



Tax Alert

February 1, 2021

New 2020 T4 Reporting Requirements

All Canadian employers who issue a T4 slip, Statement of Remuneration Paid, will have additional reporting requirements for the 2020 calendar year. These additional reporting requirements will help the Canada Revenue Agency (CRA) validate payments under the various COVID-19 government programs including the Canada Emergency Wage Subsidy (CEWS), the Canada Emergency Response Benefit (CERB) and the Canada Emergency Student Benefit (CESB). These new reporting requirements apply to all employers, regardless of whether they applied for these programs or not.

New T4 Slip Information Codes and Reporting

For the 2020 calendar year, in addition to reporting employment income in Box 14 or Code 71, the new information codes below should be used to report employment income and retroactive payments made in the following periods:

- Code 57: Employment income – March 15 to May 9
- Code 58: Employment income – May 10 to July 4
- Code 59: Employment income – July 5 to August 29
- Code 60: Employment income – August 30 to September 26

E.g. If you are reporting employment income for the period of April 25 to May 8, payable on May 14, use code 58.

10-percent Temporary Wage Subsidy for Employers (TWS) and Form PD27 Requirement

Employers eligible for the TWS are required to complete and submit Form PD27, 10-percent TWS Self Identification Form for Employers, to the CRA. This includes employers who have already claimed the TWS and those who haven't but still intend to, as well as employers who qualified for both the TWS



and the CEWS but elected to claim a TWS of 10 percent or less (including a claim of zero). However, if an employer elected not to participate in both the CEWS and the TWS, Form PD27 does not need to be filed. Employers who did not qualify for the TWS will also not be required to complete Form PD27.

The CRA will use this form to reconcile the TWS remittances to the amounts reported on the 2020 T4 Summary. Employers can also instruct the CRA on how they want to apply any balances of TWS available on the Form PD27.

Submission of Form PD27

The self-identification form can be submitted online, by mail or fax. The form requires the following information to be provided:

- Gross remuneration per pay period
- Income tax, Canada Pension Plan contributions (employer and employee portions), and Employment Insurance premiums (employer and employee portions) deducted from remuneration paid
- TWS claimed in dollars and as a percentage
- Total number of eligible employees employed from March 18 to June 19, 2020

There is currently no due date for Form PD27, however employers are encouraged to complete and submit this form as soon as possible to avoid receiving a discrepancy notice from the CRA.

As the T4 reporting deadline approaches, it is important to be aware of the new reporting obligations associated with the various government wage subsidy programs introduced in response to COVID-19. These new reporting requirements will necessitate employers to spend additional time to gather information and ensure the proper disclosures are made for each employee. Detailed payroll information is needed and if not readily available could be an onerous task.

For more information on the new T4 reporting requirements or assistance with completing Form PD27, please contact your local MNP Business Advisor.

