click **OK**.



- Click **Yes**.



- Click **OK**.



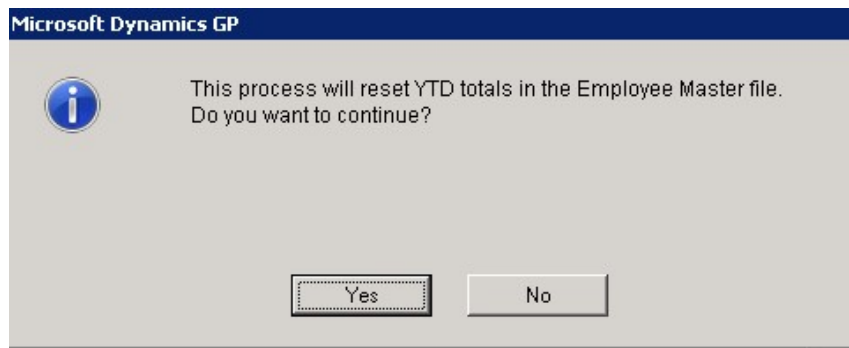
To determine the necessary disk space browse to your data folder. Typically found at **C:\Program Files (x86)\Microsoft Dynamics\GP18**. Right click the folder and determine the space required. You will require two times the space indicated. And/Or open SQL and determine where your database files are saved.

- b. Click Tax Credit Indexation Factors
Open this window and ensure these factors are correct.

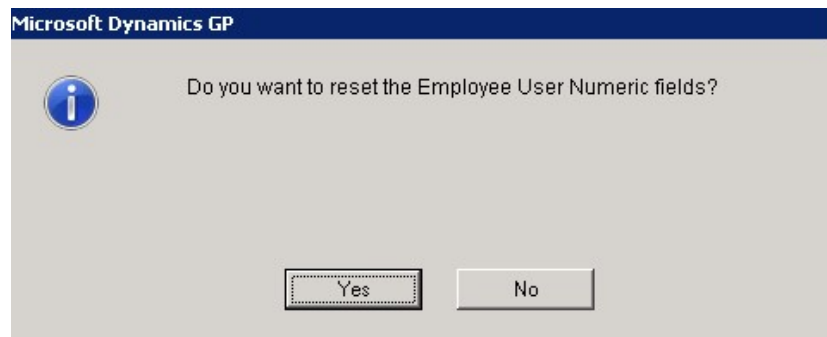
These factors update during the Tax update installation.

Indexing Factors	
2024	
CA	1.04700
AB	1.04200
BC	1.05000
MB	1.05200
NB	1.04700
NL	1.04200
NS	1.00000
ON	1.04500
PE	1.00000
SK	1.04700
QC	1.05080
NT	1.04700
NU	1.04700
YT	1.04700

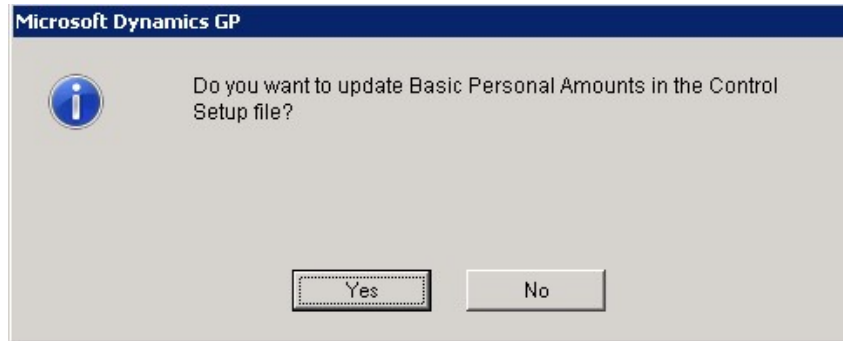
c. Click Reset Employee Master.



- Click **Yes**.



- Click **Yes**.



- Click **Yes**.



- Only single click the buttons.
- Choose YES to all requests.
- To ensure that all tables are available for resetting, make sure that the Year End File Reset window is the only window open in Microsoft Dynamics GP.
- This process can only be run once. If there is a problem with any of this process, you will need to restore from backup and start the Reset File process again.

2024 PERSONAL TAX CREDIT

The Personal Tax Credit is updated during installation and when Employee Masters are reset. Check Employee Cards (Cards > Employee > TD1 Values) to ensure the tax credits have been updated correctly as per the following:

New Basic Personal Tax Credit			
Jan 2023			
FEDERAL	15,705	NS < 75,000	11,481
QU	18,056	NS > 75,000	8,481
BC	12,580	PEI	13,500
AB	21,885	NFL	10,818
SK	18,491	NWT	17,373
MB	15,780	NU	18,767
ON	12,399	YKN <235,375	15,705
NB	13,044	YKN >235,375	13,521



You can also go to Control > Tax Credits to check all jurisdictions.



Federal uses the Basic Personal Amount Formula (BPFA). If necessary, please adjust at the employee level. However, it is critical that the Setup Tax Control window has 15,705 entered.



Nova Scotia uses Basic Personal Amount Formula (BPANS). If necessary, please adjust. Yukon uses Basic Personal Amount Formula (BPAYT). If necessary, please adjust.

Please refer to the T4127 link at the end of this document, for further information.

CREATE T4S

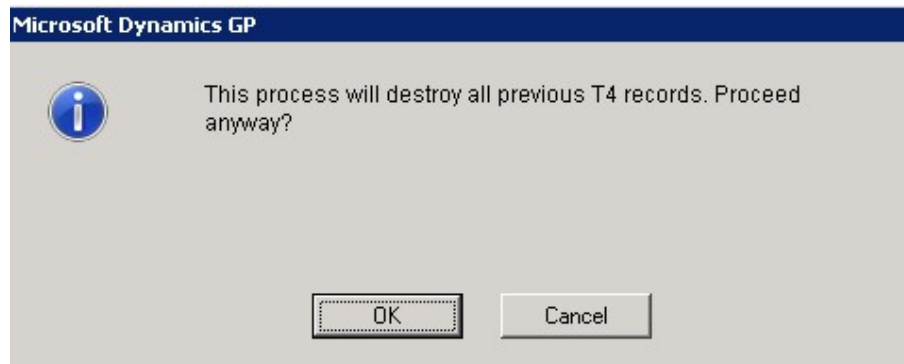
1. Create T4's

Routines > T4 & R1 Creation

Note: Year should be 2023



a. Click Create T4's



- Click **OK**

2. Print T4 Report



This is the report that you will need to reconcile payroll amounts.

EDIT T4S

3. T4 Edit

The recommended way to edit T4s so that it provides historical records for all past years is as follows:



The only time we recommend making changes in the T4 Edit window is when the extra box numbers are not available in Last Year's T4 window.

a. To make T4 Edits go to Inquiry > Employee Last Year Information.

- Choose the year 2023.
- Choose the Employee that requires editing.
- Click the T4 button.
- Click the Update checkbox.
- Make the changes and click Save.

b. Once all edits are made, re-run through step #1 (Create T4's) and on.



Do not reset the year end file again. The Year End File Reset cannot be re-run until next year.



You can recreate your T4s as many times as you need.

ALTERNATIVE

The following instructions offer an alternative option to editing T4s.

a. Routines > T4 Edit

This allows you to edit any T4 information.



Normally edits are not completed in this window.



The T4 Edit window will be required if there is an extra box number not available in the T4 window of Employee Last Year Information.

Payroll T4 Edit - Canada

File Edit Tools Help sa Fabrikam, Ltd. 12/3/2020

Save Clear Delete

Employee ID: BH0010
 Employer Number: EMP1
 10. Province of Employment: BC
 T4 Sequence Number: 1

T4 Record Status
 Original Amended Cancelled

First Name: RANDALL
 Middle Name:
 Last Name: BOSEMAN
 Address: 987 Willow Ave.
 City: Sherwood Park
 Province: AB
 Postal Code: T7H 5R6

12. Social Insurance Number: 900 523 182

28. Exempt CPP:
 28. Exempt EI:
 28. Exempt PPIP:

14. Employment Income	33,683.42
16. CPP Deducted	1,475.49
Employer CPP Contribution	1,475.49
18. EI Deducted	532.26
Employer EI Contribution	1,018.99
55. PPIP Deducted	
Employer PPIP Contribution	
20. Pension Plan Contributions	
22. Income Tax Deducted	5,793.74
24. EI Insurable Earnings	33,665.97
56. PPIP Insurable Earnings	
26. CPP Pensionable Earnings	30,165.97

Other Information

b. Enter/Select the Employee ID



The left looking glass shows all Employee with an existing T4. The right shows all employees.

Click Other Information button:

Payroll Other T4 Information - Canada

File Edit Tools Help sa Fabrikam, Ltd. 12/3/2020

Employee ID: BH0010
 Employee Name: BOSEMAN, RANDALL

Box #	Amount	
44	1,254.88	44. Union Dues
		46. Charitable Donations
		50. Pension Plan Registration Number
		52. Pension Adjustment

Employment Code:

OK

T4 & R1 SUMMARY

4. T4 & R1 Summary

Routines > T4 and R1 Summary

This creates your T4 summary and is a mandatory step.

- a. Click Create T4 Summary Records

PRINT T4 & R1 FORMS

5. T4 & R1 Print

Routines > T4 and R1 Print

- a. Use look up to choose Employer number. This process needs to be repeated for each employer number.

- b. Click T4 Slips
This will print your T4's.



These can be printed on plain paper to review them. After reconciling print final copies, insert T4 forms into document feed in the printer and print on these.



Note: You can no longer order T4 forms. You must print them from the CRA website. It is recommended to print one, then photocopy, to prevent slippage in the printer.



Blue Moon's (formerly Encore's) ePaystub module provides a printable form with lines. This form is printed directly from GP. This form can be purchased as a modified report without installing ePaystub.



Encore's ePaystub provides the ability to eMail T4s.

- c. Click T4 Summary
Print the T4 summary for reconciliation.



If you are not filing electronically you will need to print both Laser Employee T4 Slip Type and Laser Employer/RevCan.

Note: There is a new T4 for 2023

FILING ELECTRONICALLY

6. File Electronically

a. From the T4/R1 Print Window Click Electronic T4's



This process may need to be discussed with CRA. They will give you a Submission reference ID for you to identify yourself during the upload process.

Transmitter Number	MM
Submission Reference ID	
Name 1	Fabrikam, Ltd.
Name 2	
Address 1	4277 West Oak Parkway
Address 2	
City	Chicago
Province	IL
Country	CAN
Postal Code	60601-4277
Technical Contact Name	
Technical Contact Phone	
Technical Contact E-mail	
Language	English
Report Type Code	Original
Sender Type	User Sending
File Name	
Path	

b. Fill in ALL mandatory information which are indicated in Red

i. Transmitter number: MM

- This number is YOUR OWN identifier (eg: 2023). This field accepts numbers only.

ii. Submission Reference ID: This number is the number to the right on the T4 summary sent to you by CRA (as if you were going to mail it in) (eg: 819156)



In recent years CRA has indicated they are not interested in the Reference ID. You can populate this with whatever you want. You may want to check if this has changed.

Most of the following information should default from the Employer ID setup window or from the Company Setup window.

- Name 1: This company information should already be filled in as it will default from the Employer Number.
- Technical Contact Name: Enter your name.
- Technical Contact Phone: Enter your phone number.
- Language: Should be English by default
- Report Type Code: Should be original (unless you are sending an amended version-please request additional information for amended T4s)
- Sender Type: User sending.
- File Name: Name the file (eg: Company 2023)
- Path: Use the lookup button to choose where you want to save the above-named file.



If this produces errors the first time, each time this window is opened there will be missing information.

- c. Click T4 Summary Edit and fill in all mandatory fields.



Again, if this doesn't work the first time, each time this window is opened there will be missing information.

- Click Amounts to verify amounts by employer.
- Click Save
- Repeat for all Employer IDs *before* closing this window.

- d. Click Verify Only

This allows the system to scan each T4 and the summary to see if there are errors that need to be corrected.



If there are any errors the final file will not generate. Errors are very clear. They may be from the summary report (T4 Summary Edit button) or the Transfer screen. They may be from the company set up, employer setup or the employee card.



- All provinces must use the 2-letter code:

AB, BC, MB, NB, NL, NS, NT, NU, ON, PE, QC, SK, US, YT, ZZ

- All postal codes must be XXX XXX

- For missing Social Insurance Numbers, you can use 000 000 000. But you must inform CRA that you are missing them.

e. Fix errors and repeat.



Remember to fix the errors in the Employee Last Year Information AND in the current Employee Card to avoid the same error next year.

f. Re-create the T4s (step #1) and on.

g. Verify and Generate when Verify Only has no errors. This file is ready to be uploaded to CRA.



The electronic file contains ALL employer Numbers. The company name will reflect the Employer ID chosen.

CRA FILING

Go to the CRA website to file T4's electronically and follow their instructions on how to file T4's:

<https://www.canada.ca/en/revenue-agency/services/e-services/filing-information-returns-electronically-t4-t5-other-types-returns-overview.html>

www.cra.gc.ca/iref

FINAL STEPS

- Create a final backup called "Post Payroll Year-End Close."
- Save this backup along with your payroll "2023 Payroll Archive" Backup.