Let's *Build*

SABILITY *IS NOW* armanino



Firm Overview

WHO WE ARE

armanino

Employees	Team Members in	Firm Ranking
3000+	42 States	18th Largest

- One of the nation's largest independent consulting, advisory and accounting firms
- Trusted advisor helping organizations drive growth, transformation, and operational excellence
- Leading provider of consulting, technology, tax, audit, and business strategy services
- Now, with the acquisition of Sability, Armanino is a premier UKG partner with deep expertise in Human Capital Management (HCM) and Workforce Management (WFM)
- Delivering innovative solutions that help organizations maximize their technology investments

Consulting | Audit & Attest | Risk Advisory | Nonprofit | Tax | Private Wealth | Family Office

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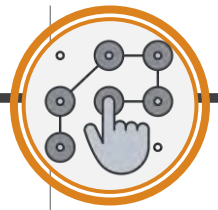
UKG Services

Our services are designed to fully prepare, implement, and optimize your success with UKG.



Strategy & Advisory

- Change Management
- Implementation Readiness
- Global Payroll Advisory
- Program Governance
- Organizational Assessments
- Merger & Acquisition Advisory
- Canadian Compliance
- Best Practices



Implementation

- Full System Implementations
- Project Management
- Client-side Support
- System Integrations
- Data Conversions
- Acceptance Testing
- Mergers & Acquisitions
- Analytical Reporting



Support & Optimization

- Signature Services
- Payroll Managed Services
- Staff Augmentation
- HRIS Support
- Technical Support
- Customized Training
- Data Analytics
- Process Improvements
- UKG Roadmap Development

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Armanino
UKG User Group

WHAT YOU ONCE KNEW AS SABILITY IS NOW ARMANINO!

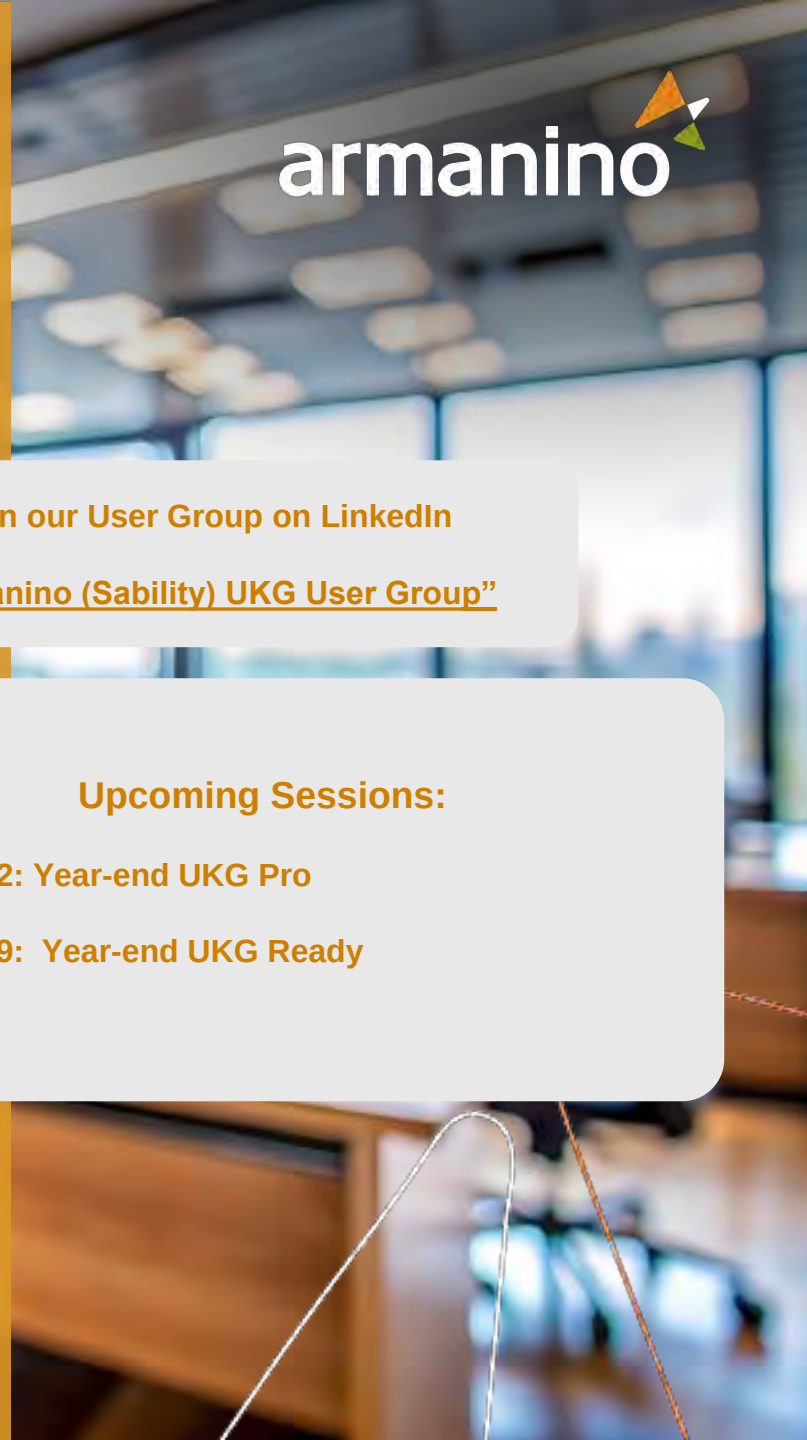
While our name has changed, our commitment to the UKG community remains the same. Because of the success and value of this group, we're proud to carry forward our UKG User Group under the Armanino brand. We're excited to begin this next chapter with you, backed by the same team and the same great content you've come to expect.

SAME USER GROUP, SAME GREAT CONTENT, NEW NAME.

Our User Group Story

Our mission is to enhance user knowledge through functional, technical and thought leadership sessions, while providing networking opportunities for our UKG user community.

- First and largest partner-led UKG User Group
- Functional, Technical and thought leadership topics
- Defined tracks to support all UKG Products
  - UKG Pro
  - UKG Pro WFM
  - UKG Ready
  - UKG Legacy Time Products (UTA, UTM, Central)
- Since our inception in 2021, we have welcomed over 500 unique companies and received over 8,000 registrations!



Join our User Group on LinkedIn

“Armanino (Sability) UKG User Group”

Upcoming Sessions:

November 12: Year-end UKG Pro

November 19: Year-end UKG Ready

Armanino's UKG User Group Presents

Canadian Year-End and New Year Activities for UKG Pro

Our Presenter



Zenaida Florencia

Senior Consultant, Armanino

- 30+ years managing large and diverse HR, Payroll and Benefit operations
- In-depth knowledge of payroll compliance across multiple jurisdictions, involved in a wide array of complex legislative and business requirements, including multiple collective bargaining agreements
- Large focus on compliance examination and gap analysis, best practices, change management, and insourcing versus outsourcing assessments
- Prosci certified change practitioner

Agenda

- Data Validations
- Balancing
- UKG Standard Reports
- Tax Slips - Audit
- Generate Tax Slips
- Forms Distribution
- Getting ready for year-end
- Auditing Your Set-up
- New Year Checklist
- 2026 Rates
- CRA/RQ Differences
- Summary
- References

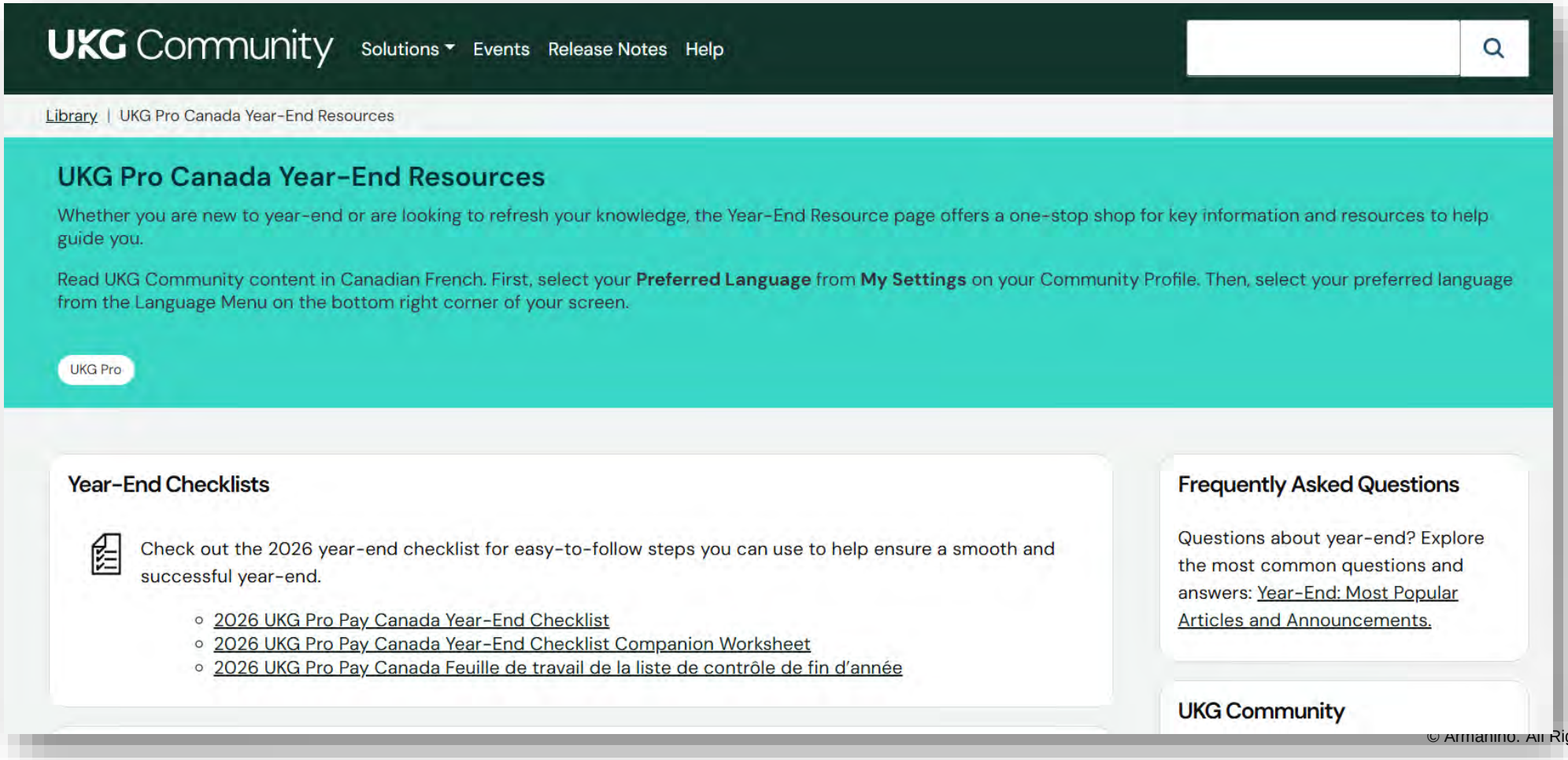


Getting Ready for Year-End

- Start now, by assembling your year-end team (include stakeholders from Payroll, HR, Finance, IT, others)
- Review earnings and deduction benefit plans configuration to ensure compliance for withholding and reporting
- Gather updates and attend year-end training events
- Know your various federal and provincial filing due dates (Canada Revenue Agency, Revenu Québec, Health Care Levies & Taxes, Workers' Compensation)
- Visit the UKG Canada Year-End Resource Page and ensure you download the UKG Year-End checklist
- Follow Armanino's Best Practices Year-End and New Year Checklists *(*will be provided following today's session!*)*

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UKG Community



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Year-End Checklist Companion Worksheet

UKG Pro Pay Canada Year-End Checklist

Actions to Complete Before Final Payroll

UKG

Before you process the final payroll of the year, complete steps 1 through 10 for a successful year-end.
It is a best practice to begin preparing for year-end activities two months before your last payroll to allow time for data validation and year-end reconciliation.

Important: Electronic filing due dates vary by agency and province. Verify reporting deadlines and filing procedures with the appropriate agency. Customers are responsible for filing with each agency, and UKG does not file on your behalf.

Note: For additional details on how to complete each action, review the complete UKG Pro Pay Canada Year-End Checklist in the UKG Community Library.

Checklist Column Legend	
Due Date	If a due date is listed, that is the last date by which the action must be taken to meet all agency filing requirements and deadlines. Penalties may apply after the due date. Verify reporting deadlines and filing procedures with the appropriate agency.
Action Type	Indicates whether this action is recommended as a guideline, representing the most efficient or helpful plan, or the action is required by a due date, if
Completed	Use this field to track when the action was completed.

Action	Description	Due Date (If Applicable)	Action Type	Completed
Step 1: Get the Team Together				
1A	Visit the Canada Year-End Resources page in the UKG Community Library for a comprehensive collection of materials to help you effectively prepare and complete year-end processing and tax filing.	—	Recommended	
1B	Create an internal year-end team with representation from relevant departments, such as: • Payroll • Human Resources • Benefits • Information Technology • Administration (mail room, stock, supplies and so on)	—	Recommended	

Before Final Payroll | After Final Payroll | Page Navigation | UKG Community Resources | +

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UKG Community – Additional Support

Year-End Training

Register to attend in-depth instructor-led training in UKG Community University that helps you build your year-end skills and put them into practice. If you are already experienced with year-end, take a two-hour refresher training.

In-Depth Instructor-Led Training

- CN-310-01: Pro Year-End Preparation – Canada
- CN-310-02: Pro Year-End Processing – Canada
- Recorded CN 310-01: Pro Year-End Preparation - Canada
- Recorded CN-310-02: Pro Year-End Processing - Canada

Looking for additional courses? Review the year-end section of the Course Catalog for a fu
trainings to support your year-end success.

Year-End Content

Explore common themes and dive deeper into the topics and tasks you may need to complete. While most year-end tasks start ramping up in November it is never too early to start preparing for year-end.

Topic	Resources
Prepare	• Configure the Canada Go Paperless Message • Prepare for Time Management Year-End
Balance and Reconcile	• Earnings and Deduction Tax Categories for Canada • Canada Stock Options Tax Category Guide • Quebec Stock Options Tax Category Guide
Process Slips	• Canada Year-End Table Generation and Validations Overview • Process Year-End Slips and Electronic Filing for Canada • Canada T4 Slip Information • Canada T4A Slip Information • Quebec RL-1 Slip Information • Quebec RL-2 Slip Information

Year-End Webinar Events

Register for a webinar events that provides details on some of the most common year-end issues and activities. Recordings of any past webinars are available on the Events page.

UKG Pro: Canada Year-End Refresher — What Experienced Users Need to Know

Register for this event

- December 3, 2026, 2:00 p.m. ET

UKG Pro Canada Year-End Final Payroll Countdown: Off-Cycle Pays, Adjustments, and Amendments

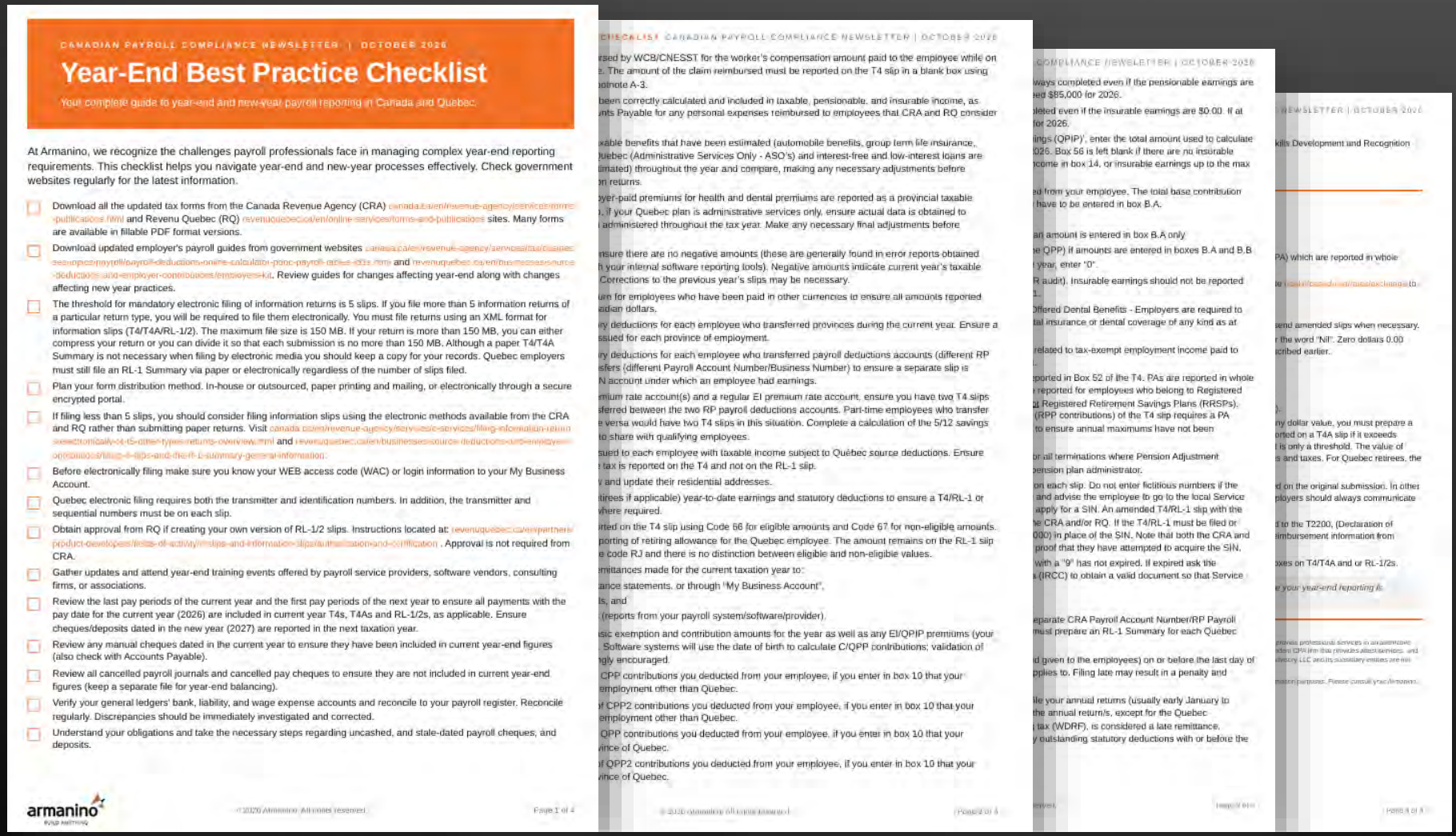
Watch the recording

UKG Pro Canada Year-End: Process Canada Year-End Slips: T4A and RL-2

Watch the recording

Armanino Year-End & New Year Checklists

IN ADDITION TO USING THE UKG YEAR-END CHECKLIST, WE WILL PROVIDE OUR STANDARD CHECKLIST TEMPLATES (YEAR-END AND NEW YEAR) WHICH CAN BE CUSTOMIZED TO MEET YOUR NEEDS.



CANADIAN PAYROLL COMPLIANCE NEWSLETTER | OCTOBER 2026

Year-End Best Practice Checklist

Your complete guide to year-end and new-year payroll reporting in Canada and Quebec

At Armanino, we recognize the challenges payroll professionals face in managing complex year-end reporting requirements. This checklist helps you navigate year-end and new-year processes effectively. Check government websites regularly for the latest information.

- ☐ Download all the updated tax forms from the Canada Revenue Agency (CRA) canada.ca/en/revenue-agency/services/forms-publications.html and Revenu Quebec (RQ) revenuquebec.ca/en/online-services/forms-and-publications sites. Many forms are available in fillable PDF format versions.
- ☐ Download updated employer's payroll guides from government websites canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-online-calculator-ponc-payroll-active-t4127.html and revenuquebec.ca/en/businesses/source-deductions-and-employer-contributions/employers-kit. Review guides for changes affecting year-end along with changes affecting new year practices.
- ☐ The threshold for mandatory electronic filing of information returns is 5 slips. If you file more than 5 information returns of a particular return type, you will be required to file them electronically. You must file returns using an XML format for information slips (T4/T4A/RL-1/2). The maximum file size is 150 MB. If your return is more than 150 MB, you can either compress your return or you can divide it so that each submission is no more than 150 MB. Although a paper T4/T4A Summary is not necessary when filing by electronic media you should keep a copy for your records. Quebec employers must still file an RL-1 Summary via paper or electronically regardless of the number of slips filed.
- ☐ Plan your form distribution method. In-house or outsourced, paper printing and mailing, or electronically through a secure encrypted portal.
- ☐ If filing less than 5 slips, you should consider filing information slips using the electronic methods available from the CRA and RQ rather than submitting paper returns. Visit canada.ca/en/revenue-agency/services/e-services/filing-information-return-electronically-t4-t5-other-types-returns-overview.html and revenuquebec.ca/en/businesses/source-deductions-and-employer-contributions/filing-t4-slips-and-the-rl-1-summary-general-information.
- ☐ Before electronically filing make sure you know your WEB access code (WAC) or login information to your My Business Account.
- ☐ Quebec electronic filing requires both the transmitter and identification numbers. In addition, the transmitter and sequential numbers must be on each slip.
- ☐ Obtain approval from RQ if creating your own version of RL-1/2 slips. Instructions located at: revenuquebec.ca/en/partners/product-developers/lists-of-activity/#slips-and-information-slips/authorization-and-certification . Approval is not required from CRA.
- ☐ Gather updates and attend year-end training events offered by payroll service providers, software vendors, consulting firms, or associations.
- ☐ Review the last pay periods of the current year and the first pay periods of the next year to ensure all payments with the pay date for the current year (2026) are included in current year T4s, T4As and RL-1/2s, as applicable. Ensure cheques/deposits dated in the new year (2027) are reported in the next taxation year.
- ☐ Review any manual cheques dated in the current year to ensure they have been included in current year-end figures (also check with Accounts Payable).
- ☐ Review all cancelled payroll journals and cancelled pay cheques to ensure they are not included in current year-end figures (keep a separate file for year-end balancing).
- ☐ Verify your general ledgers' bank, liability, and wage expense accounts and reconcile to your payroll register. Reconcile regularly. Discrepancies should be immediately investigated and corrected.
- ☐ Understand your obligations and take the necessary steps regarding uncashed, and stale-dated payroll cheques, and deposits.

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Audit Your Set-up

Why Audit?

Identify risk or exposure before year-end is complete and before the Auditor(s) do

- Fines and penalties can be significant

Look at ways to mitigate and minimize, if not eliminate, the risk entirely

- What procedures/policies can be introduced or changed to ensure ongoing compliance?

A fresh set of eyes

- Perhaps you are new to the company, you were not involved in the initial set-up/configuration, which could have been several years ago

Where to Begin:

Run a ‘Configuration Validation Report’

- Provides the current system configuration of your organization including earnings and deduction benefit plans

Work with your HR and Finance Groups to review compensation & benefit programs as well as expenses

- Have there been any changes that need to be considered?
- Any new programs being considered or added?

Be proactive

- Reduces last-minute scrambling to set something up and have it tested

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Auditing Your Configuration

Understanding Earnings and Deductions Tax Categories

- The “right tax category” ensures compliance from a withholding and reporting perspective
- The tax category drives the statutory deductions for C/QPP, EI/QPIP and income taxes
- The tax category also drives assessable wages for employer-based health care levies/taxes, and worker’s compensation
- Lastly the tax category drives the year-end reporting on T4, T4A, RL-1, RL-2 slips
- An incorrect tax category results in a compliance gap and brings risk of fines and penalties for inaccurate withholding, remitting and reporting

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Auditing Your Configuration

How do you approach your audit?

- Review both the Earnings and Benefit Deductions tabs from your Configuration Validation Report which details all your configured earnings and deduction benefit plans along with the configured tax categories
- You can also run the Earnings/Deductions Tax Categories (CAN) reports
- Compare your configuration with CRA/RQ guides (T4001/T4130/TP1015.G-V/IN253-V) for the prescribed withholding and reporting requirements
- You can also compare your configuration with the tax categories guide UKG makes available.

Auditing – UKG Pro Set-Up

Canada Earnings Tax Categories

June 10th, 2026 (UKG Pro Pay® solution)

Note: Recording stock option benefits payments may require the use of multiple earnings tax categories. These categories can be identified by applying a filter to the **Category Type** column. For more information, re

Code	Tax Category Title	Tax Category Description	Category Type	Deduction Offset	Update or Payment	Tax Calculation Rule	Suject to FIT/PIT (CRA)
AUSUP	Automobile benefit	Records non-cash automobile taxable benefit for employee's personal use of an employer provided automobile.	Car Benefit / Allowance	Yes	Update	General	Yes
AUTPY	Auto/car allowances	Pays taxable cash allowance for employee's business use of their personal vehicle.	Car Benefit / Allowance	No	Payment	General	Yes
BONPY	Bonuses	Pays cash amounts to employees for bonuses such as for exceeding goals, meeting/exceeding sales goals, or job performance.	Bonuses	No	Payment	Bonus	Yes
CMRPY	Commission - EE Paid Regularly	Pays cash commission payments to employees who sells goods/services or negotiates contracts on the employer's behalf.	Commissions	No	Payment	Bonus, General	Yes
CMRUP	Commission - EE Paid Regularly- update	Records commission amounts paid to employee outside the payroll system.	Commissions	Yes	Update	Bonus, General	Yes

UKG Earnings and Deductions Tax Categories for Canada

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Auditing Your Configuration

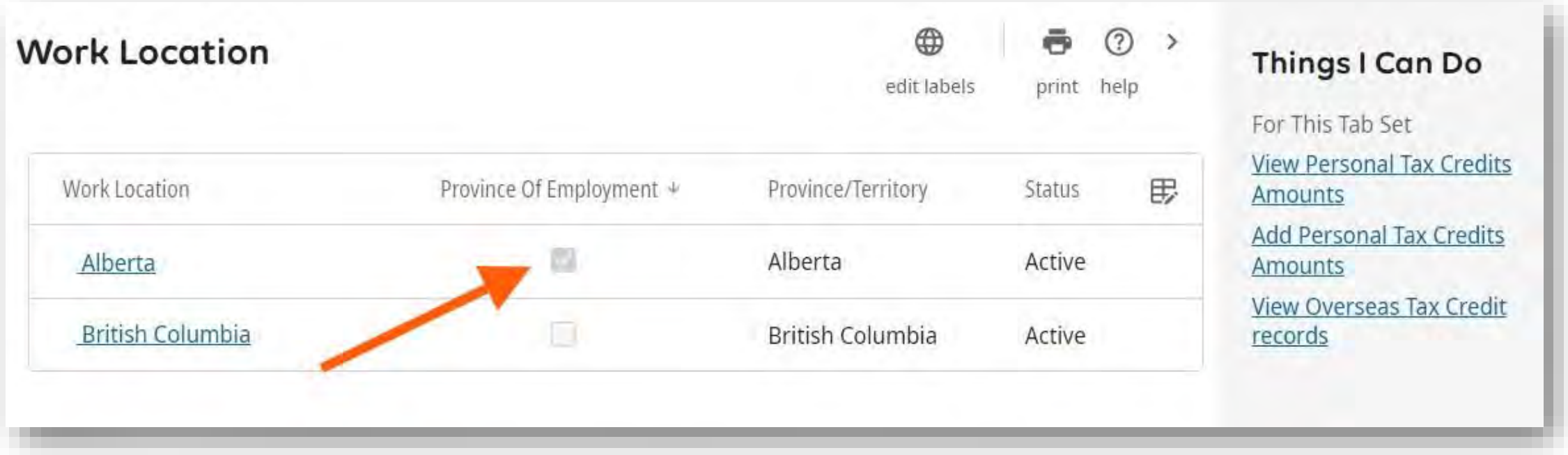
What if you discover an error?

- Fix it as soon as possible
- Once there is pay history, you cannot change a code
- Will require setting up a new code with the proper tax category
- You will need to adjust year-to-date values from the old code(s) to the new code(s)

Data Validations

- Ensure accuracy of Canada / Québec Pension Plan (C/QPP, C/QPP2) contributions and Employment Insurance / Québec Parental Insurance Plan (EI/QPIP) premiums using the standard report “Pensionable and Insurable Earnings Review (PIER) – Statutory”
- Compile final adjustments including manual cheques, cancelled journals & cheques, and taxable benefits
- Employer paid premiums for health and dental premiums reported on the RL1 slip (Québec only)
- Review the Negative Wages Report - may prevent you from running your year-end process
- Employee transfers - Payroll deductions accounts, legal entity transfers, or employment status (PT to FT and vice versa)
- Province of employment (Work Location in Pro) to ensure proper deductions are withheld

Data Validation – Pro – Work Location



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Balancing is a Best Practice

- Balancing your source deduction remittances made for the current taxation year to:
- PD7A/TPZ-1015.R remittance statements, or through “my business account”
- Payroll register YTD totals
- Tax liability grand total (CAN) report, and
- T4/T4A/RL-1/RL-2 detail reports (standard reports available in pro).

UKG Standard Reports

Report Name	Details
Pensionable and Insurable Earnings Review - Statutory	▪ Identifies deficiencies or overpayments in CPP/QPP contributions or EI premiums. ▪ Resembles the PIER received from CRA. ▪ Non-cash pensionable earnings are displayed. ▪ Distinguishes between T4 and RL-1 data.
Pensionable and Insurable Earnings Review	▪ Identifies deficiencies or overpayments in CPP/QPP contributions or EI premiums.
Negative Wage Detail (CAN)	▪ Lists employees with a negative year-to-date amount in earnings, deductions, or taxes.
Social Insurance Number Verification (CAN) Standard Report	▪ Lists employees with an invalid Social Insurance Number.
Year-End Validation Report by Employee (CAN) Year-End Validation Report by Failure (CAN)	▪ Lists employees with an error or warning message, based on UKG's validation process. ▪ Used to validate employee tax slips. ▪ Must be reviewed prior to printing tax slips.
T4/A, RL1/2 Detail Report (CAN) T4/A, RL1/2 Detail Footnotes (CAN)	▪ Displays T4 Detail for all employees and used to validate year-end data. ▪ Can be used to identify anyone with Social Insurance Number '000-000-000'
Earnings/Deductions Tax Categories (CAN)	▪ Provides the different taxation methods and tax slip mappings.
Tax Liability Grand Total (CAN)	▪ Provides federal and provincial tax liabilities incurred for each pay period, or pay periods selected.
Tax Liability Payroll Adjustments (CAN)	▪ Tracks and reviews all manual adjustments, off-cycle corrections, and statutory updates made to Canadian tax liabilities

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Auditing – Tax Slips

All employees and former employees receive a T4 slip if they had taxable wages paid in the tax year.

- CRA and RQ work on a “cash basis.”
- Payments dated January 1, 2026 – December 31, 2026, are reported on a 2026 slip regardless when earned.
  - You must also generate a T4 slip if:
    - You withheld statutory deductions regardless of amount paid.
    - You provide current employees with taxable group term life insurance benefits regardless of total taxable wages paid.
  - Québec employees will also receive an RL-1 slip.

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Auditing – Multiple Tax Slips

Business number (legal entity and payroll deductions account (RP, RS) under which an employee had earnings, benefits or allowances, and statutory deductions;

- Employer with a reduced EI rate will have multiple RP, RS accounts

Province of employment in which an employee had earnings, benefits or allowances, and statutory deductions

- Transferring provinces during the year will result in more than one (1) slip

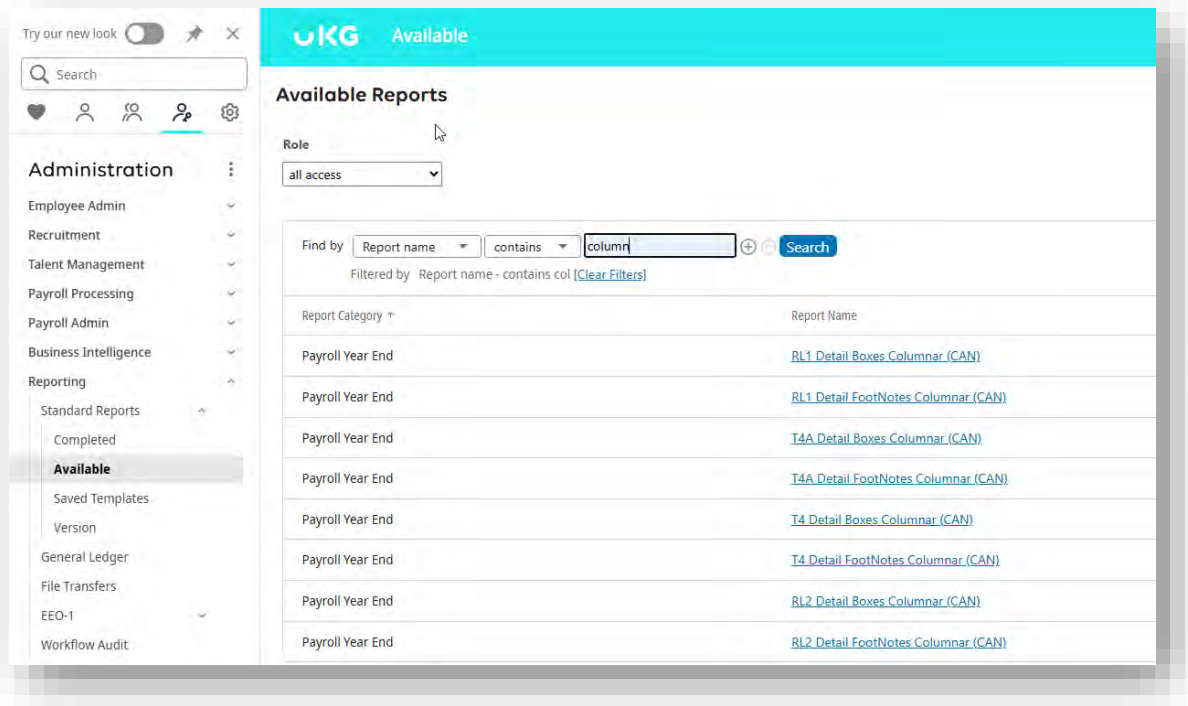
A separate slip will be generated for each:

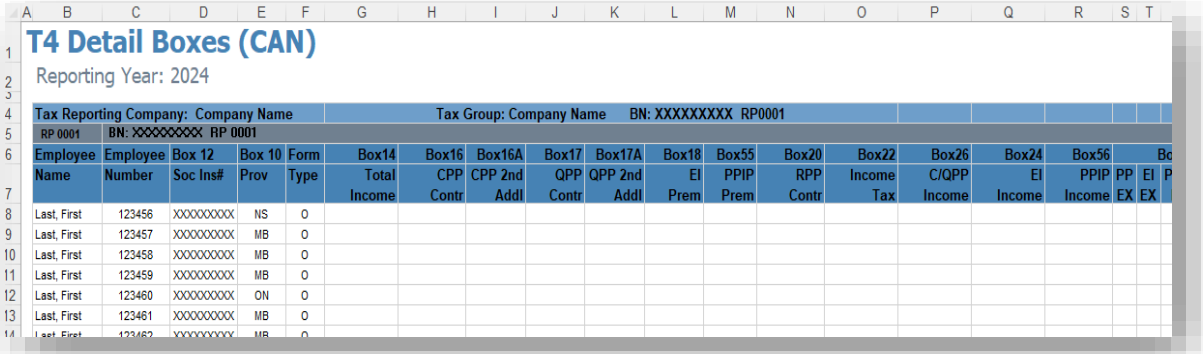
- Depending on the type of payment made, you may also generate T4A and or RL-2 slips
- Pension payments
- Scholarships
- Death benefits

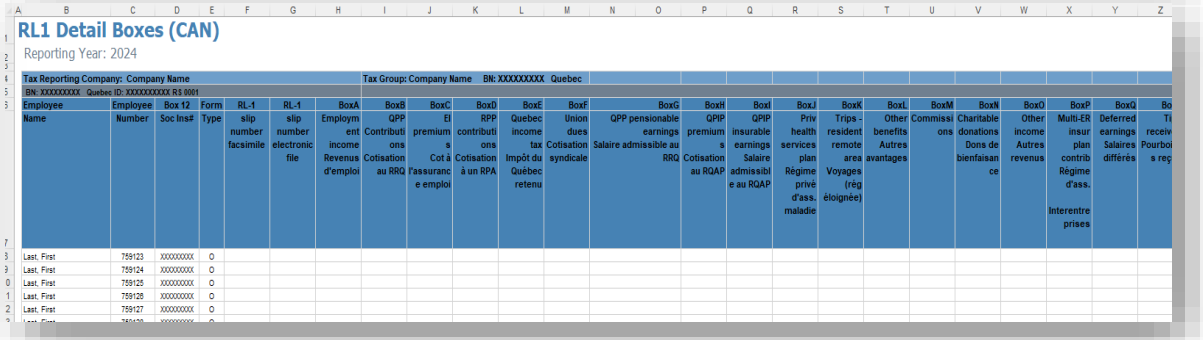
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Auditing – Tax Slips

UKG's Standard "Columnar" report(s) are a fantastic resource for reviewing balances and completing year-end slip validations.







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T4/Relevé 1 Reminders

T4 Box 96

T4 Box 96: Report eligible Personal Support Worker (PSW) earnings under both Code 71 and Code 96. Code 96 earnings are also included in Box 14.

RL-1 Box B.B

RL-1 Box B.B: Report the amount of QPP 2 contributions you deducted from your employee. The total base contribution and first QPP contribution amounts previously entered in box B now have to be entered in box B.A.

T4 Box 16A

T4 Box 16A: Report the amount of CPP2 contributions you deducted from your employee, if you enter in box 10 that your employee had a province of employment other than Québec.

T4 Box 17A

T4 Box 17A: Report the amount of QPP2 contributions you deducted from your employee, if you enter in box 10 that your employee worked in the province of Québec.

T4 Box 94

T4 Box 94: Report contributions to a registered pension plan (RPP) related to tax-exempt employment income paid to registered employees or eligible for registration under the Indian Act.

T4 Box 95

T4 Box 95: Report union dues associated with tax-exempt employment income paid to registered employees or eligible for registration under the Indian Act.

Understanding Off-Cycle Payrolls

An **off-cycle payroll** (also called a supplemental payroll) is an additional payroll added to the processing calendar after the original payroll schedule has been created.

Year-end Adjustments:

- Used to correct earnings, deductions, or taxes within the *current year* before closing the tax year.
- Requires coordination with UKG Payment Services to manage additional tax remittances.
- Examples: missed bonus, late commission, or taxable benefit adjustments for December.

Prior Year Adjustment:

- Used when corrections are needed *after* the tax year has closed.
- Requires coordination with UKG Payment Services to manage additional tax remittances.
- Examples: Post-year corrections to earnings or deductions affecting 2026 after the year-end process is complete.

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Prior Year Off-Cycle Considerations

Open an off-cycle payroll for year-end adjustments after the regular payroll schedule is closed.

Set pay date to December 31 for year-end off cycles to ensure adjustments are processed in the correct tax year.

Enter Record of Employment (ROE) date if adjustments affect ROE; otherwise, leave blank.

Review Start Payroll screen – scheduled earnings and deductions, regular pay and direct deposits are unchecked.

Once adjustments are made, you must contact Rapid Response and ask to flag the adjustments as post only. Submit a ticket so you can reference during the call.

Run the Tax Liability Payroll Adjustments (CAN) report after closing the off-cycle payroll.

Regenerate tax tables and review reports to confirm all adjustments are balanced.

If an off-cycle payroll is not needed:
Change payroll model to "Open/Close," then open and close to ensure proper closure.

Tip: Always regenerate tax tables and validate reports after processing off-cycle payrolls to ensure compliance.

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Remember – do these tasks first!

- Generate year-end tables from the “Year-End Dashboard”
- Ensure your company contact information and transmitter numbers are set up in UKG under the reporting company of the tax group for both the CRA and RQ accounts.
- If you have an incomplete address or missing transmitter numbers, you will have validation failures and you will not be able to generate year-end tables.
- Québec employers will need to create a Support case in the UKG Community to populate the transmitter and series numbers for RL-1 and RL-2.
  - **Important:** you must provide UKG the transmitter numbers within a case each year, even if the transmitter numbers have remained the same as a previous year.
  - Sequential numbers are a range of 8-digit numbers assigned to you by Revenu Québec. **Open a case now!**

Generate Year-End Slips

With all your payroll records balanced, you are now ready to start the process through the Year-end Dashboard:

- First, generate year-end tables.
- Correct any validation failures.
- All failures/errors must be fixed to proceed further with the year-end process

Continue to follow the steps as they appear in the Actions drop down menu including printing your slips, creating your print services file if applicable as well as generating the XML files that you will upload directly to CRA and RQ by the deadline.

- Both CRA and Revenu Quebec Returns due no later than Monday March 1st
- Select "Set Final" after you receive confirmation from the CRA and Revenu Québec that your files have been submitted.
- Be sure to save your files before you select "Set Final."

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Tax Filing

- Print and file Year-End Reports as determined by your organization.
- When electronically filing the T4/T4A the Summary is not required, however, it is best practice to manually prepare a Summary to maintain as an audit trail.
- Revenu Québec requires the RL-1 Summary to be filed with the annual slip submission (XML file), you will complete this online.
- Electronic XML files are created in UKG's Year-End Dashboard Page – "Create Electronic Files" drop-down action. These files are stored in the inbox of the user who creates the XML file (download files to your server).

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Form Distribution

Plan your tax form distribution method; in-house or outsourced paper printing and mailing or, electronically through your UKG portal.

In-House Printing:

- Print 2 Employee slips from the PDF files generated during the process.
- The year-end slips are 2 sided.
- Secure print room for confidentiality.
- Prepare early by ordering security lined envelopes.
- Ensure proper print setup: scaling, sorting and proper postage for distribution.

UKG offers year-end print services:

- Once the XML file is generated, upload a copy to the print service order in the portal – Feb 12, 2027.
- Printed slips are collated and placed in sealed envelopes. *(Example, if an employee receives two T4s and one RL-1, the three tax slips will be sealed in one envelope.)*
- The sealed slips are shipped back to you for distribution.

Electronic Distribution:

- Once confirmation is received from CRA/RQ that the submission of your XML files are successful:
- In the Year-end dashboard actions drop-down menu select "Set Final" in UKG.
- Then select the option "Distribute electronic slips to employees".

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New Year Checklist

Extend payroll processing calendars for each active pay group	▪ Before the last payroll of the year ▪ Confirm if statutory holidays conflict with pay dates or processing days ▪ A best practice is to plan for 2-3 years out (i.e., 2027 & 2028) ▪ Will 2027 or 2028 have 53/27 pay periods? C/QPP exemptions and other benefits or deductions may be impacted
Update any taxable benefit estimates	▪ Before processing the first pay of the new year update employer-provided automobile benefit amounts, Québec administrative services only (ASO) extended health and dental estimates
TD1 & TP-1015.3-V Administration:	▪ Remind employees to file new TD1 or TP-1015.3-V forms if their circumstances have changed ▪ Remind commission employees to file new TD1X/TP-1015.R.13.1-V ▪ TD1 updating and Commission resetting should occur after final payroll of the prior year and before first payroll of new year ▪ UKG's Canada Indexing utility adjusts personal tax credits to update employee TD1 information. Additional information can be found in the UKG Year-End Checklist. ▪ Verify employees who are exempt from taxes using the Year-End Exempt Employee (CAN) People Analytics report

New Year Checklist

Updating Requirements	▪ Reduced Employment Insurance (EI) rate/s. ▪ Workers' Compensation premium rates and maximum assessable wages. ▪ Employer Health Tax - unchecking the 'calculate tax amount' checkbox.
Employee Communication	▪ Include new year rate changes and the impacts to pay (Example: Changes to CPP/QPP). ▪ T4 and/or RL-1 availability. ▪ Pay dates calendar for the new year.
CRA and RQ Letters of Authority	▪ Typically, these letters are only valid for one taxation year. ▪ Ensure employee records are updated accordingly.

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New Year Checklist

Testing – *Important!*

Plan for detailed rigorous testing of all new rates (Taxes, C/QPP, C/QPP2, EI/QPIP, WCB, Provincial levies) in the system before running the first payroll using various employee scenarios:

- Are there any new benefits or deductions?
- Test sample of high, mid, and low-income range employees' calculation for each province of employment,
- Various claim amounts on TD1 forms,
- Allowable reductions at source including RPP, RRSP and Union dues,
- Hourly and salary, union and non-union,
- Testing of various tax methods including bonus and lump sum.

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2027 Rates

Employment Insurance	2027 EI – Non-QC`	2027 EI – Québec	2027 QPIP
Annual Maximum Insurable Earnings	$70,800	$70,800	TBA
Employee Premium Rate	1.64%	1.29%	TBA
Employer Premium Rate	1.4 times employee premiums	1.4 times employee premiums	TBA
Annual Maximum Premium (employee)	$1,161.12	$913.32	TBA
Annual Maximum Premium* (employer) *unreduced	$1,625.57	$1,278.65	TBA

Canada & Québec Pension Plan	2027 CPP	2027 QPP
Yearly maximum pensionable earnings (YMPE), also called maximum pensionable earnings (MPE)	$76,700	$
Annual Basic Exemption	$	$
Contribution Rate (employee and employer)	%	%
Annual Maximum Contributory Earnings	$	$
Annual Maximum Contribution (employee and employer)	$	$
2nd Contribution Rate	%	%
Years' Additional Maximum Pensionable Earnings Rate (YAMPE) / Years' Additional Maximum Pensionable Earnings Rate	$87,400	$
Second Additional Contribution (employee and employer)	$	$

CRA and RQ Differences

Health Insurance Plans	▪ Private health insurance plans = extended health and dental plans ▪ Employer paid premiums are taxable in Québec including 9% insurance levy ▪ Not taxable outside Québec
Professional Membership Fees	▪ CRA non-taxable provided it is job-related or a condition of employment ▪ Professional membership fees when paid by the employer are taxable in Québec only
Relocation Allowances **(No receipts required)**	▪ CRA non-taxable amount is $650.00 ▪ Québec non-taxable amount is 2 weeks salary/wages
Lieu of Notice Pay	▪ Subject to all statutory deductions and taxed as a bonus in all jurisdictions except Québec ▪ T4 reportable income ▪ Qualifies as retiring allowance in Québec - Separate earnings tax category for QC lieu of notice

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Summary

Be proactive:

- Plan on reviewing your set-up/configuration at least annually
- Identify and mitigate any risks as soon as possible
- Review your policies annually
- Stay up to date with legislative changes and keep others informed

Be predictive:

- Schedule regular meetings with HR and Finance
- Find out if there are any new compensation or benefit programs in the works
- Do your research and come prepared with the related payroll treatment perspective

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References, Guides, & Checklists

Canada Revenue Agency – https://www.canada.ca/en.html

T4001 Employers' Guide - Payroll Deductions and Remittances

T4130 Employers' Guide - Taxable Benefits and Allowances

RC4120 Employers' Guide - Filing the T4 slip and Summary

RC4157 Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary

Revenu Québec – https://www.revenuquebec.ca/en/

TP1015.G-V Guide for Employers: Source Deductions and Contributions

IN-253V Taxable Benefits and Allowances – Québec

RL-1 G-V Guide to Filing the RL-1 Slip: Employment and Other Income

RL-2 G-V Guide to Filing the RL-2 Slip: Retirement and Annuity Income

RLZ-1 .S-V Summary of Source Deductions and Employer Contributions

UKG Community - https://library.ukg.com/ukg-pro-canada-year-end-resources

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Canadian Acronyms

- Canada revenue agency – CRA
- Canada pension plan – CPP
- Québec pension plan - QPP
- Yearly maximum pensionable earnings – YMPE
- Yearly additional maximum pensionable earnings – YAMPE
- Pensionable insurable earnings review – PIER
- Employment insurance – EI
- Québec parental insurance plan - QPIP
- Maximum insurable earnings – MIE
- Service Canada – SC
- Record of employment – ROE
- Ministry of finance – MOF
- Employer health tax – EHT
- Income tax act – ITA
- Employment standards act – ESA

- Revenu Québec – RQ
- Federal income tax - FIT
- Provincial income tax – PIT
- Business number – BN
- Payroll account identifier – RP or RS in QC
- The commission des normes, de l'équité, de la santé et de la sécurité du travail - CNESST
- Manitoba health and post-secondary education tax levy - HE levy
- Newfoundland & labrador health and post-secondary education tax - HAPSET
- CRA payroll deductions online calculator - PDOC
- Québec payroll deductions calculator - webRAS
- Personal tax credits return – TD1
- Social insurance number – SIN
- Workforce skills development and recognition fund (Québec) - WSDRF

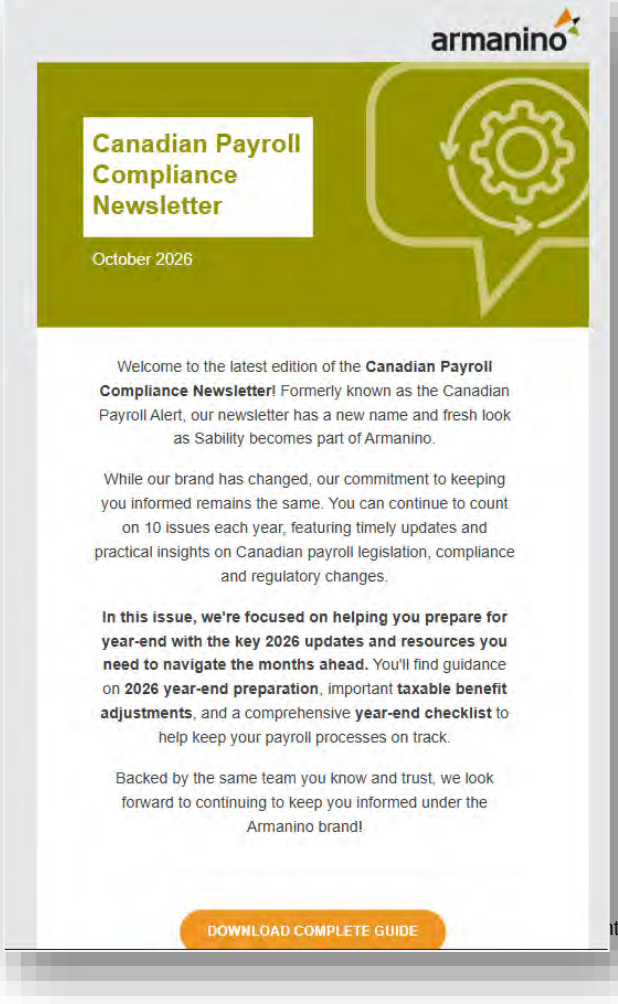
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Canada Payroll Alert Newsletter

The **Canadian Payroll Alert Newsletter** runs outside of the UKG Community and is emailed directly to you!

- 10 issues are published every year and cover a variety of payroll and HR topics

To be placed on the mailing list, email your contact information to GeGe.French@armanino.com


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Canadian Payroll Compliance Newsletter

October 2026

Welcome to the latest edition of the **Canadian Payroll Compliance Newsletter!** Formerly known as the Canadian Payroll Alert, our newsletter has a new name and fresh look as Sability becomes part of Armanino.

While our brand has changed, our commitment to keeping you informed remains the same. You can continue to count on 10 issues each year, featuring timely updates and practical insights on Canadian payroll legislation, compliance and regulatory changes.

In this issue, we're focused on helping you prepare for year-end with the key 2026 updates and resources you need to navigate the months ahead. You'll find guidance on **2026 year-end preparation**, important **taxable benefit adjustments**, and a comprehensive **year-end checklist** to help keep your payroll processes on track.

Backed by the same team you know and trust, we look forward to continuing to keep you informed under the Armanino brand!

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Thank you for joining us!

Questions, comments or suggestions? We'd love to hear them!



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