



Canada Revenue  
Agency

Agence du revenu  
du Canada

# Payroll Deductions Supplementary Tables

## Ontario

Effective  
January 1, 2016

**Note**

You must look up amount in two tax deductions tables – a federal table and a provincial table.

## What's new as of January 1, 2016

The major changes made to this guide since the last edition are outlined.

This guide reflects some income tax changes recently announced which, if enacted as proposed, would be effective January 1, 2016. At the time we published this guide, some of these proposals had not yet become law. We recommend that you use the new payroll deductions tables in this guide for withholding starting with the first payroll in January 2016.

The changes to the federal income tax rates and thresholds for January 1, 2016 are:

- a tax rate of 20.5% for the income threshold of \$45,282.01 to \$90,563.00;
- a tax rate of 33% for the income threshold of \$200,000.01 and over.

The federal income tax thresholds have been indexed for 2016.

The federal Canada employment credit has been indexed to \$1,161 for 2016.

The federal basic personal amount, the spouse or common-law partner amount and the amount for an eligible dependant have been indexed to \$11,474 for 2016.

There are changes to the Ontario income tax rates and thresholds for 2016.

The provincial personal amounts, surtax thresholds and tax reduction amounts have been indexed for 2016.

### Payroll Deductions Tables

You can download guides T4008, *Payroll Deductions Supplementary Tables*, and T4032, *Payroll Deductions Tables*, from our webpage at [www.cra.gc.ca/payroll](http://www.cra.gc.ca/payroll). You can also choose to print only the pages or information that you need.

Guide T4032, *Payroll Deductions Tables*, is also available on CD for use on any computer with or without Internet access. You can order a copy at [www.cra.gc.ca/orderforms](http://www.cra.gc.ca/orderforms) or by calling **1-800-959-5525**.

Paper copies remain available for employers who do not use a computer. To get a copy, call us at **1-800-959-5525**.

### Payroll Deductions Online Calculator

For your 2016 payroll deductions, you can use our Payroll Deductions Online Calculator (PDOC). This online calculator makes it easier to calculate payroll deductions. PDOC is available at [www.cra.gc.ca/pdoc](http://www.cra.gc.ca/pdoc).

### Let us notify you

We provide an electronic service that can notify you immediately, **free of charge**, of any changes for payroll deductions.

To subscribe, visit our webpage at [www.cra.gc.ca/lists](http://www.cra.gc.ca/lists) and enter your business's email address for each mailing list that you want to join.

## Special Notice

### Payroll Deductions Tables (T4032)

Effective with the January 1, 2017 edition, the Canada Revenue Agency will no longer publish the paper and CD versions of the guide T4032, *Payroll Deductions Tables*. The electronic version of the guide will continue to be available at [www.cra.gc.ca/payroll](http://www.cra.gc.ca/payroll). For employers who do not have access to a computer, please call **1-800-959-5525** to receive a copy of the guide,

## Table of contents

	<b>Page</b>
<b>A</b>	
<b>What's new as of January 1, 2016</b> .....	<b>A-1</b>
Payroll Deductions Tables .....	A-1
Payroll Deductions Online Calculator .....	A-1
Let us notify you .....	A-1
<b>General information</b> .....	<b>A-3</b>
<b>Claim codes</b> .....	<b>A-3</b>
Explanation of claim codes.....	A-3
Claim code 0 .....	A-3
Claim codes 1 to 10 .....	A-3
Indexing of claim codes amounts .....	A-3
Chart 1 - 2016 federal claim codes.....	A-4
Chart 2 - 2016 Ontario claim codes .....	A-4
Employment income from all sources .....	A-4

This guide uses plain language to explain the most common tax situations. If you need more help, contact your tax services office.

## General information

This guide is a supplement to the guide T4032, *Payroll Deductions Tables*. See the *Payroll Deductions Tables* for your province or territory if you need more information about:

- what's new for January 1, 2016;
- how to calculate tax deductions when you cannot use the tables;
- how to deduct income tax, Canada Pension Plan (CPP) contributions, and Employment Insurance (EI) premiums; and
- the payroll deductions required for pay periods other than those included in this guide.

For information on deducting, remitting, and reporting payroll deductions, refer to the following employers' guides:

- T4001, *Employers' Guide – Payroll Deductions and Remittances*
- T4130, *Employers' Guide – Taxable Benefits and Allowances*
- RC4110, *Employee or Self-employed?*
- 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*

You can download and print a copy of the above noted guides. Our guides are available from our webpage at [www.cra.gc.ca/payroll](http://www.cra.gc.ca/payroll). You can also use the **Payroll Deductions Online Calculator** free of charge.

### Note

You may also want to keep the 2015 edition of this guide until the end of 2016. These tables may help you resolve any pensionable and insurable earnings review (PIER) deficiencies that may arise after we have processed your 2015 T4 return.

## Claim codes

You may have to ask your employees or your pensioners to complete a federal and a provincial personal tax credits return using a federal Form TD1 and a provincial Form TD1.

The total personal amount an employee claims on a TD1 form will determine which claim code you use. For 2016, the claim amounts that correspond to the federal claim codes are not the same as the claim amounts that correspond to the provincial claim codes. See Chart 1 and Chart 2.

The claim codes and corresponding amounts do not appear on either the federal or the provincial TD1 form.

### Explanation of claim codes

#### Claim code 0

This code represents **no claim amount**. If the federal claim code is "0" because the employee is a non-resident, the provincial claim code must also be "0." This code may also be used if the employee indicated they have more than one employer or payer at the same time and have entered "0" on the front page of Form TD1 for 2016.

#### Claim codes 1 to 10

You match the total claim amount reported on your employee's or pensioner's TD1 forms with the appropriate claim codes. Then, you look up the tax for the employee's pay under the claim code in the federal and provincial tax tables for the pay period.

#### Indexing of claim codes amounts

The credits that apply to each federal and provincial claim code have been automatically increased in the tax tables by the indexing factor for the current year. If your employee did not complete the federal and provincial TD1 forms for 2016, you continue to deduct income tax using the same claim code that you used last year.

<b>Chart 1 – 2016 federal claim codes</b>	
<b>Total claim amount (\$)</b>	<b>Claim code</b>
No claim amount	0
11,474.00	1
11,474.01 to 13,666.00	2
13,666.01 to 15,858.00	3
15,858.01 to 18,050.00	4
18,050.01 to 20,242.00	5
20,242.01 to 22,434.00	6
22,434.01 to 24,626.00	7
24,626.01 to 26,818.00	8
26,818.01 to 29,010.00	9
29,010.01 to 31,202.00	10
31,202.01 and over	X The employer has to calculate the tax manually
No withholding	E

<b>Chart 2 – 2016 Ontario claim codes</b>	
<b>Total claim amount (\$)</b>	<b>Claim code</b>
No claim amount	0
10,011.00	1
10,011.01 to 12,168.00	2
12,168.01 to 14,325.00	3
14,325.01 to 16,428.00	4
16,428.01 to 18,639.00	5
18,639.01 to 20,796.00	6
20,796.01 to 22,953.00	7
22,953.01 to 25,110.00	8
25,110.01 to 27,267.00	9
27,267.01 to 29,424.00	10
29,424.01 and over	X The employer has to calculate the tax manually
No withholding	E

### **Employment income from all sources**

On the federal and provincial TD1 forms, under the heading “Income from other employers or payers,” employees can indicate that their expected employment income from all sources will be less than their total claim amount. If an employee states that his or her total expected income will be less than the “Total claim amount” of the TD1 forms, do not deduct any federal or provincial tax.

However, as an employer, if you know that this statement is false, you must deduct federal and provincial tax from the salary. Deduct tax according to the claim code that applies to the “Total claim amount” of the TD1 forms.

It is a serious offence to knowingly accept a Form TD1 that contains false or deceptive statements. If you are not sure a statement is true, contact your tax services office for advice.