

CERIDIAN

2024 Enhanced CPP/QPP Phase II and QPP Changes

A Webinar presented by Ceridian

January 26, 2024

Introduction

This presentation is designed to assist Powerpay customers with understanding Phase II of the enhanced CPP/QPP program and Powerpay reporting changes effective January 1, 2024, along with changes to the QPP program that employers should be aware of.

Topics

1. What is the Enhanced CPP/QPP, Phase II?
2. Powerpay eCPP/eQPP reporting changes for 2024
3. Québec QPP program changes for 2024
4. How to update employee records in Powerpay for QPP changes



Enhanced CPP/QPP (eCPP/eQPP), Phase II

Enhanced CPP/QPP (eCPP/eQPP), Phase II

What is enhanced CPP/QPP¹?

- The CPP/QPP enhancement is a change to the existing CPP/QPP contributions designed to provide better retirement benefits to Canadians through gradual increases to CPP/QPP contributions phased-in over a 7-year period
- The enhancement acts as a top-up to the existing, or base, plan, and will increase CPP/QPP benefits from replacing 25% of an employee's eligible pensionable income to 33.33%
- Phase I of the enhancement started January 2019 with annual contribution rate increases through 2023, where employees now contribute a base contribution plus a first contribution for enhanced CPP/QPP
 - * CPP: 4.95% is attributed to the base plan and 1% is attributed to enhanced CPP, which is also used in calculating a reduction to taxable income, rather than the tax credit provided by base plan contributions, effective January 2023
 - * QPP: 5.40% is attributed to the base plan and 1% is attributed to enhanced QPP, which is also used in calculating a reduction to taxable income, rather than the tax credit provided by base plan contributions, effective January 2023

1. "Canada Pension Plan enhancement", May 2023, <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-enhancement.html>

Enhanced CPP/QPP (eCPP/eQPP), Phase II

2024 eCPP/eQPP Phase II

- Starting in 2024, contributions will be deducted on earnings above Year's Maximum Pensionable Earnings (YMPE) up to a newly created second annual earnings limit - Year's Additional Maximum Pensionable Earnings (YAMPE), which will be ~7% more than YMPE (\$73,200 for 2024)
- Employees earning income above YMPE (\$68,500 for 2024) will contribute an additional 4% on earnings between the YMPE and YAMPE, referred to as the second CPP/QPP contribution (CPP2/QPP2)
- As with the base CPP/QPP contributions, employers will be required to contribute a matching employer contribution equal to the employee's second CPP/QPP contribution when completing their source deduction remittances for each period

Enhanced CPP/QPP (eCPP/eQPP), Phase II

2024 eCPP/eQPP Phase II

Example of second contribution - CPP:

Employee earning \$100,000 a year

Pensionable earnings up to YMPE	\$68,500
<u>- Annual CPP Exemption</u>	<u>\$ 3,500</u>
Contributory earnings	\$65,000
<u>X 2024 CPP Rate</u>	<u>5.95%</u>
CPP Contribution	\$3,867.50

Additional Pensionable earnings up to YAMPE	\$ 4,700
<u>X 2024 Second CPP Rate</u>	<u>4.00%</u>
Second CPP Contribution (CPP2)	\$188.00

Total Employee CPP Contributions:

CPP Contribution	\$3,867.50
<u>Second CPP Contribution (CPP2)</u>	<u>\$ 188.00</u>
Total CPP Contribution (2024)	\$4,055.50

CPP Source Deduction Remittances:

Employee CPP Contributions	\$4,055.50
<u>Employer CPP Contributions</u>	<u>\$4,055.50</u>
Total CPP Remittance	\$8,111.00

Enhanced CPP/QPP (eCPP/eQPP), Phase II

2024 eCPP/eQPP Phase II

Example of second contribution - QPP:

Employee earning \$100,000 a year

Pensionable earnings up to YMPE	\$68,500
<u>- Annual QPP Exemption</u>	<u>\$ 3,500</u>
Contributory earnings	\$65,000
<u>X 2024 QPP Rate</u>	<u>6.40%</u>
QPP Contribution	\$4,160.00
Additional Pensionable earnings up to YAMPE* \$	4,700
<u>X 2024 Second QPP Rate</u>	<u>4.00%</u>
Second QPP Contribution (QPP2)	\$188.00

Total Employee QPP Contributions:

QPP Contribution	\$4,160.00
<u>Second QPP Contribution (QPP2)</u>	<u>\$ 188.00</u>
Total QPP Contribution (2024)	\$4,348.00

QPP Source Deduction Remittances:

Employee QPP Contributions	\$4,348.00
<u>Employer QPP Contributions</u>	<u>\$4,348.00</u>
Total QPP Remittance	\$8,696.00

*Additional Pensionable earnings up to YAMPE = YAMPE - YMPE
→ \$73,200 - \$68,500 = \$4,700

Enhanced CPP/QPP (eCPP/eQPP), Phase II

2024 eCPP/eQPP Phase II

- 2024 T4/RL-1s will include new boxes to report the second CPP/QPP contribution separate from the base + first contribution currently reported to T4 Box 16/17 (16A/17A) and RL-1 Box B/B.A (B.B)

Canada Revenue Agency / Agence du revenu du Canada

T4
Statement of Remuneration Paid / État de la rémunération payée

Year / Année: 2024

Employer-offered dental benefits / Prestations dentaires offertes par l'employeur	14	\$100,000 00	22	
45	Employee's CPP contributions – see over / Cotisations de l'employé au RPC – voir au verso	16	\$3,867 50	17
Province of employment / Province d'emploi	10			
Employment code / Code d'emploi	16A	\$188 00	17A	

Employee's second CPP contributions – see over / Deuxièmes cotisations de l'employé au RPC – voir au verso

Employee's second QPP contributions – see over / Deuxièmes cotisations de l'employé au RRQ – voir au verso

RELEVÉ 1

Revenus d'emploi et revenus divers

Année: 2024

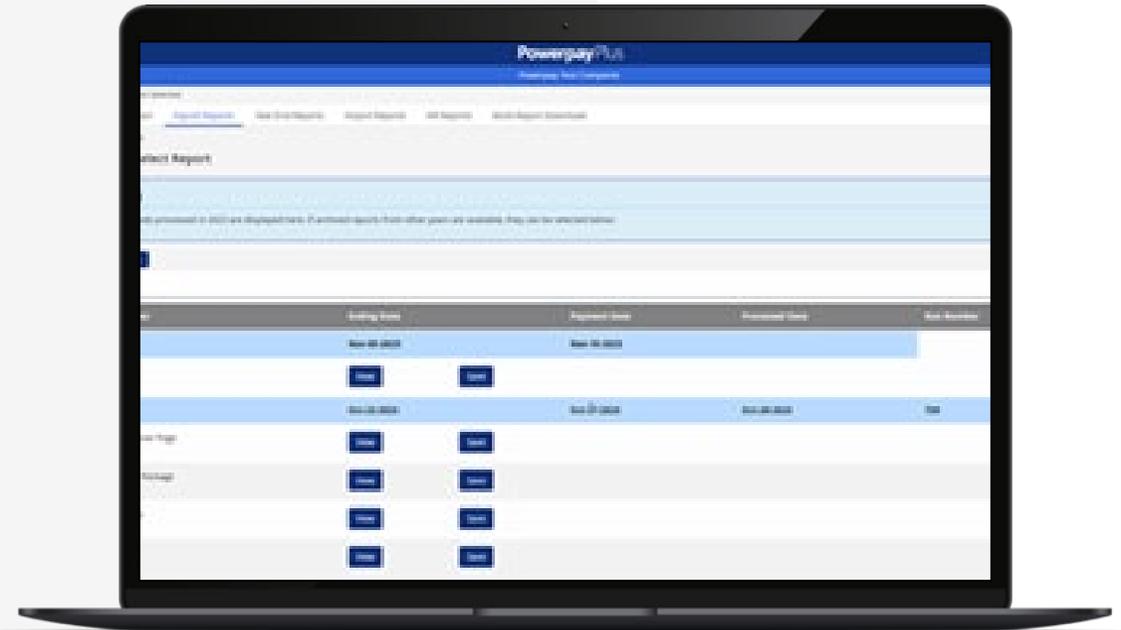
A- Revenus d'emploi	B.A- Cotisation au RRQ	B.B- Cotisation supplémentaire au RRQ	C- Cotisation à l'assurance
\$100,000 00	\$4,160 00	\$188 00	
F- Cotisation syndicale	G- Salaire admissible au RRQ	H- Cotisation au RQAP	I- Salaire admissible au

Enhanced CPP/QPP (eCPP/eQPP), Phase II

What does this mean for employers?

- Program updates for CPP/QPP rates, YMPEs and tax calculations for the second contribution for eCPP/eQPP will be completed automatically by Ceridian for the January 2024 changes
- Remittance payments submitted by Ceridian on behalf of customers will automatically include the employer contributions to second CPP and QPP once these contributions apply
- 2024 T4/RL-1s will include the new boxes for reporting the second contribution for eCPP and eQPP. *The new box on the T4 will be included on the 2023 T4, but will only be a placeholder for the required reporting effective 2024*
- Be prepared to answer questions, if they arise:
 - Second contributions do not apply to employees earning less than YMPE
 - Employees earning more than YMPE may notice that they contribute for a longer period in the year before reaching the maximum for the year at which point CPP/QPP contributions stop

2024 Powerpay eCPP/eQPP reporting changes



2024 Powerpay eCPP/eQPP Reporting Changes

Standard Reports Package (Payroll Register)

4- 0067 PETERSON MATTHEW P
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
GRANDORA, SK, XXXXXX

Rate	82.070 H	Pay Type	Regular	Status	Active(A)
Dept	200	Pay Per	Biweekly	SIN	XXX-XXX-060
Start	2003/09/30	Prov	SK (7)	Avg Hrs	75.00
Fed Ex	15000.00	Birth	XXXX/11/11	Rehire	2010/02/21
	Prov Ex	Z Code			10
EFT 1:004 78688 XXXXXXXXXX778(S)					
Hrs.and Eams.	Cur.Hrs	YTD Hrs	Cur.Earn	YTD Earn	
RT REG	80.00	966.50	6565.60	78844.32	
XT STAT PAY	7.50	55.45	615.53	4471.24	
QT SICK T.	4.00	517.05	328.28	40093.38	
10 BONUS				1198.68	
VE VAC.PAY		127.50		10463.95	
EI INSURABLE	91.50	2041.50	7509.41	88726.44	
EE Dedn's	Plan	Master	Cur.Ded.	YTD Ded.	
CPP	0		3754.45		
CPP2			184.00	184.00	
EI	0		1002.45		
FTAX	0		2008.77	33287.01	
31E PENSION	1	7.00	677.06	14569.08	
42E GRP INS	2	181.84	181.84	3636.80	
ER Cont.	Plan	Master	Cur.Cont.	YTD Cont.	
18R *SICKBNK	8	4.33	.10	312.09	
VA VAC ACCR	5	11.54	866.59	8458.62	
GROSS PAY			7509.41	135071.57	
TOTAL DED.			3051.67	56433.79	
Net Pay	Seq # P9100006	EFT 1	\$4457.74	78637.78	

2- 6705 ANDERSON CARL X
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
MONTREAL, QC, XXXXXX

Salary	\$5000.00 S	Pay Type	Regular	Status	Active(A)
Hrly Eq	66.666	Pay Per	Biweekly	SIN	XXX XXX
Dept	100	Prov	QC (4)	Avg Hrs	75.00
Start	2023/11/08	Birth		Rehire	2023/11/08
Fed Ex	15000.00	Prov Ex	17183.00		
Hrs.and Eams.	Cur.Hrs	YTD Hrs	Cur.Earn	YTD Earn	
SA REG			70000.00	70000.00	
EI INSURABLE	1050.00	1050.00	70000.00	70000.00	
QPIP INSURABLE	1050.00	1050.00	70000.00	70000.00	
EE Dedn's	Plan	Master	Cur.Ded.	YTD Ded.	
QPP	0		4038.40	4038.40	
QPP2			136.00	136.00	
EI	P		781.05	781.05	
QPIP	0		345.80	345.80	
FTAX	0		18231.08	18231.08	
PTAX			17321.97	17321.97	
GROSS PAY			70000.00	70000.00	
TOTAL DED.			40854.30	40854.30	
Net Pay	Seq # P9100026	Cheque	\$29145.70	29145.70	

Total - Deductions and Contributions

Deductions	Current	Y.T.D.
CPP	1404.10	30461.30
EI	2052.35	10692.33
FTAX	78384.32	253408.55
CPP2	489.13	489.13
QPP	8076.80	8076.80
QPP2	320.00	320.00
QPIP	795.34	795.34
PTAX	62944.22	62944.22
31E PENSION	2362.22	54015.97
42E GRP INS	1809.93	36876.02
19E TFSA	2000.00	42389.18
41E RRSP \$	1000.00	22000.00
43E RRSP %	1007.47	22451.01
ER Cont.	Current	Y.T.D.
18R *SICKBNK	10.65	6870.09
16R *OT @1.0		1.50

The Payroll Register Summary, Government Remittance Summary and employee Pay Statements will include CPP/QPP and CPP2/QPP2 contributions as a **combined total** under the CPP/QPP heading.



2024 Québec QPP Changes

Québec – QPP changes

New QPP age limit and opt-out elections

- On Mar 21, 2023, Québec Finance released its 2023-2024 Budget Plan² which included the following changes to QPP that will take effect January 1, 2024:
 1. New age limit for QPP – contributions to QPP will cease as of January 1 of the year in which a worker reaches age 73
 2. QPP opt-out election - workers aged 65 or over who are already in receipt of a CPP or QPP pension will have the option to stop paying QPP contributions by filing an [Election to Stop Contributing to the QPP, or Revocation of an Election \(form RR-50-V\)](#)

REVENU QUÉBEC RR-50-V (2024-01) 1 of 2

Election to Stop Contributing to the Québec Pension Plan, or Revocation of an Election

Complete this form if you are an employee who is at least 65 years of age but under 73 at the end of the year, you are receiving a Québec Pension Plan (QPP) or Canada Pension Plan (CPP) retirement pension, and you want to stop making QPP contributions or you stopped making QPP contributions in a previous year and want to restart.

Do not complete this form if your income is **only** from self-employment or your activities as an individual responsible for a family-type resource or an intermediate resource. In such cases, you must make the decision to stop contributing to the QPP or revoke such an election made in a previous year when you file your annual income tax return.

Read the information on page 2 before completing this form.

1 Identification

Last name _____ First name _____

Social insurance number _____ Date of birth _____

Address _____

Street number _____ Street name or PO box _____

City, town or municipality _____ Province _____ Postal code _____ Area code / Phone _____

2 Information about the employer

Name of employer _____

Address _____

Street number _____ Street name or PO box _____ Suite _____

City, town or municipality _____ Province _____ Postal code _____ Area code / Phone _____

3 Election or revocation of an election

You can complete this form only once a year per employer.

Check the appropriate box.

Election

I want to **stop** making QPP contributions. I understand that:

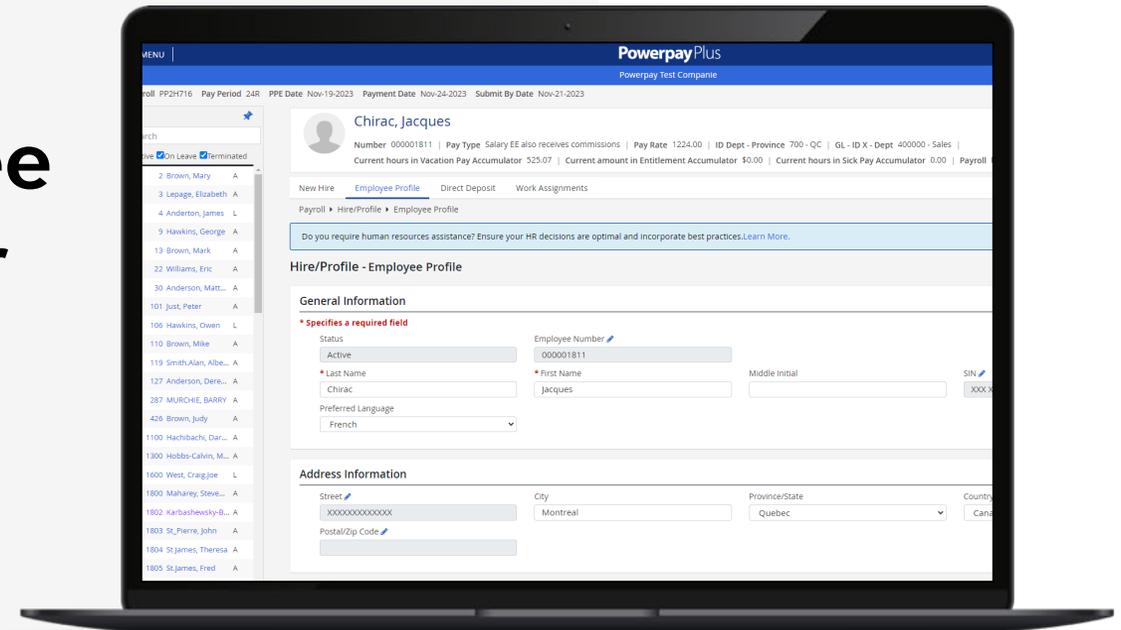
- My employer will also stop making QPP contributions in my name.
- No future retirement pension supplement can be allocated or credited in respect of the employment covered by the election from the effective date of the election.
- I will have to revoke my election and restart making QPP contributions if my QPP or CPP retirement pension is cancelled by the payer organization or at my request.

Revocation of an election

I want to **restart** making QPP contributions.

2. "Budget 2023-2024 A Committed Québec", March 2023, p. B.72, http://www.finances.gouv.qc.ca/Budget_and_update/budget/documents/Budget2324_BudgetPlan.pdf

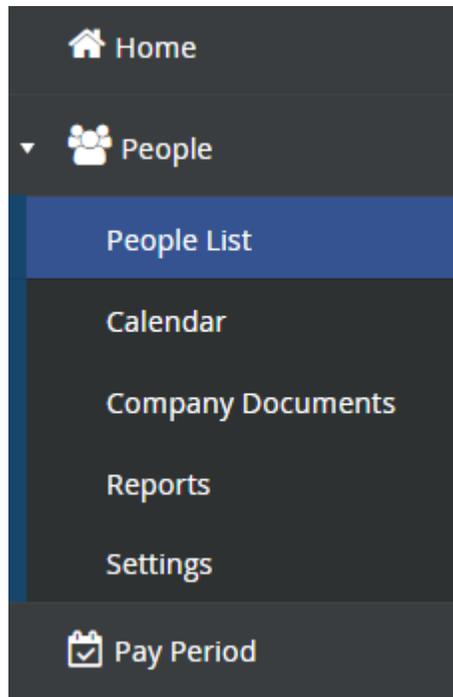
How to update employee records in Powerpay for QPP changes



Québec – QPP Employee Profile Changes

Québec employees reaching age 73 in the year (starting Jan 2024) – Powerpay People

People > People List > Compensation



NATASHA BAUML
100 - Default | Active | Reports To Payroll Admin | PP47395 | Weekly | Hourly

Profile **Compensation** Emergency Contacts Documents Time Off

Taxation Last modified by MAN55rmol On 24/05/2023 12:02 PM CT

SIN: XXXXXX999 | SIN Expiry Date: DD/MM/YYYY | Province Of Employment: Quebec

I have validated the SIN

Tax Exemption

* Federal Tax Exemption
 Apply Basic Amount
 Apply Specific Amount \$

* Provincial Tax Exemption
 Apply Basic Amount
 Apply Specific Amount \$
 Not applicable - Employee works in USA or other

Tax Status

* Tax Status: Subject to Fed. & Prov. Tax

* CPP/QPP Status: Exempt from CPP/QPP

* E.I. Category: Deducts EI; ER Rate 1.4

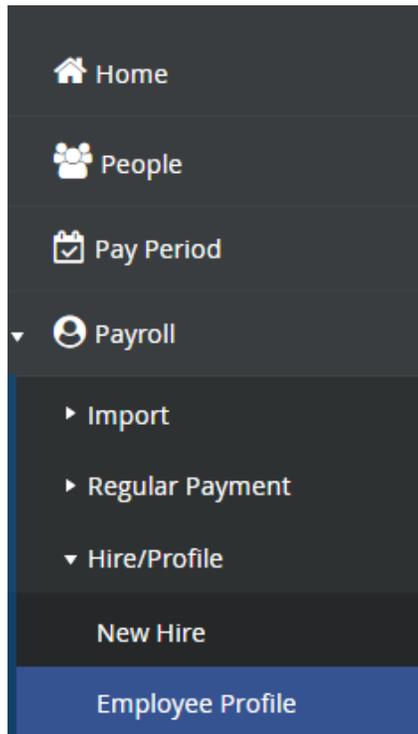
* Provincial Payroll/Health Tax Indicator
 Subject to Provincial Health & Educational Tax
 Exempt

Adjust the Employee Profile for PP1 of the year the employee will turn 73 (beginning January 2024 and repeating January of each subsequent year).

Québec – QPP Employee Profile Changes

Québec employees reaching age 73 in the year (starting Jan 2024)

Payroll > Hire/Profile > Employee Profile



The screenshot shows the 'Employee Profile' page for 'St_Pierre, John'. The 'Taxation' section is highlighted with a red box. It includes the following fields and options:

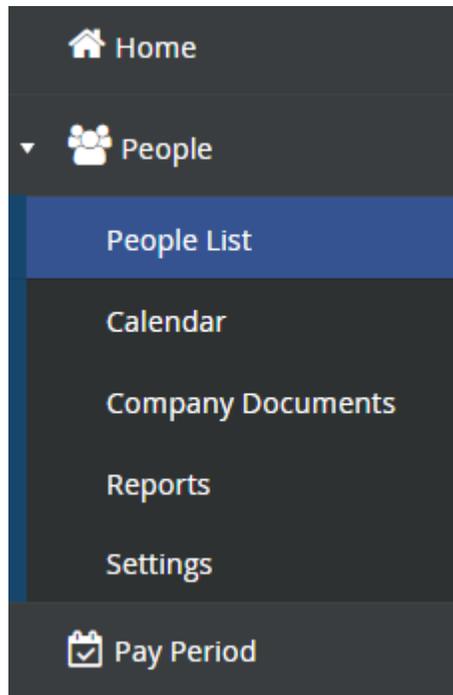
- Province of Employment:** Manitoba
- Tax Exemption:**
 - Federal Tax Exemption: Apply basic amount \$15000
 - Provincial Tax Exemption: Apply basic amount \$15000
- Tax Status:** Subject to Fed. & Prov. Tax
- CPP/QPP Status:** A dropdown menu is open, showing 'Exempt from CPP/QPP' selected. Other options are 'Subject to CPP/QPP' and 'Not Applicable'.
- E.I. Category:** Deducts EI; ER Rate 1.4
- Provincial Payroll/Health Tax Indicator:** Subject to Provincial Health & Education Tax
- QPIP (Quebec Parental Insurance Plan):** Not Applicable

Adjust the Employee Profile for PP1 of the year the employee will turn 73 (beginning January 2024 and repeating January of each subsequent year).

Québec – QPP Employee Profile Changes

Québec employees who have submitted an election to stop contributing to QPP – Powerpay People

People > People List > Compensation



NATASHA BAUML
100 - Default | Active | Reports To Payroll Admin | PP47395 | Weekly | Hourly

Profile **Compensation** Emergency Contacts Documents Time Off

Taxation

Last modified by MAN55rmol On 24/05/2023 12:02 PM CT

SIN: XXXXXX999 | SIN Expiry Date: DD/MM/YYYY | Province Of Employment: Quebec

I have validated the SIN

Tax Exemption

* Federal Tax Exemption
 Apply Basic Amount
 Apply Specific Amount \$

* Provincial Tax Exemption
 Apply Basic Amount
 Apply Specific Amount \$
 Not applicable - Employee works in USA or other

Tax Status

* Tax Status: Subject to Fed. & Prov. Tax

* CPP/QPP Status: Exempt from CPP/QPP

* E.I. Category: Deducts EI; ER Rate 1.4

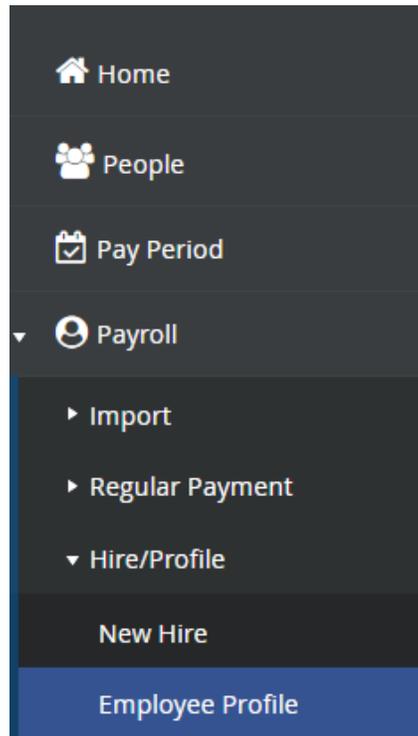
* Provincial Payroll/Health Tax Indicator
 Subject to Provincial Health & Educational Tax
 Exempt

Adjust the Employee Profile in the first pay of the month following when the form is submitted (i.e., form submitted by employee February 2024, update the Employee Profile for the first pay of March 2024).

Québec – QPP Employee Profile Changes

Québec employees who have submitted an election to stop contributing to QPP

Payroll > Hire/Profile > Employee Profile



The screenshot shows the 'Employee Profile' form for 'St_Pierre, John'. The 'Taxation' section is highlighted with a red box. It includes a dropdown for 'Province of Employment' (Manitoba) and a 'Tax Exemption' section with radio buttons for 'Apply basic amount \$15000' (selected) and 'Apply specific amount'. The 'Tax Status' section has a dropdown for 'Tax Status' (Subject to Fed. & Prov. Tax) and a dropdown for 'CPP/QPP Status' which is open, showing 'Exempt from CPP/QPP' (selected), 'Subject to CPP/QPP', and 'Exempt from CPP/QPP'. Other sections include 'Provincial Safety Plans', 'Provincial Tax Exemption', 'E.I. Category', and 'QPIP (Quebec Parental Insurance Plan)'.

Adjust the Employee Profile in the first pay of the month following when the form is submitted (i.e., form submitted by employee February 2024, update the Employee Profile for the first pay of March 2024).

Québec – QPP Refunds (if required)

Refunding QPP contributions (same year) for Québec employees when Profile changes are applied retroactively

Payroll > Regular Payment > Statutory Deductions

- Home
- People
- Pay Period
- Payroll
 - Import
 - Regular Payment
- Rapid Entry
- Employee Timesheet
- Deductions & Contributions
- Permanent Rates, Factors, Earnings
- Statutory Deductions

Chirac, Jacques
Number 000001811 | Pay Type Salary EE also receives commissions | Pay Rate 1224.00 | ID Dept - Province 700 - QC | GL - ID X - Dept 400000 - Sales |
Current hours in Vacation Pay Accumulator 525.07 | Current amount in Entitlement Accumulator \$0.00 | Current hours in Sick Pay Accumulator 0.00 |

Rapid Entry Employee Timesheet Deductions & Contributions Permanent Rates, Factors, Earnings Statutory Deductions

Payroll > Regular Payment > Statutory Deductions

Regular Payment - Statutory Deductions

CPP/QPP Deduction - This Pay Only

CPP/QPP Status: <input type="text" value="Exempt from CPP/QPP"/>	Specific dollar amount to be deducted <input type="text" value="\$ -85.42"/>
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Where the employee's CPP/QPP Status is updated retroactively (i.e., employee turning 73 in the year, profile updated in PP3 in February instead of PP1 in January), any contributions made during the period they should have been exempt can be refunded to the employee within the same year. Remittances will be reduced by these amounts and the employer contributions.

Resources

- Powerpay Home (Info Centre)
- Powerpay Help (articles)
- [National Payroll Institute \(NPI\)](#)
- [Canada Revenue Agency](#)
- [Retraite Québec](#)

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