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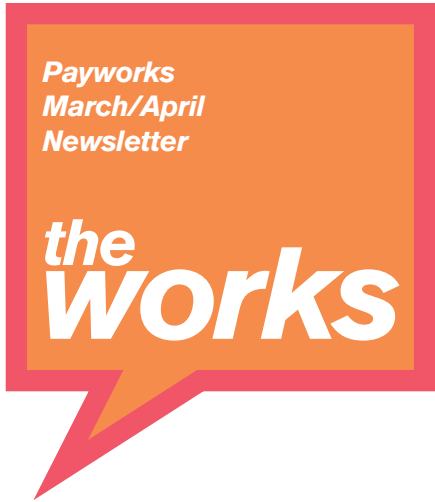
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What's New?

Payworks Highlights

2011 Internal Controls Report

The 2011 Payworks Canadian Standard on Assurance Engagements number 3416 – Reporting on Controls at a Service Organization (CSAE 3416) is available in Adobe PDF for download. This report is located on the Portal Page under Reports.

Please note that the CSAE 3416 was issued to be effective for reporting periods ending on or after December 15, 2011 and replaces Section 5970.

Please provide any feedback you have, as we are always looking to improve controls and ensure that they are relevant to our customers.

Payroll Product Update

Payworks has released enhancements to the Pay Element Automation feature in Payworks Payroll. These enhancements include new fields and features within the Selection and Trigger criteria, including the following:

- An Employee Miscellaneous Information field was added to the Selection Criteria of Pay Element Automation. This will allow users to easily identify groups of employees.
- Trigger criteria: Additional Pay Element fields, including: "Upper Limit," "Lower Limit," "Second

Factor," and "Remaining Target," can now be populated using Pay Element Automation.

- In addition to the extra Pay Element fields, users can now add YTD Units and YTD Amounts to their employees' Pay Elements. Note: the "Replace" action does not work with YTD Units/Amounts. When selecting these values, "Add" is the only valid action.

For more information on the Pay Element Automation enhancements in Payworks Payroll, please view the complete product bulletins in the Company Bulletins section of the Payworks Portal Page.

April 22 is Earth Day



Did you know?

On average, a single person consumes 96 pieces of paper a year simply by getting paid. Visit payworks.ca/smart to determine how much paper, trees, and kilograms of carbon dioxide emissions can be eliminated by switching to Payworks' paperless payroll services.

Get to Know Them

Get to know your Client Service Representative

Caryl Long is a Customer Service Representative in the Corporate department at Payworks, and she currently assists approximately 200 clients. Caryl originally worked for Payworks from 2004-2007, and then moved out of province. She returned to Payworks in July of 2011.

Caryl says, "The things that I like best about working for Payworks are the atmosphere, working with great people, and definitely the rapport I have with my clients. I was even lucky enough to regain some clients I had when I last worked at Payworks, which was a real treat!"

Caryl's best days at Payworks are the incredibly busy days, especially those during the T4 season. She enjoys the busy days where she is assisting/guiding clients and making life easier

for them, and knowing that they are happy at the end of the call.

Outside of work, Caryl loves getting home to her pets and spending time with friends and family. She has a dog named Bella, a five-year-old Belgian Tervuren, and a cat named Alley, who just turned ten-years-old.

This spring, Caryl has many plans around her house and yard. One of her plans is to design and "help" build a rock garden in a section of her backyard. Caryl's summertime hobby is gardening, and she also joined an Aqua Step class and Zumba!

This year marks 20 years since Caryl first started playing golf. Unfortunately, Caryl didn't play at all in 2011, but she is planning on golfing every chance she can get this summer!



Caryl Long
Corporate Customer Service Representative

Payworks
March/April
Newsletter

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Federal Budget Review

Economic Action Plan 2012

On March 29, 2012, Finance Minister Jim Flaherty tabled his seventh budget, setting a blueprint for Canada towards the elimination of the federal budget deficit by 2016. The budget is called the Economic Action Plan 2012. The budget's impact on employer payroll operations is relatively minimal.

The areas of interest to payroll include reducing the tax compliance burden; small changes to the Employment Insurance program; federally regulated pensions; and tax fairness.

Tax Rates

There will be no tax rate, tax bracket, or basic personal and taxable benefit related changes. The only changes will be the application of any relevant indexing.

Business Inquiries to CRA

As of April 16, 2012, businesses will be able to submit questions and receive answers to their specific business enquiries electronically using the CRA's secure My Business Account portal.

Expansion of Web Forms

The Federal Budget 2012 reinforces the use of electronic filing and makes specific mention of the ability to use the web for the submission of information returns of up to 50 slips.

Improved Business Section

Modifications to the CRA's website provide a "one-stop shop" for businesses and a clear path to available electronic services with new task-based web pages. This improves the ability of businesses to find and use information and services on the CRA's website.

New Policy on Late Filing

The CRA has instituted a new administrative policy to ensure that the penalties for late-filed information returns are charged in a manner that is both fair and reasonable. Where a business is unable to comply in a timely manner with a reporting obligation related to certain information returns, such as T4s, reduced penalties will be applied when the number of late-filed returns is small.

Extending Hiring Credit

Budget 2012 extends the Hiring Credit for Small Business of up to \$1,000 per employer for another year. A credit of up to \$1,000 against a small employer's increase in its 2012 EI premiums over those paid in 2011 will be provided. This temporary credit is available to employers whose total EI premiums were at or below \$10,000 in 2011. The CRA will continue to automatically calculate the Hiring Credit for Small Business for eligible employers.

Canada Pension Plan (CPP)

Federal, provincial, and territorial Ministers of Finance have completed their 2010-2012 triennial review of the CPP. It confirmed the financial sustainability of the CPP Fund for at least the next 75 years at the current contribution rate on pensionable earnings of 9.9 per cent (4.95 per cent employee and employer). There will be no immediate change to the CPP contribution rates. The Year's Maximum Pensionable Earnings will continue to change annually based on the economic indicators used to determine its value.

Employment Insurance (EI)

In 2011 and 2012, the government limited the maximum annual premium rate change to 5 cents - a full 10 cents lower than the allowable annual increase. The government will introduce legislation to ensure predictability and stability on the EI premium rate.

Over the next few years, the Canada Employment Insurance Financing Board will continue to set the rate, but the government will limit rate increases to no more than 5 cents each year until the EI Operating Account is balanced. The Maximum Insurable Earnings (MIE) will continue to change annually based on the economic indicators used to determine its value.

A new national EI pilot project is proposed in Federal Budget 2012 that will ensure claimants are not discouraged from accepting work while receiving EI benefits. This new pilot project will cut the current clawback rate in half

and apply it to all earnings made while on claim. This new pilot will ensure that EI claimants always benefit from accepting work by enabling them to keep more what they earn while on EI and supporting their search for permanent employment.

Beginning in April 2013, all claimants will have their EI benefit calculated based on the highest weeks of earnings over the preceding year. The number of weeks that will be used will range from 14 to 22, depending on the unemployment rate in the particular EI region. While this new approach is being put in place, the current Best 14 Weeks pilot project will be extended until April 2013.

Pooled Registered Pension Plans

On November 17, 2011, the federal government introduced the Pooled Registration Pension Plans Act (PRPP Act). PRPPs will provide a new, accessible, large-scale, and low-cost pension option to employers, employees, and the self-employed. The PRPP Act will apply to employees in industries that are federally regulated. Provinces must introduce enabling legislation in their own jurisdictions to make PRPPs available throughout Canada. Provinces are responding in a variety of ways.

Wage-Loss Replacement Plans

To provide for more neutral and fair tax treatment of beneficiaries under a group sickness or accident insurance plan, Budget 2012 proposes to include the amount of an employer's contributions to a group sickness or accident insurance plan in an employee's income for the year in which the contributions are made to the extent that the contributions are not in respect of a wage-loss replacement benefit payable on a periodic basis.

For more information on the Federal Budget Review and its impact on payroll, please visit the Canadian Payroll Association's website at www.payroll.ca.

To view the Economic Action Plan 2012 in its entirety, please visit the Budget 2012 website at <http://www.budget.gc.ca/2012/home-accueil-eng.html>.

What's Up?

Come and stop by our booth at these upcoming conferences and tradeshow:

April 22

SHHA Saskatchewan Hotel & Hospitality Expo
Tradeshow: April 22, 11:30 AM - 6:00 PM
Saskatoon Inn Hotel & Conference Centre
Saskatoon, SK
www.hotelsofsask.com

May 24-26

The BC Chamber of Commerce AGM and Conference
Tradeshow: May 24, 9:00 AM - 5:00 PM;
May 25, 8:00 AM - 5:00 PM; May 26,
8:00 AM - 12:15 PM
Penticton Trade & Convention Centre
Penticton, BC
www.bcchamber.org

July 3

The Canadian Payroll Association
30th Annual Conference & Tradeshow
Tradeshow: July 3, 9:00 AM - 5:00 PM
Ottawa Convention Centre
Ottawa, ON
www.payroll.ca

At the CPA Conference, Payworks is sponsoring the Canadiana Snack Food Break, which takes place on Tuesday, July 3 from 2 PM - 4 PM.

