

Quick facts:

WorkplaceNL Assessable Earnings Including taxable wages and benefits.



Generally all taxable wages and benefits are assessable

The following is a listing of assessable earnings items which are to be reported to WorkplaceNL annually, up to the maximum assessable for the current year. Assessable earnings are to be reported on the Employer Payroll Statement, which is part of the Annual Employer Statements package, which is due on or before February 28th each year.

Assessable earnings include:

1. Regular salary or wages, including retroactive pay increases;
2. Earnings of spouses or family members who have been issued T4s;
3. Casual labour wages;
4. Overtime pay;
5. Vacation pay;
6. Work related and discretionary bonuses;
7. Sick leave earnings - when a worker is receiving sick pay or paid leave for over 13 consecutive weeks, deductions may be made from assessable payroll for the period that is in excess of 13 weeks.
8. Paid maternity and/or parental leave;
9. Commissions from employment;
10. Employees' share of profit sharing;
11. Pre-retirement paid leave;
12. Honorariums;
13. Allowances and remuneration to mayors and members of municipal councils;
14. Wages subsidized through government funding programs that are not covered under WorkplaceNL's blanket policy with the provincial and federal governments.
15. Directors' earnings and directors' fees;
16. Management fees;
17. Contributions that the employer makes to employees' RRSPs;
18. Loan to a director or worker not repaid within 12 months;
19. Dividends paid to shareholders of a firm that are directors or have been deemed to be workers;

20. Trust payments – where a firm pays into a family trust and that trust then pays workers or directors of the firm, the trust payments are assessable;
21. Payments from a holding company – where a holding company's primary operation or course of business is tied to an associated or related operating company, and the workers of the operating company are paid through the holding company, the earnings are assessable;
22. Labour portion of payments to contractors or subcontractors not in good standing or have been deemed to be workers;
23. Pay to employees over and above employment insurance benefits to supplement their income when they are temporarily unemployed. Sometimes an employer will pay a worker who is temporarily laid off, a sum representing the difference between the worker's income while in receipt of employment insurance benefits and regular earnings when employed;
24. Self-funded leaves of absence arrangements – when earnings are deferred for the purpose of a self-funded leave of absence, the earnings should be reported in the years that the worker receives a T4;
25. Other taxable allowances and benefits including, but not limited to, those listed below (generally all taxable benefits are assessable):
 - a. Education allowances – an allowance paid to the employee by the employer to offset the cost of education for his/her child;
 - b. Employer's payment for employee counseling service – a fee paid by the employer to provide services such as financial counseling or income tax preparation for an employee;
 - c. Gifts – either in cash or in kind, given to the employee by the employer;
 - d. Employer's share of premium for employee's life insurance;
 - e. Tips and gratuities,
 - f. Value of holiday trips, other prizes and incentive awards;
 - g. Medical expenses of employee paid by the employer – the amount provided or paid by an employer to pay an employee's medical expenses;
 - h. Employer paid portion of, or allowance given to an employee, to pay into medical care insurance plans and similar Government of Canada plans. If an employee has to pay premiums or contributions to a provincial authority that administers a hospital or medical care insurance plan, or both, and the employer pays all or part of those payments or contributions, the amount paid is the taxable benefit;
 - i. Value of subsidized meals – the benefit is the cost of the meals provided by the employer, minus any payment made by the employee;
 - j. Amount paid by the employer to or on behalf of employees for tuition fees, scholarships and bursaries;
 - k. Housing, board, lodging and cost of living allowances;
 - l. Travel benefits – for example, when a spouse accompanies an employee on a business trip, the amount paid to the employee by the employer to offset the spouse's travel expenses is a benefit;
 - m. Automobile allowance/benefits;
 - n. Stock option benefits – when an employer sells shares to an employee the benefit is the difference between the fair market value of the shares when the employee acquired them, and the amount paid or to be paid for them; and
 - o. Benefits from interest-free or low-interest loans – the benefit is the saving in interest between the rate given the employee and the regular rate.
26. Any other remuneration which WorkplaceNL determines is subject to assessment.