GrandMaster® Suite

How to Use GrandMaster Suite

Provincial Health

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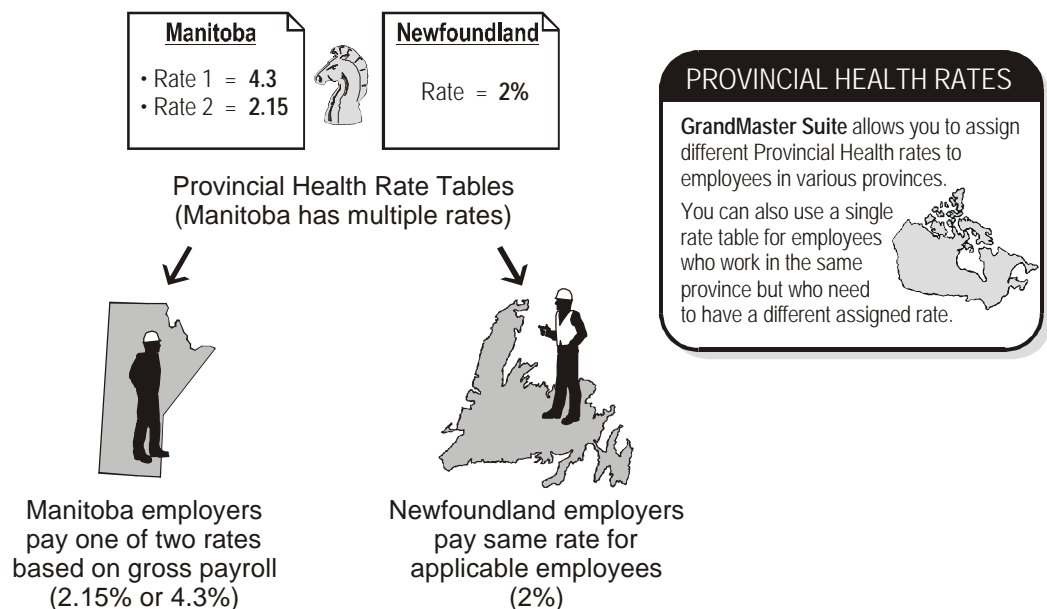
How to Use GrandMaster Suite - Provincial Health

Overview

Manitoba, Newfoundland, Ontario and Quebec each require employers to pay a payroll-related levy to help fund their provincial health care systems. In general, the levies apply to total taxable income paid to employees who report for work at the employer's place of business in the province. It also applies to employees who are not required to report to the employer's business establishment in the province, but who are paid from or through the employer's place of business in the province.

As a result, if an employer subject to a provincial health-related levy continues to pay salary and wages to a terminated employee, the employer will have to include the salary and wages when calculating the total amount of payroll subject to the levy.

Manitoba

• Rate 1 = **4.3**
• Rate 2 = **2.15**

Newfoundland

Rate = **2%**

Provincial Health Rate Tables
(Manitoba has multiple rates)

PROVINCIAL HEALTH RATES

GrandMaster Suite allows you to assign different Provincial Health rates to employees in various provinces.

You can also use a single rate table for employees who work in the same province but who need to have a different assigned rate.

Manitoba employers
pay one of two rates
based on gross payroll
(2.15% or 4.3%)

Newfoundland employers
pay same rate for
applicable employees
(2%)

Transferred and Cross-Province Employees

Employees who transfer from one jurisdiction to another must enroll in the health plan of the new province/territory. Employees traveling on business or on vacation in another jurisdiction are entitled to out-of-province/territory benefits from the province/territory in which they reside.

Why do I need to apply Provincial Health Settings?

Provincial Health settings are required in order for your payroll to comply with provincial and territorial legislation. GrandMaster Suite requires these values when calculating each payroll.

Provincial Health settings must be completed to activate the calculation. In turn, these settings will generate an employer cost that will appear as a statutory benefit on each employee's payroll register.

How does it work in GrandMaster Suite?

Each time you calculate a payroll, GrandMaster Suite references each employee's tax province along with the province's assigned provincial health values. The program uses these values to apply each employee the appropriate rate in the table.

Multiple rate tables can be setup for employees that work in different provinces. For example, if your company employs contractors who work both in Manitoba and Ontario, you may have the Manitoba workers assigned rates from a Manitoba-only table and the Ontario workers from a separate table. When defining the information for these employees, you would simply assign either the appropriate rate from the table.

Working at the Payroll Level

When you begin working with Provincial Health settings, you do so at the Payroll level via the *Provincial Health Settings* dialog box. This is where you define such items as the record's start and end dates and varying rates.

Later on, once the settings are in place, you can move to the employee level to assign it to each employee (or change it on a per-employee basis).

Defining Provincial Health Settings at the Payroll Level

Generally, most users define their company's Provincial Health settings as they create the payroll. The following section assumes your payroll is already created and you are creating a new Provincial Health record for your employees' province.

TO DEFINE PROVINCIAL HEALTH SETTINGS AT THE PAYROLL LEVEL

1. Ensure your payroll is open and ready for use. You can tell if you have a payroll selected because its name will appear in the center of the *Payroll Module*.

2. Choose the *Payroll - Provincial Health* command. This opens the *Provincial Health* dialog box.
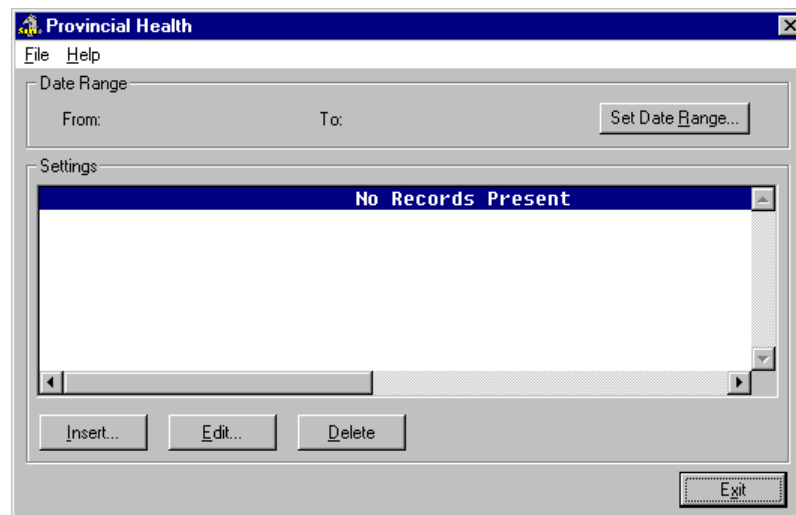

Fig. 1
The Provincial Health Dialog Box with no Records

3.   Select the *Insert* button. This opens the *Insert New Province* dialog box where you must specify the province where the employee reports for work. If your company has employees that work in different provinces, you will need to set up a record for each province (i.e. complete steps 2 through 8 for each province).
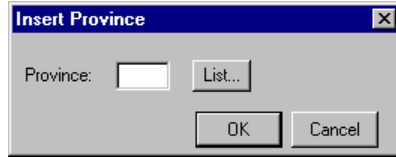

Fig. 2
The Insert Province Dialog Box.

4.   Enter a two-character province code (or choose the *List* button icon and select a province from the list provided) then click *OK*. This opens the *Provincial Health Settings* dialog box. This dialog box is used to define the record's start/end dates and varying rates.
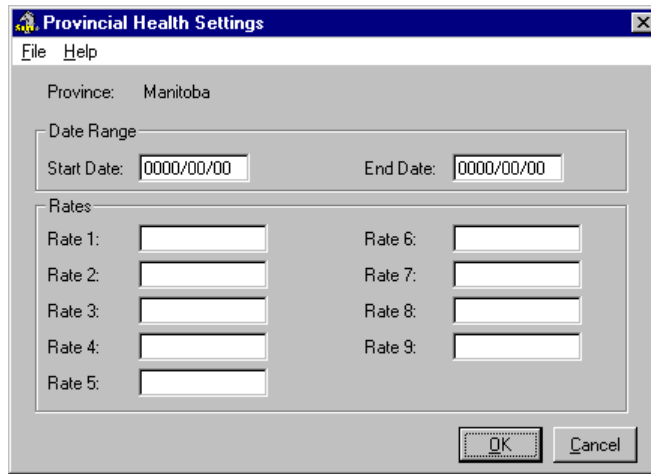

Fig. 3
The Provincial Health Settings Dialog Box.

5.   In the *Start Date* field, enter the day of the year on which the record should begin calculating. This is generally set to January 1 of the current year. If your province undergoes a rate change in the middle of the year, you can start the record on the new date (provided you have finished processing your payroll for the last month with the old rate).

The correct date format is YYYY/MM/DD.

6.   In the *End Date* field, enter the day of the year on which the record should cease calculating. This is generally set to December 31 of the current year.

Note: End Dates - It is not necessary to enter an End Date if there has been no change in the rate for some time. However, if a provincial budget has altered the rate, you should define an End Date for one record, then create another record with the new rate and its corresponding Start Date.

The Provincial Health settings cease calculation according to the expiration date defined in the *End Date* field. Once the *End Date* is reached, the program will cease processing the benefits and they will not be calculated unless there is another record beginning the following day.

If you are advised of Provincial Health rate changes partway through the year, simply insert a new record with the corresponding start and end dates.

Note: Retaining Prior History - If you maintain the rate schedule by date, GrandMaster Suite will be able to retain the history of rates that have been previously paid.

7. Enter your Provincial Health rates in order, beginning with *Rate 1*. If your assigned rate were one and one half percent, you would enter *1.5* in the field. Although each employee's default Provincial Health setting will be his or her tax province, it is still necessary to assign a rate code for each.

In our example, we have entered two rates in the table. The second rate will be used later in this guide.

Note: Multiple Provincial Health Rates - Rates specifications vary by province with certain provinces/territories requiring no rate at all. For example, Manitoba's 2004 rate is set at 4.3% for employers with a gross annual payroll between $1 million and $2 million dollars. A second rate of 2.15% is applied for employers with gross annual payrolls of $2 million dollars or more.

Fig. 4
A Completed Provincial Health Settings Dialog Box with Two Rates

8. Click *OK* to accept your changes. This closes the dialog box and returns you to the *Provincial Health* dialog box. Your new record is now displayed in the list.
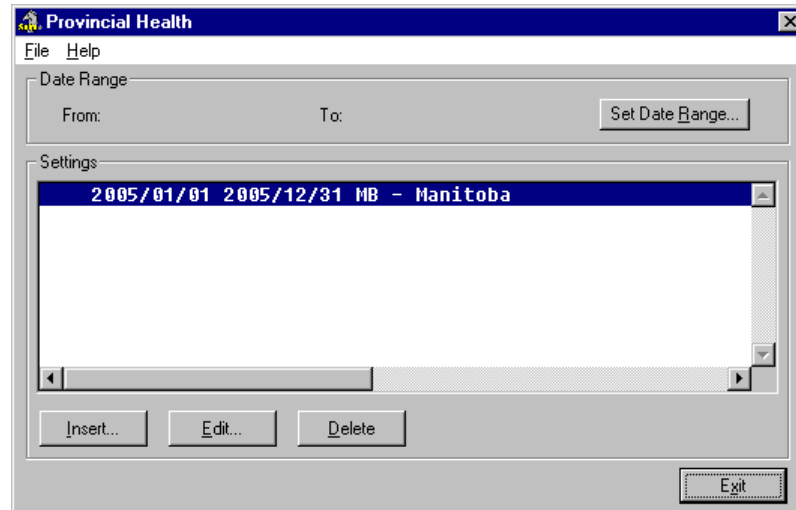
Fig. 5
The Newly Created Provincial Health Record

9. Repeat step 3 through 8 for each province, based on your company's requirements.

Working at the Employee Level

Provincial Health settings made earlier at the Payroll level need not apply to all employees, but rather can be modified as required on a per-employee basis. This is especially useful since the Provincial Health settings you define at the Payroll level are subsequently set as the default for each employee that you add.

Employee-level modification ensures that you can change it for a given employee without affecting the other employees in the payroll.

Modifying Provincial Health Settings at the Employee Level

GrandMaster Suite allows you this flexibility via a command under the *Employee Module's* **Data** menu. The next section will discuss how to perform two types of rate modifications; using a different table rate and defining a unique rate for a single employee.

TO MODIFY A PROVINCIAL HEALTH TABLE RATE AT THE EMPLOYEE LEVEL

1. Open the *Employee Module* and select the employee to which you would like to assign the rate. You can open an employee using the **Employee - *Open*** command or by choosing the *Previous, Next* or *List Employee Icons* until the desired employee's name appears in the title bar.

Fig. 6
The Previous, Next and List Employee Icons

2. Once the employee is selected, choose the *Payroll Specific Info* command from the **Data** menu.
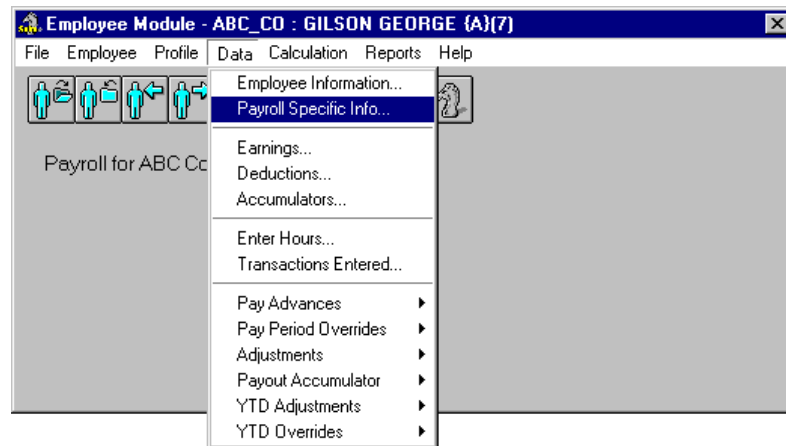
Fig. 7
The Payroll Specific Info Menu Command

This opens the *Payroll Specific Information* dialog box that allows you to define a wide variety of payroll-related data for the employee. For this lesson, we will only require the use of the *Provincial Information* tab needed to adjust the employee's Provincial Health rate.

3.   Choose the *Provincial Information* tab then place the cursor in the *Health Information* section's *Rate Code* field and enter **2**. This instructs the program to use the rate located in the second field as defined in the *Provincial Health Settings* dialog box in the *Payroll Module* (see **Fig. 4** in the previous section of this guide)
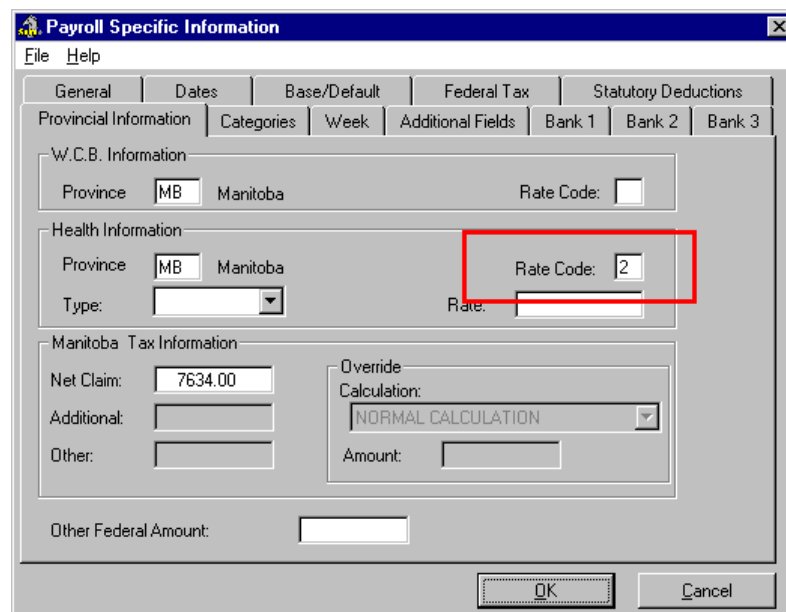

Fig. 8
Rate Code 2 Assigned to the Employee

4.   Click *OK* to close the *Payroll Specific Information* dialog box. This returns you to the *Employee Module* window.

Now we can verify our rate change. You can do this in multiple ways (e.g. running a pay, creating a report, etc.). We will verify the rate change by simply viewing the employee's payroll profile.

5. Choose the *Employee Profile* command from the **Profile** menu then choose the *Province* tab. This displays the provincial regulations that apply to the current employee.
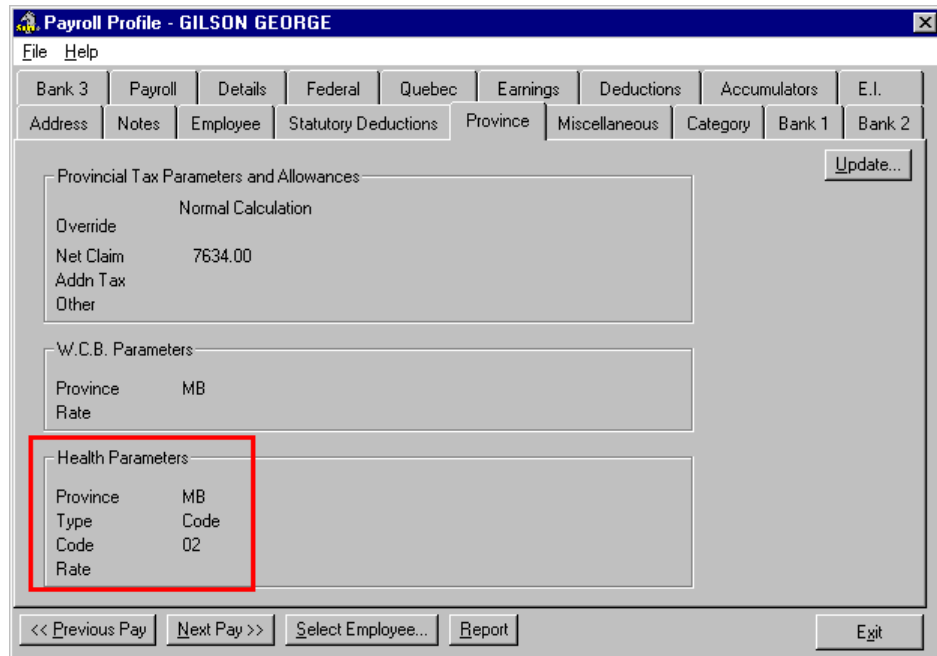

Fig. 9
The Payroll Profile's Province Tab Shows the Employee's Assigned Provincial Health Code

6. Move to the *Health Parameters* section and view the number in the *Rate* section. It will correspond to the number you just assigned. In the example above, the employee will be assigned rate 2.

    Notice also that the *Type* label is shown as "Code". This indicates that this employee's Provincial Health setting is based on a pre-defined rate code. The next part of this lesson will discuss how to override this setting so that it uses a rate instead.

7. Close the dialog box once you have completed reviewing the employee's information.

TO ASSIGN A PROVINCIAL HEALTH VALUE AT THE EMPLOYEE LEVEL

1. With the *Employee Module open on the screen,* choose the **Payroll Specific Info** command from the **Data** menu.
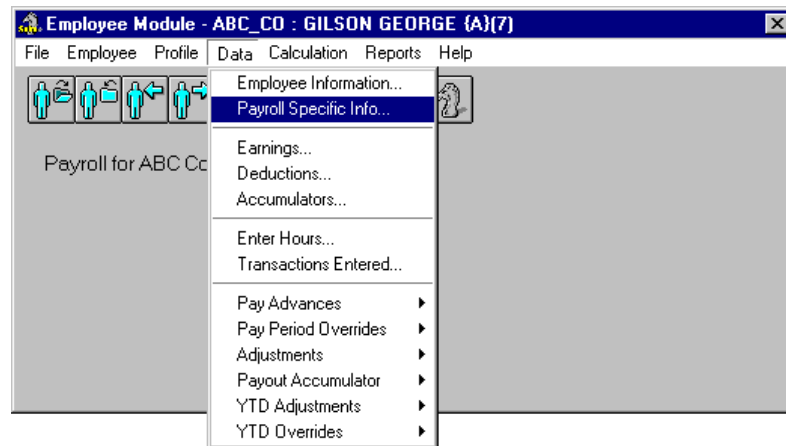
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Fig. 10
The Payroll Specific Info Menu Command

2. Choose the *Provincial Information* tab then click on the *Type* list located in the *Health Information* section. This opens the drop down list and displays the two methods you can use to apply the employee's Provincial Health amount.
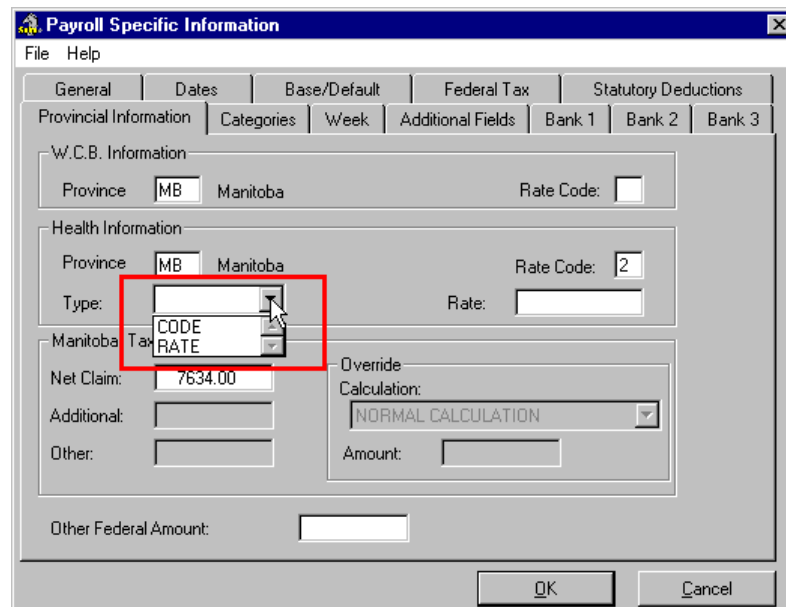

Fig. 11
The Type List Provides Two Methods

3. Choose the *Rate* option from the list. This disables the *Rate Code* field, indicating that the assigned rate will not be used. Instead, the program will require a specific value (that you will enter in the following step).
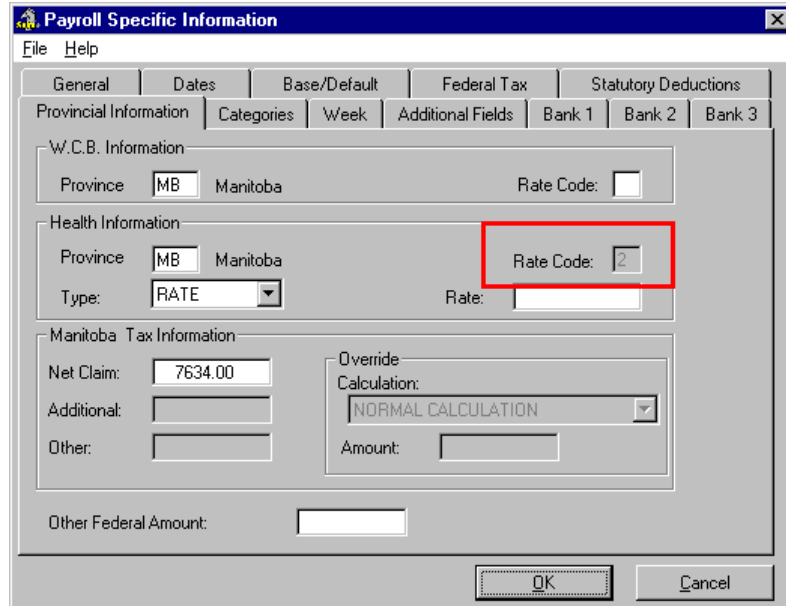
Fig. 12
The Code Field is Disabled when Using the Rate Method

4.   Place the cursor in the *Rate* field and enter **4.3**. This instructs the program to use this specific rate when calculating the employee's Provincial Health. All other Provincial Health settings will be overridden as this rate is used.
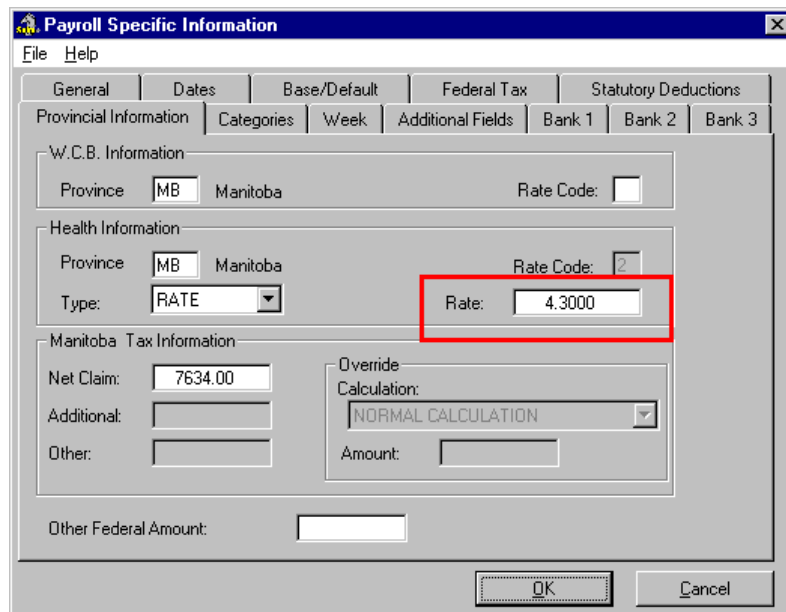

Fig. 13
The Rate Field Value Overrides All Other Settings

Now we will verify our rate change once more via the employee's payroll profile.

5.   Click *OK* to close the *Payroll Specific Information* dialog box then choose the ***Employee Profile*** command from the **Profile** menu.

6.   Select the *Province* tab then move to the *Health Parameters* section and notice how the number beside the *Rate* label corresponds to the value you just assigned (4.3%).

Notice also that the *Type* label is shown as "Rate". This indicates that this employee's Provincial Health setting is based on a user-defined rate.

Fig. 14
The Payroll Profile's Province Tab Shows the Employee's Provincial Health Rate

7. Close the dialog box once you have completed reviewing the employee's information.

When is the Best Time to Set Up This Feature?

The optimal time to define Provincial Health settings is as you create your payroll. This ensures that when you begin adding your employees to the payroll (later on), the settings are ready to be applied as required.

Frequently Asked Questions

What if my province changes Provincial Health rates in the middle of the year?

If your province undergoes a rate change in the middle of the year, you must create a new Provincial Health record and assign its *Start Date* to correspond with the new date. You must also open the original Provincial Health record (i.e. the old one) and assign it an *End Date* so that the program will cease using the old rate. You should also ensure that you have finish processing your payroll for the last month with the old rate.

How do I set up a Provincial Health Rate for use with a Template?

If you are creating a new template, choose the **Payroll** menu's *Employee Template Processing - Employee Templates* command, choose the *Insert* button and enter a name for the template, then click *OK*. When the *Employee Template Update* dialog box appears, choose the *Setting* tab and enter the corresponding information in the *Health Information* section. The next time you apply this template to an employee, they will have these health settings applied.

If you already have an existing template, simply edit the template, open the *Setting* tab, then enter the corresponding information in the *Health Information* section. All employees that use this template will now have the WCB settings applied.

What considerations are there for setting up yearly rate tables?

When you insert the rate records for each new year, you should ensure that you maintain the same order of rate entries as the original WCB record. For example, if *Rate 1* in 2004 was for job class 41673, Rate 1 in 2005 should also be for job class 41673. Otherwise, you will need to edit the Rate Code for each and every employee that uses the rates.