



Canada Revenue
Agency

Agence du revenu
du Canada

Payroll Deductions Supplementary Tables

Ontario

Effective
September 1, 2014

Do not discard the January 1, 2014 publication.

The CPP and EI tables have not been reproduced in this publication.

What's new as of September 1, 2014

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

This publication reflects some income tax changes recently announced which, if enacted as proposed, would be effective September 1, 2014. At the time we published this publication, some of these proposals had not yet become law. We recommend that you use the new payroll deductions tables in this publication for withholding starting with the first payroll in September 2014.

The changes to the Ontario income tax rates and thresholds for September 1, 2014 are:

- Lower the taxable income threshold for the 13.16% tax rate from \$514,090 to \$220,000; and
- Add a new tax rate of 12.16% on taxable income between \$150,000 and \$220,000.

The Ontario budget tabled on July 14, 2014 announced that effective January 1, 2014; the province will change the tax rates. Since some employees have been taxed at a different rate for the first eight months, a prorated tax rate will apply for the remaining four months; commencing with the first payroll in September.

Payroll Deductions Tables

You can download Publications T4008, *Payroll Deductions Supplementary Tables*, and T4032, *Payroll Deductions Tables*, from our Web page at www.cra.gc.ca/payroll. You can also choose to print only the pages or information that you need.

Publication 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 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 2014 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.

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 Web page at www.cra.gc.ca/lists and enter your business's email address for each mailing list that you want to join.

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Canada Pension Plan Contributions Tables

The CPP tables are not part of this file. However, they are available on our Web site.

C

Employment Insurance Premiums Tables

The EI tables are not part of this file. However, they are available on our Web site.

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

General information

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

- n what's new for January 1, 2014;
- n how to calculate tax deductions when you cannot use the tables;
- n how to deduct income tax, Canada Pension Plan (CPP) contributions, and Employment Insurance (EI) premiums; and
- n the payroll deductions required for pay periods other than those included in this publication.

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

- n T4001, *Employers' Guide – Payroll Deductions and Remittances*
- n T4130, *Employers' Guide – Taxable Benefits and Allowances*
- n RC4110, *Employee or Self-employed?*
- n RC4120, *Employers' Guide – Filing the T4 Slip and Summary*
- n 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 publications are available from our Web page at 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 2013 edition of this publication until the end of 2014. These tables may help you resolve any pensionable and insurable earnings review (PIER) deficiencies that may arise after we have processed your 2013 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 2014, 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 allowed**. If the federal claim code is "0" because the employee is a non-resident, the provincial claim code must also be "0."

Claim codes 1 to 10

You match the total claim amount reported on line 12 of 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 2014, you continue to deduct income tax using the same claim code that you used last year.

Chart 1 – 2014 federal claim codes	
Total claim amount (\$)	Claim code
No claim amount	0
11,138.00	1
11,138.01 to 13,266.00	2
13,266.01 to 15,394.00	3
15,394.01 to 17,522.00	4
17,522.01 to 19,650.00	5
19,650.01 to 21,778.00	6
21,778.01 to 23,906.00	7
23,906.01 to 26,034.00	8
26,034.01 to 28,162.00	9
28,162.01 to 30,290.00	10
30,290.01 and over	X The employer has to calculate the tax manually
No withholding	E

Chart 2 – 2014 Ontario claim codes	
Total claim amount (\$)	Claim code
No claim amount	0
9,670.00	1
9,670.01 to 11,753.00	2
11,753.01 to 13,836.00	3
13,836.01 to 15,919.00	4
15,919.01 to 18,002.00	5
18,002.01 to 20,085.00	6
20,085.01 to 22,168.00	7
22,168.01 to 24,251.00	8
24,251.01 to 26,334.00	9
26,334.01 to 28,417.00	10
28,417.01 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” on line 12 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” on line 12 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.