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Canadian Payroll Association Commends Government for E-T4 Enhancements That Reduce Red Tape

Red Tape Awareness Week Highlights Government Wins and Opportunities

Toronto (January 22, 2018) — This week, January 22-26, 2018, the [Canadian Payroll Association](#) (CPA) supports the ninth annual Red Tape Awareness Week™, the Canadian Federation of Independent Business (CFIB) initiative to control regulatory red tape on a permanent basis.

The Federal Government made huge strides to reduce organizational red tape related to payroll administration in the 2017 Budget when Finance Minister Bill Morneau introduced measures that enable employers to save over \$100 million annually by providing electronic T4s (e-T4s) to employees as the standard delivery method with no additional costs to the government.

This legislative change follows more than six years of advocacy by the CPA in support of electronic tax form distribution. It is part of the CPA's advocacy mandate to improve the efficiency and effectiveness of payroll administration for all stakeholders.

“The CPA commends the government’s legislative change which now enables employers to provide electronic T4s to employees as the standard practice,” says Patrick Culhane, President of the Canadian Payroll Association. “This change negates the need for distributing and storing 20 million paper T4 slips for employees who do not require a paper copy, significantly reducing red tape.”

The e-T4 success also resulted in electronic Relevé s (e-RL-1s) moving forward in Quebec as a harmonization measure with the Federal government. This advocacy achievement was a result of significant influence by the CPA on both Revenu Québec (RQ) and the Quebec Ministry of Finance, and resulted in the Quebec government recognizing eRL-1s as a more efficient and effective employer distribution method compared to paper slips to employees. Additionally, Quebec’s harmonization measure will save employers an additional \$27.5 million annually.

Current government data shows that 84% of Canadians file their personal tax returns electronically with the Canada Revenue Agency (CRA), so there is no need for employers to administer, print, mail and file over 20 million paper T4 slips that are not used.



Since Budget 2010, the [Canadian Payroll Association](#) has supported the federal government's paper- and cost-saving initiative that employers filing more than 50 information slips must provide T4s to the Canada Revenue Agency (CRA) using the Internet. This has saved the CRA and the government hundreds of millions of dollars. Employers can now harness the same efficiencies by distributing the employee's copy of the T4 electronically as the standard delivery method.

"In the CPA's numerous consultations with government representatives during the last six years, we have provided fact-based market research to outline the benefits of e-T4s for all stakeholders," says Rachel De Grâce, Director, Advocacy and Legislative Content with the Canadian Payroll Association. "We look forward to continuing our work with the government to significantly reduce red tape for employers, particularly in the area of EI modernization."

According to research by Statistics Canada and CFIB, employment insurance (EI) administration remains in the top three most burdensome requirements for employers. The CPA has provided input to Service Canada on the high level of administrative burden for employers, particularly related to the Record of Employment (ROE). The CPA supports the Federal Government's Service Quality Review (SQR) Panel recommendation of a real-time payroll information-sharing solution to eliminate the ROE, reduce the reporting burden on employers, simplify the EI application process for employees, and increase the government's accuracy of EI processing.

The CPA appreciates CFIB's ongoing efforts to keep red tape reduction top of mind through this initiative. CFIB research shows that regulation from all levels of government cost Canadian businesses \$36 billion in 2017, with red tape accounting for \$10 billion of that total. Red tape reduction benefits all stakeholders including the government and public and private sector organizations, particularly small businesses.

About the Canadian Payroll Association:

Canada's 1.5 million employers rely on payroll practitioners to ensure the timely and accurate annual payment of \$929 billion in wages and taxable benefits, \$310 billion in statutory remittances to the federal and provincial governments, and \$180 billion in health and retirement benefits, while complying with more than 200 federal and provincial regulatory requirements. Since 1978, the Canadian Payroll Association (CPA) has annually influenced the payroll compliance practices and processes of over five hundred thousand organizational payrolls. As the authoritative source of Canadian payroll compliance knowledge, the CPA promotes payroll compliance through advocacy and education. For more information on the Association's [Professional Development Seminars](#), [Certification Programs](#), and the [Benefits of Membership](#) visit [payroll.ca](#).

Contact: Alison Rutka, Communications Specialist, alison.rutka@payroll.ca or 416-487-3380 x 125

