

To our valued clients,

The Dental Care Measures Act legislation requires employers to report on a tax slip whether an employee, former employee, or a spouse of a deceased employee was eligible on December 31 of the reporting tax year, to access dental insurance or dental coverage of any kind, due to current or former employment. As a result, CRA has updated T4 reporting requirement. You may be aware that they have added a new box 45 to address Employer offered dental benefits.

New box added:

- Employer-offered dental benefits - T4 slip, box 45

According to the CRA, for the taxation year 2023 and following years, the employer must indicate if they provided or did not provide access to any dental care insurance or for coverage of dental services of any kind to an employee.

The appropriate code from the following list indicates the level of access to services you (the employer) provides:

1. No dental insurance or coverage of any kind
2. Payee (Single/Member Coverage)
3. Payee, spouse and dependent children (Family coverage)
4. Payee and their spouse (Couple only coverage)
5. Payee and their dependent children (Family coverage)

In order to help make this a seamless transition, we will be taking the approach of adding the code to the CRA Business number set up.

Once your software is updated and BEFORE you run T4's, please edit your business number and assign the codes appropriate for your company.

Example:

If the Employer has a Full Rate business account:

- Employer has no dental plan and does not offer any dental benefits to employees (Code 1)
- Employer has a dental plan available to all employees. (Regardless if employee takes it) Would more than likely be a code 3 (most companies dental plans cover the entire family, but if you only offer reduced plans like employee only etc. - see the table above).

If the Employer has a Reduced Rate business account:

- Employer has no dental plan and does not offer any dental benefits to employees (Code 1)
- Employer has a dental plan available to all employees. (Regardless if employee takes it) Would more than likely be a code 3 (most companies dental plans cover the entire family, but if you only offer reduced plans like employee only etc. - see the table above).

* For example, an employer may offer coverage Code 3 (which covers the employee, their spouse and dependants). However the employee has only selected single coverage. Regardless, Code 3 is entered because that is the level of dental coverage offered by the employer.

In the same respect an employee that was terminated in the year, and on December 31, 2023 does not have any dental coverage available from the same employer would be a Code 1. The system has been programmed to automatically create a terminated employee's T4 as a code 1. If this needs to be changed it will be available to be edited in the Year End.

What we need from you:

If you are a Full-Service client, we need to know if you offer a dental plan, and if so what is the best plan offered to staff. See table above. Please send this information to your eNETEmployer Services representative as soon as possible or make sure you have made the changes before you create your 2023 T4's. If you do not complete this information on Box 45 of the T4, you may be subject to substantial CRA penalties.

If you are a Partial-Service or Self-Service client (i.e. you calculate/process your own payroll), you will need to make your entry in the *Current Payroll - Business Accounts* screen (see below).

The screenshot shows a web application interface for payroll processing. At the top, there are navigation tabs: Employer, Payroll, HR, Time, Schedule, Recruitment, Inbox, Messaging, and Log Out. Below these, the user is logged in as 'admin@demo2021' and is viewing 'Current Payroll: DemoCo 2021' with filters for 'Employee', 'Payroll Processing', and 'Year End'. The main section is titled 'Current Payroll: DemoCo 2021 - Business Accounts (Default View)'. It features a toolbar with buttons for 'Save', 'New', 'Reduced Rate', 'Delete', 'Reload', 'Tools', and 'Help'. Below the toolbar is a search bar and a table. The table has columns: Type, Bus No., RP/TQ, E.I. Rate, Dental benefits, and Description. A single row is visible with the following data: Type: Full Rate, Bus No.: 123456782, RP/TQ: 0001, E.I. Rate: 1.4, Dental benefits: 1 - No dental insurance or coverage of any kind, Description: Full Rate. A dropdown menu is open for the 'Dental benefits' column, showing a list of options: 1 - No dental insurance or coverage of any kind, 2 - Payee (Single/Member Coverage), 3 - Payee, spouse and dependent children (Family coverage), 4 - Payee and their spouse (Couple only coverage), and 5 - Payee and their dependent children (Family coverage). The table footer indicates '1 rows found, displaying from 1 to 1. Page 1 / 1.'