

# Faculty of Medicine Payroll Q&A Session

November 28, 2024

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# Canada Pension Plan

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Officially became a two-tier program in 2024

- First tier
  - All employees in pensionable employment
  - Contribute on earnings up to YMPE, less annual \$3,500 exemption
- Second tier
  - Employees with pensionable earnings above YMPE
  - Up to Year's Additional Maximum Pensionable Earnings (YAMPE)
  - No exemption applies
  - In 2024 YAMPE is 7% above YMPE
  - For 2025 onwards YAMPE is projected to be 14% above YMPE

## Canada Pension Plan

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2024 Rates and Limits	CPP1	CPP2
Year's additional maximum pensionable earnings		\$73,200.00
Yearly maximum pensionable earnings	\$68,500.00	\$68,500.00
Annual exemption	\$3,500.00	0.00
Contributory earnings	\$65,000.00	\$4,700.00
CPP contribution rate	5.95%	4.00%
Annual maximum contribution	<b>\$3,867.50</b>	<b>\$188.00</b>

**Total Maximum Contribution: \$4,055.50**

## Pro-rating Canada Pension Plan

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Fiona turns 70 in February

CPP1:

$$(\$3,867.50 \div 12) \times 2 = \mathbf{\$644.58}$$

CPP2:

$$(\$188.00 \div 12) \times 2 = \mathbf{\$31.33}$$

Report pensionable earnings of:

$$(\$73,200.00 \div 12) \times 2 = \mathbf{\$12,200.00}$$

# Year-end Reporting Changes

Three new boxes were added to the T4 slip

- Box 45 - Employer offered dental benefits
- Box 16A - Employee's second CPP contribution
- Box 17A - Employee's second QPP contribution

The image shows a T4 Statement of Remuneration Paid form from Canada Revenue Agency. The form is titled "T4 Statement of Remuneration Paid / État de la rémunération payée". It includes fields for Employer's name, Year, Employer's account number, Social insurance number, and Employee's name and address. The form is divided into several sections for reporting different types of income and contributions. Three boxes are highlighted in blue, indicating new additions: Box 45 (Employer-offered dental benefits), Box 16A (Employee's second CPP contributions), and Box 17A (Employee's second QPP contributions). The form also includes sections for other information and a table for reporting other amounts.

Box - Case	Amount - Montant	Box - Case	Amount - Montant	Box - Case	Amount - Montant

# Canada Pension Plan

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- Each employer an individual works for is responsible for withholding and remitting
- No consideration for deductions from other employers
  - Exception: mergers and acquisitions
- Employer match 100% of CPP 1 and CPP2

## Canada Pension Plan

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2025 Rates and Limits	CPP1	CPP2
Year's additional maximum pensionable earnings		\$81,200.00
Yearly maximum pensionable earnings	\$71,300.00	\$71,300.00
Annual exemption	\$3,500.00	0.00
Contributory earnings	\$67,800.00	\$9,900.00
CPP contribution rate	5.95%	4.00%
Annual maximum contribution	<b>\$4,034.10</b>	<b>\$396.00</b>

Total Maximum Contribution: **\$4,430.10**

Increase from 2024 of **\$374.60**

# Canada Pension Plan

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Employees over age 65 **and** in receipt of a Canada Pension Plan:

- Can fill out an election to stop contributing to CPP if they chose
- CPT30 form



## Employment Insurance

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- EI rates are set based on the estimated requirement to have the plan break even over 7-years
- The 2024 actuarial report indicates 1.64% will be required to break-even

## Employment Insurance

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Rates and Limits	2024	2025
Maximum insurable earnings	\$63,200.00	\$65,700.00
Employee EI premium rate	1.66%	1.64%
Maximum employee premium	\$1,049.12	\$1,077.48
Employer EI premium rate (unreduced)	2.324%	2.296%
Maximum employer premium	\$1,468.77	\$1,508.47

# Year-end Reporting Changes

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New reporting for tax-exempt First Nations employees

Code	Description
94	Indian (exempt employment income) RPP contributions
95	Indian (exempt employment income) Union dues

# Summary of First Nations T4 Reporting

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Description	Taxable	Non-taxable
Employment income, including the value of taxable benefits	Box 14	Code 71
Canada Pension Plan contributions – employer has filed an election by completing Form CPT124	Box 16 Box 16A	Box 16 Box 16A
Canada Pension Plan contributions – employer has not filed an election	Box 16 Box 16A	N/A
Employment Insurance premiums	Box 18	Box 18
Income Tax	Box 22	N/A
Insurable Earnings	Box 24	Box 24
Pensionable Earnings – employer has filed an election by completing Form CPT124	Box 26	Box 26
Pensionable Earnings – employer has not filed an election	Box 26	N/A
Registered Pension Plan (RPP) contributions	Box 20	Code 94
Union dues	Box 44	Code 95
Employer-provided automobile taxable benefit	Code 34	N/A
Other Taxable Allowances and Benefits (e.g. employer-paid life insurance, AD&D, car allowance, etc. )	Code 40	(included in Code 71)

## Pension Plans

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<b>Pension Adjustment (PA) Limits</b>		
	<b>2024</b>	<b>2025</b>
Defined Contribution (DC) or Money Purchase RPP	\$32,490.00	\$33,810.00
Defined Benefit (DB) RPP		
• Maximum Benefit Accrual	\$3,610.00	\$3,756.67
• Pension Adjustment	\$31,890.00	\$33,210.00
Deferred Profit Sharing Plan (DPSP)	\$16,245.00	\$16,905.00
Registered Retirement Savings Plan (RRSP) and Pooled Registered Pension Plans (PRPP)	\$31,560.00	\$32,490.00

Pension adjustments are reported on the T4 Slip Box 52.  
The PA amount reduces RRSP contribution room.

## Tax Free Savings Accounts

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<b>Years</b>	<b>Annual Limit</b>
2009 – 2012	\$5,000.00
2013 – 2014	\$5,500.00
2015	\$10,000.00
2016 – 2018	\$5,500.00
2019 – 2022	\$6,000.00
2023	\$6,500.00
2024 - 2025	\$7,000.00

Total contribution room  
to date: **\$102,000**

## Email Application Program

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Emails are sent to employees:

1. Bank rejects
2. Transition of HSBC to Royal Bank of Canada (RBC)
3. Invalid Social Insurance Numbers
4. Basic Personal Tax Election Forms (January)
5. Payment Elections not completed
6. Benefit Change Task in Workday due to Leave of Absence
7. Unsubmitted hourly time in Workday

## Bank Rejects/ UBC Transition to RBC

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UBC transitioned from HSBC to Royal Bank on the November 14, 2024 pay date.

RBC validation programming for bank account numbers is more stringent. This resulted in approximately 40 bank rejects.

### Missing Payment Elections

7 Clinical Administrators

56 Clinical Instructors

26 Clinical Professors



# Canada Post Strike

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Cheques are available for pickup at **6190 Agronomy Road**

- Employees must provide identification and sign for cheque pickup
- Collective agreements may have direct deposit as a requirement
- Cheques not picked up will be mailed when strike is over

95 cheques for November 29, 2024 pay date

## Social Insurance Numbers

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- SIN Validation for those starting from 1 to 7
- No SIN Validation for those with temporary SIN starting with '9'

By law:

1. Employees are to show employer their SIN number within three days of hire.
2. Update their SIN within 60 days of a name change

## TD1 Forms

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- New forms not required to update BPA
- New forms should be requested from employees who:
  - claim a lower BPA amount
  - claim additional amounts (e.g. spousal, tuition, caregiver)
  - claimed exemption from tax as a result of income less than total TD1 credits
  - requested an additional voluntary tax deduction (unless it remains unchanged)
- Employees should submit new forms at any time
  - if their claim changes (e.g. spouse obtains employment)

Automatic indexing for employees claiming the basic

- 2025 Federal Amount \$16,129
- 2025 BC Provincial Amount \$12,032

# Leave of Absence – Benefit Elections


## Go on Leave

Projected Total Cost Per Paycheck  
\$286.95

### Enrollment Instructions


Please complete this benefit task to Select or Waive benefits and pension (if eligible) during your leave of absence by the Submit Elections By Date in the task. For guidance on how to complete this task

### Health Care

**UPDATED**  
 **Extended Health with Health & Personal Spending Account**  
Sun Life (On Leave)


Cost per paycheck	\$152.18
Coverage	Family
Dependents	3

[Manage](#)

**UPDATED**  
 **Dental**  
Sun Life (On Leave)

Cost per paycheck	\$122.12
Coverage	Family
Dependents	3


[Manage](#)

**UPDATED**  
 **Employee and Family Assistance Program**  
TELUS Health (On Leave)

Cost per paycheck	\$2.00
Coverage	EFAP Family
Dependents	3


[Manage](#)

### Insurance and Retirement


**UPDATED**  
 **Basic Group Life**  
Sun Life Schedule 3 - Age 45 and Under (On Leave) (Employee)

Cost per paycheck	\$10.65
Coverage	4 X Salary

[Manage](#)

**UPDATED**  
 **Employee Optional Life (includes Child Optional Life)**  
Waived

[Enroll](#)

**UPDATED**  
 **Staff Pension Plan**  
UBC Staff

[Manage](#)

Payment is withdrawn from employees bank account the first week of each month

# Leave of Absence – Benefit Elections

## Staff Pension Plan

Projected Total Cost Per Paycheck  
\$286.95

### Plans Available

Select a plan or Waive to opt out of Staff Pension Plan.

Benefit Plan	*Selection
UBC Staff	<input checked="" type="radio"/> Select <input type="radio"/> Waive

### Retirement Savings Instructions

#### General Instructions

During your leave of absence, you must decide whether to Elect or Waive benefits you are currently enrolled in.


If you are on an **unpaid leave**, you are responsible for paying the employer and employee cost of contributions for Pension. If you are enrolled for Basic Life (Hourly) and Elect coverage, you are responsible to pay the premium. If you Elect Pension and/or Basic Life (Hourly) you will start paying on the start date of your leave and you will stop paying on your last day of leave. For example, if your leave is June 3 - Aug. 21, you will pay premiums for June 3 - Aug. 21.

If you are on a **government leave** (for example, maternity/parental leave), the University continues to pay the employer pension contribution if you Elect coverage and pay the employee pension contribution. If you are enrolled for Basic Life (Hourly), the University continues to pay the premium.

The employee and employer pension contribution and life insurance premium will not be visible in your Benefits Summary, however you can view it on your last paycheck. Any benefit contributions or premiums that you are responsible to pay will be via Pre-Authorized Debit during your leave.


You can continue benefits coverage while on a leave of absence for a maximum of 24 months.

#### Programs Available: 1



### Staff Pension Plan

UBC is committed to helping eligible Staff create financial security in retirement. [Learn more about the Staff Pension Plan.](#)



Benefits based on salary do not have amounts provided:  
ie. Pension

# Extraordinary Expense Fund (EEF)

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Costing allocation change is processed when TopUp is entered.  
Employees being put on leave late or when their TopUp is entered late.

## Potential Solutions:

1. Log a ticket to inform Payroll Staff that individual is accessing EEF
2. Work with WD Product Teams to allow departments to process a costing allocation change that Payroll Staff would receive in inbox for approval

# Off Cycle Payments

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Off cycle payments are completed on the weeks that do not have a regular on cycle pay date.

NRPPT date is set at 24 month window. Example: November 30, 2024 pay NRPPT Date moved to November 30, 2022.

Retro prior to November 30, 2022 would be unsupported.

## **Hourly Paid Employees:**

- Late timesheet entry/approval
- Unsupported hourly retroactive pay

## **Salaried Employees:**

- If hourly and salaried positions, NRPPT date moves forward.
- Only one position, retro is supported back to December 1, 2022

# Robotic Process Automation

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## **Hourly Paid Employees RPA Bot:**

- Late timesheet entry/approval
- Unsupported hourly retroactive pay
- 99% success rate

## **Salaried Employees RPA Bot:**

- RPA Bot Project in progress
- Testing in December
- Deployment expected in February



# Changing Pay Component Types

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Pay Component types cannot be changed for a prior year

- Confirmed with CRA Trust Account Examination Officer
- Submitting a change in the current year is permitted
  - Changing Regular to Fellowship will require a manual adjustment:
    - Canada Pension Plan
    - Employment Insurance
    - Income Tax
  - Please log a Ticket to ensure that the adjustments to statutory deductions are completed.

## Amounts Recovered from Employees

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Repayment of Salary or Wage when an employee **did not perform the work**:

- Do not amend payroll register or T4 slip
- Repayment is documented in a letter
- No refunds for CPP contributions or EI premiums
- Employee may be refunded income tax by the CRA

## Amounts Recovered from Employees

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### Administrative errors

- **Current year**
  - Net recovery
  - Amend payroll register
  - Overpaid statutory amounts, employee and employer, recovered on next remittance for the year

## Amounts Recovered from Employees

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### Administrative errors

- After last pay of the year

#### Gross recovery

Amend T4 slip Boxes 14, 24 and 26

- Employee refunded over deduction of statutory amounts by the CRA
- Employer files form PD24

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# Questions





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