

New reporting requirements for T4's in 2023!

Starting with calendar year 2023 (THIS YEAR!), it is mandatory to report whether employees were eligible to access any dental care insurance or coverage.

Employers must disclose this information in the new Box 45 – Employer-offered dental benefits. Employers will need to be populate Box 45 with a code indicating what category of coverage the employee had access to.

The codes to be used are as follows:

- 1 – Not eligible to access any dental care insurance, or coverage of dental services of any kind.
- 2 – Payee only.
- 3 – Payee, spouse, and dependent children.
- 4 – Payee and their spouse.
- 5 – Payee and their dependent children.

It is important to note that the reporting is based on ACCESS to coverage on December 31 and not whether an employee has chosen dental coverage. Here are a few common examples:

- Your company does not offer any dental benefits to its employees – everyone will be Code 1.
- Your company does offer benefits and spouses are eligible – everyone will be Code 4, even if their spouse has opted out of the coverage or your employee does not have a spouse.
- If the employee is no longer employed on December 31, the box should be left blank.

The above reporting is also required on T4A slips in 2023 using Box 015. The above codes are also applicable to Box 015 on the T4A slip.

For more information:

<https://www.canada.ca/en/revenue-agency/news/newsroom/tax-tips/tax-tips-2023/employers-pension-plan-administrators-changes-coming-t4-t4a-reporting.html>

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/completing-filing-information-returns/t4-information-employers/t4-slip.html>

If you are unsure how the new requirements apply in your individual situation, please reach out to one of our team members.

More than accounting, part of your team.