

Welcome

Welcome to the payroll update procedure for Abacus II. This program updates only the Abacus II payroll programs (and related files). It does not affect programs in other areas of Abacus II.

BEFORE YOU BEGIN YOUR PAYROLL INSTALLATION

Three very important steps to remember before you begin the Payroll Installation are:

- 1) Ensure that you have prepared and posted the last payroll in December
- 2) Make sure you have performed a backup of all the data locations you are going to update.
- 3) Ensure that you turn off your Anti-virus scanning software running in the background.

You are now ready to begin your Payroll Installation.

Note: Please make sure that after you have installed the Abacus payroll update for 2012 that you only enter the Abacus program using a 2012 date and not a 2011 date. This is especially important when you want to run the T4s and any payroll year-end functions.

INSTALLATION From MEMORY STICK or CD ROM

To install the payroll update from a MEMORY STICK or CD ROM:

1. Insert the Memory Stick into the USB Port or the CD into the CD ROM drive:
 - A) If you are running Windows the installation program should automatically start. If Auto run is disabled or the program does not start, open an MS DOS window or Windows Explorer and proceed to step B.
 - B) At the DOS prompt, change to the USB Port/CD ROM drive by entering the drive letter followed by a colon. The USB Port/CD ROM drive is usually D:
Example: D: <enter>
Then enter Jan2012Update <enter> for versions prior to 6.00
Jan2012-600Windows <enter> for version 6.00
Jan2012-610Windows <enter> for version 6.10

OR

Open Explorer, and double click on the JAN2012UPDATE file on the USB/CD ROM drive.

The installation program will:

- Put the compressed program files on your hard drive.
- Decompress the Payroll Conversion program.
- Start the Payroll Conversion program (for versions prior to 6.00). For versions 6.00 or higher, when you enter a wages menu item the update will proceed.

INSTALLATION From Downloaded File

For Versions Prior to the Windows Versions 6.00

To install the payroll update from downloaded file

1. Open Windows Explorer and locate the file downloaded (JAN2012UPDATE.EXE) and double click on the file to start.
2. The file will self extract (Click OK to continue) and start to run.
3. Click "Setup" to Continue.
4. The installation program will start and appear on the screen.

5. Press Enter on "1-Install Payroll Update"
6. The program will search ALL drives for Abacus2 program directories.
7. Answer "Yes" to Install Payroll Update if the directory displayed is correct.
8. You are asked to confirm "Yes" one more time.
9. The update will be installed and you will be asked to "Press Any Key To Start Wage Update Program", press any key on the keyboard.
10. Select each data location one at a time and press enter. NOTE: ONLY UPDATE EACH LOCATION ONCE. IF THE UPDATED COLUMN CONTAINS A "YES", IT HAS ALREADY BEEN UPDATED. DO NOT UPDATE A SECOND TIME.
11. When finished updating the data locations, Press F10-Quit.
12. Select "Q-Quit" to exit the installation program.
13. Your update is now complete.

For Abacus Windows Versions 6.00 & Higher

To install the payroll update from downloaded file:

1. Open Windows Explorer and locate the file downloaded:
 Jan2012-600Windows.exe (version 6.00)
 Jan2012-610Windows.exe (version 6.10)
 double click on the file to start.
2. The file will self extract (Click OK to continue) and start to run.
3. Click "Setup" to Continue.
4. The installation program will start and appear on the screen.
5. Press Enter on "1-Install Payroll Update" and enter the location of the Abacus2 directory
 Or
 Press Enter on "2-Search for Existing Install and the program will search ALL drives for Abacus2 program directories.
6. Answer "Yes" to Install Payroll Update if the directory displayed is correct.
7. You are asked to confirm, "Yes" one more time.
8. After you have updated the program location, Press Enter on "Q-Quit".
9. Login into Abacus and Go into any of the Wages menu selections. If the data location has not been updated, you will be asked to update the current location. Answer "Yes" to update the current location. If you answer "No", you will be presented with a list of all the data locations. Select each data location one at a time and press enter. NOTE: ONLY UPDATE EACH LOCATION ONCE. IF THE UPDATED COLUMN CONTAINS A "YES", IT HAS ALREADY BEEN UPDATED. DO NOT UPDATE A SECOND TIME.
10. When finished updating the data locations, Press F10-Quit.
11. Your update is now complete.

PAYROLL CONVERSION PROGRAM

This is the program that actually updates the Abacus II payroll programs and does any necessary data file conversions. The first screen you are presented with displays the available data locations and their update status. From this screen you select the data location(s) that need to be updated. The first data location the Payroll Conversion program updates will also cause the Abacus II payroll programs to be updated. The payroll programs will not be updated again unless you exit and re-enter the Payroll Conversion program.

Older Versions

The Payroll Conversion program will update the payroll programs and data file structures for Abacus II versions **4.00** and up. **NOTE:** The structure of the program files for payroll has changed. The following five EXE's have been renamed with a 297 extension: ABWA, ABWA1, ABWA2, ABWU, and ABWU1. You may delete these if you wish. There are now two new EXE's called: ABWAGEC.EXE(Canadian) or ABWAGEU.EXE (U.S.A.) and ABCDPY.EXE.

TECHNICAL SUPPORT

If you encounter any problems installing this payroll update or you have a question you can contact Silver Mountain Software Technical Support at: **Phone: 905-853-6922 Fax: 905-853-1709**

Please have your Abacus II serial number available when you call and include it on any correspondence to Silver Mountain Software.

Internet

Silver Mountain Software also can be reached through the Internet, our home page address is:

<http://www.silvermountain.ca>

or email at:

support@silvermountain.ca

Abacus January 2012 Canadian Tax Changes

Revision 1.0

December 20, 2011

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Tax Rate Changes

The changes specified below are required to be changed in Abacus for January 1, 2012.

FEDERAL

1. Tax brackets have changed as follows:

Old Tax Bracket	Old Tax Rate	Old Federal Constant
<= \$41,544	15. %	\$0
> \$41,544 and <= \$83,088	22.0%	\$2,908
> \$83,088 and <= \$128,800	26.0%	\$6,232
> \$128,800	29.0%	\$10,096

New Tax Bracket	New Tax Rate	New Federal Constant
<= \$42,707	15%	\$0
> \$42,707 and <= \$85,414	22.0%	\$2,989
> \$85,414 and <= \$132,406	26.0%	\$6,406
> \$132,406	29.0%	\$10,378

2. Federal tax credits that are subject to indexation will be increased by 1.028.

Some of the modified personal amounts are as follows:

a) Basic personal amount	\$10,822
b) Age amount	\$6,720
c) Disability amount	\$7,546
d) Spouse or common-law partner	\$10,822
e) Amount for an eligible dependant	\$10,822

- f) Caregiver amount \$4,402
- g) Amount for an infirm dependant 18 or older \$6,402
- 3. Canada Pension Plan (CPP) maximum earnings increased from \$48,300 to \$50,100.
- 4. The CPP Basic Personal Exemption will be \$3,500.
- 5. The CPP contribution rate remains at 4.95%.
- 6. The CPP maximum contribution for the year has increased from \$2,217.60 to \$2,306.70.
- 7. The Employment Insurance (EI) rate has increased from 1.78% to 1.83%.
- 8. The EI maximum contribution has increased from \$786.76 to \$839.97
- 9. The EI maximum insurable earnings are \$45,900.
- 10. RRSP annual limit is set to \$22,970.00

Please Note: There are changes to the CPP contribution rules.

The flags for the CPP deductions can be changed under WCE (Wages-Canadian Payroll-Employee Edit). Set to Y (yes) to either continue CPP deductions or N (no) to discontinue CPP deductions. All deductions will cease once the employee has reached the age of 70.

Please refer to the Canada Revenue Agency for clarification if required.

Current rules

Under the current rules (before January 1, 2012), as an employer you have to stop deducting CPP contributions from an employee's pensionable earnings when the employee:

- is 60 to 70 years of age; and
- gives you proof that he or she is receiving a CPP or Quebec Pension Plan (QPP) retirement pension (for example, an award letter issued by Human Resources and Skills Development Canada).

For more information, go to [Employees who are 60 to 70 years of age](#).

New rules

Starting January 1, 2012, you may have to deduct CPP contributions from the pensionable earnings you pay an employee who is 60 to 70 years of age, even if the employee is receiving a CPP or QPP retirement pension.

Under the new rules, an employee who works **and** receives a CPP or QPP retirement pension will now have to contribute to the CPP if he or she is:

- 60 to 65 years of age;
- 65 to 70 years of age, **unless** the employee has filed an election with you or another employer to [stop paying CPP contributions](#) (the election will take effect on the first day of the month following the month the employee provides you with a completed and signed election form);
- 65 to 70 years of age, if the employee revoked his or her election to stop paying CPP contributions in 2013 or later.

Notes

These legislative amendments do not affect the salary or wages of an employee who is considered to be disabled under the CPP or QPP, nor do they affect the salary and wages of a person who has reached 70 years of age. Do not deduct CPP contributions from the salary and wages that you pay these employees. Employees working in Quebec and other workers not subject to the CPP will not be affected by these changes.

You will have to deduct CPP contributions from an employee who is employed in pensionable employment and is receiving pensionable earnings, and meets one of these conditions:

- who is currently receiving a CPP or QPP retirement pension and is 60 to 65 years of age, even if it means deducting from someone who was not contributing in a previous year because he or she was receiving a CPP/QPP retirement pension;
- OR**
- who is currently receiving a CPP or QPP retirement pension and is 65 to 70 years of age, and who has not given you a copy of a signed and completed Form CPT30, *Election to Stop Contributing to the Canada Pension Plan, or Revocation of a Prior Election*.

Note

The CRA can assess you for failing to deduct CPP contributions or for failing to remit the CPP

contributions to the CRA as required. The assessment may also include penalty and interest charges. For more information, go to [Penalties, interest, and other consequences](#).

Starting dates for implementing Form CPT30

If, in December 2011, an employee is at least 65 years of age and is receiving a CPP or QPP retirement pension and does not want to start contributing to the CPP in January 2012, then that employee should make his or her election to stop contributing to the CPP by providing a copy of a signed and completed Form CPT30 to you and any other employer he or she has as early as possible in December and sending the original form to the CRA.

Forms and publications

- [Form CPT30, Election to Stop Contributing to the Canada Pension Plan, or Revocation of a Prior Election](#)
- Schedule 8, CPP Contributions on Self-Employment and Other Earnings
- [Form CPT20, Election to Pay Canada Pension Plan Contributions](#)

Related topics

- [Changes to the Canada Pension Plan \(CPP\) for individuals who are 60 to 70 years of age](#)

Government partners

- [Service Canada](#)
- [Human Resources and Skills Development Canada](#)

ALBERTA

1. Provincial Tax Credits that are subject to indexation will be increased by 1.018.
2. Basic personal amount increased from \$16,977 to \$17,282.
3. Spouse or common-law partner is increased from \$16,977 to \$17,282.
4. The provincial tax rate applicable to all taxable income remains at 10%.

BRITISH COLUMBIA

1. Tax brackets have changed as follows:

Old Tax Bracket	Old Tax Rate	Old Prov. Constant
<= \$36,146	5.06%	\$0
> \$36,146 and <= \$72,293	7.7%	\$954
> \$72,293 and <= \$83,001	10.5%	\$2978
> \$83,001 and <= \$100,787	12.29 %	\$4464
> \$100,787	14.7%	\$6893

New Tax Bracket	New Tax Rate	New Prov. Constant
<= \$37,013	5.06%	\$0
> \$37,013 and <= \$74,028	7.7%	\$977
> \$74,028 and <= \$84,993	10.5 %	\$3050
> \$84,993 and <= \$103,205	12.29%	\$4571
> \$103,205	14.7%	\$7059

2. Provincial Tax Credits that are subject to indexation will be increased by 1.024.
3. Basic personal amount increased from \$11,088 to \$11,354.
4. Spouse or common-law partner amount increased from \$9,730 to \$9,964.

5. Provincial Tax Reductions have increased as follows:
 Where the net income is less than or equal to \$17,913.00, the reduction is equal to the lesser of (i) basic provincial tax, and (ii) \$403.00;
 Where the net income is greater than \$17,913.00 and less than or equal to \$30,506.75, the reduction is equal to the lesser of (i) basic personal tax, and (ii) \$403.00 - [(Annual net income - \$17,913.00) x 3.2%]
 Where the net income is greater than \$30,503.75, the reduction is equal to \$0.

MANITOBA

The tax brackets remain as follows:

New Tax Bracket	New Tax Rate	New Prov. Constant
<=\$31,000	10.8%	\$0
>\$31,000 and <=\$67,000	12.75%	\$605
> \$67,000	17.4%	\$3720

1. The basic personal amount remains at \$8,134.
2. Spouse or common-law partner amount remains at \$8,134.
3. The “Manitoba Family Tax Benefit will remain in effect.

NEW BRUNSWICK

1. Tax brackets have changed as follows:

Old Tax Bracket	Old Tax Rate	Old Prov. Constant
<= \$37,150	9.1%	\$0
> \$37,150 and <= \$74,300	12.1%	\$1115
>\$74,300 and <= \$120,796	12.4%	\$1337
>\$120,796	15.9%	\$5565

New Tax Bracket	New Tax Rate	New Prov. Constant
<= \$38,190	9.1%	\$0
> \$38,190 and <= \$76,380	12.1%	\$1146
> \$76,380 and <= \$124,178	12.4%	\$1375
>\$124,178	14.3%	\$3734

2. Provincial Tax Credits that are subject to indexation will be increased by 1.028.
3. Basic Personal amount increased to \$9,203
4. Spouse or common-law partner amount increased to \$7,815.

NEWFOUNDLAND AND LABRADOR

1. Tax brackets have changed as follows:

Old Tax Bracket	Old Tax Rate	Old Prov. Constant
<=\$31,904	7.70%	\$0
>\$31,904 <=\$63,807	12.5%	\$1537
>\$63,807	13.3%	\$2042

New Tax Bracket	New Tax Rate	New Prov. Constant
<= \$32,893	7.7%	\$0
>\$32,893 and <= \$65,785	12.5%	\$1579
> \$65,785	13.3%	\$2105

2. Basic personal amount is revised to \$8,237 (formerly \$7,989).
3. Spouse or common-law partner amount is revised to \$6,731 (formerly \$6,528).
4. Povincial Tax Credits that are subject to indexation will be increased by 1.031.

NORTHWEST TERRITORIES

5. Tax brackets have changed as follows:

Old Tax Bracket	Old Tax Rate	Old Prov. Constant
<= \$37,626	5.90%	\$0
> \$37,626 and <= \$ 75,253	8.60%	\$1016
> \$75,253 and <= \$122,345	12.20%	\$3725
> \$122,345	14.05%	\$5988

New Tax Bracket	New Tax Rate	New Prov. Constant
<= \$38,679	5.90%	\$0
> \$38,679 and <= \$77,360	8.60%	\$1044
> \$77,360 and <= \$125,771	12.20%	\$3828
> \$125,771	14.05%	\$6156

6. Territorial Tax Credits that are subject to indexation will be increased by 1.028.
7. Basic personal amount is revised to \$13,280.
8. Spouse or common-law partner amount is revised to \$13,280.

NOVA SCOTIA

1. Tax brackets remain as follows:

New Tax Bracket	New Tax Rate	New Prov. Constant
<= \$29,590	8.79%	\$0
> \$29,590 and <= \$59,180	14.95%	\$1823
> \$59,180 and <= \$93,000	16.67%	\$2841
>\$93,000 and <=\$150,000	17.50%	\$3613
>\$150,000	24.50%	\$14,113

2. Basic personal amount is reduced to \$8,481 from \$8,732
3. Spouse or common-law partner amount is reduced to \$7,201 from \$7,413.

Please Note: An escalation factor was not provided, the TD1 adjustments will have to be made manually in Abacus under WCE (Wages-Canadian Payroll-Employee Edit) TD1 Amounts.

NUNAVUT

1. Tax brackets have changed as follows:

Old Tax Bracket	Old Tax Rate	Old Prov. Constant
<= \$39,612	4.00%	\$0
> \$39,612 and <= \$79,224	7.00%	\$1188
> \$79,224 and <=\$128,800	9.00%	\$2773
> \$128,800	11.50%	\$5993

New Tax Bracket	New Tax Rate	New Prov. Constant
<= \$40,721	4.00%	\$0
> \$40,721 and <= \$81,442	7.00%	\$1222
> \$81,442 and <= \$132,406	9.00%	\$2850
> \$132,406	11.50%	\$6161

2. Territorial Tax Credits that are subject to indexation will be increased by 1.028
5. Basic personal amount is increased from \$11,878 to \$12,211
6. Spouse or common-law partner amount is increased from \$11,878 to \$12,211.

ONTARIO

1. Tax brackets have changed as follows:

Old Tax Bracket	Old Tax Rate	Old Prov. Constant
<= \$37,774	5.05%	\$0
> \$37,774 and <= \$75,550	9.15%	\$1549
> \$75,550	11.16%	\$3067

New Tax Bracket	New Tax Rate	New Prov. Constant
<= \$39,020	5.05%	\$0
> \$39,020 and <= \$78,043	9.15%	\$1600
> \$78,043	11.16%	\$3168

2. Provincial Health Premium remains using the following brackets:

Tax Bracket	Tax Rate	Constant	Lesser Of Value
<= \$20,000	0.0%	\$0	\$0
> \$20,000 and <= \$36,000	6.00%	\$0	\$300
> \$36,000 and <= \$48,000	6.00%	\$300	\$450
> \$48,000 and <= \$72,000	25.00%	\$450	\$600
> \$72,000 and <= \$200,000	25.00%	\$600	\$750
> \$200,000	25.00%	\$750	\$900

New Tax Bracket (Basic Provincial Tax Payable)	New Surtax Rate
<= \$4,213	0.0%
> \$4,213 and <= \$5,392	20.0%
> \$5,392	36.0%

3. Provincial Tax Credits that are subject to indexation will be increased by 1 033.
4. Basic personal amount increased from \$9,104 to \$9,405.
5. Spouse or common-law partner amount increased from \$7,730 to \$7,986.
6. The provincial tax reduction for the basic personal amount has been increased from \$210 to \$217.
7. The provincial tax reduction for each dependant under 19 has been increased from \$389 to \$401.
8. The provincial tax reduction for each dependant with a disability has been increased from \$389 to \$401.

QUEBEC

1. Tax brackets have changed as follows:

Old Tax Bracket	Old Tax Rate	Old Prov. Constant
<= \$39,060	16.00%	\$0
> \$39,060 and <= \$78,120	20.00%	\$1562
> \$78,120	24.00%	\$4687

New Tax Bracket	New Tax Rate	New Prov. Constant
<= \$40,100	16.00%	\$0
> \$40,100 and <= \$80,200	20.00%	\$1604
> \$80,200	24.00%	\$4812

2. Provincial Tax Credits that are subject to indexation will be increased by 1.0266
3. Basic personal amount increased from \$10,640 to \$10,925.
4. Amount transferred from one spouse to the other (replaces the Amount respecting a spouse) increased from \$10,640 to \$10,925
5. Amount with respect to age \$2,350.

6. Amount for other dependant has increased from \$2,855 to \$2,930.
7. Amount for child engaged in full-time post-secondary studies increased from \$1,965 to \$2,015.
8. Amount for person living alone increased from \$1,245 to \$1,280.
9. Reduction threshold increased from \$30,875 to \$31,695.
10. QPIP maximum earnings are set to \$66,000 with a rate of 0.559% for the employee with a maximum annual premium of \$368.94 for N and a rate of 0.0782% for the employer with an annual premium of \$516.12 for N1.
11. QPP maximum earnings are set to \$50,100 for a maximum annual premium of \$2,341.65 with a rate increase to 10.05% from 9.9% which corresponds to a contribution rate of 5.025% for the employee and 5.025% for the employer.
12. The Quebec EI premium rate is 1.47% for a maximum annual premium of \$674.73.

SASKATCHEWAN

1. Tax brackets have changed as follows:

Old Tax Bracket	Old Tax Rate	Old Prov. Constant
<= \$40,919	11.00%	\$0
> \$40,919 and <= \$116,911	13.00%	\$818
> \$116,911	15.00%	\$3,157

New Tax Bracket	New Tax Rate	New Prov. Constant
<= \$42,065	11.00%	\$0
> \$42,065 and <= \$120,185	13.00%	\$841
> \$120,185	15.00%	\$3245

2. Provincial Tax Credits that are subject to indexation will be increased by 1.028.
3. Basic personal amount increased from \$14,535 to \$14,942.
4. Spouse or common-law partner amount increased from \$14,535 to \$14,942.
5. Child amount has increased from \$5,515 to \$5,668.

YUKON

1. Tax brackets have changed as follows:

Old Tax Bracket	Old Tax Rate	Old Prov. Constant
<= \$41,544	7.04%	\$0
> \$41,544 and <= \$83,088	9.68%	\$1097
> \$83,088 and <= \$128,800	11.44%	\$2559
> \$128,800	12.76%	\$4259

New Tax Bracket	New Tax Rate	New Prov. Constant
<= \$42,707	7.04%	\$0
>\$42,707 and <=\$85,414	9.68%	\$1127
> \$85,414 and <= \$132,406	11.44%	\$2631
> \$132,406	12.76%	\$4379

2. Territorial Tax Credits that are subject to indexation will be increased by 1.028.
3. Basic personal amount is increased from \$10,527 to \$10,822.
4. Spouse or common-law partner amount is increased from \$10, 527 to \$10,822.
5. Territorial Canada Employment Credit has increased to \$1,095 from \$1,065.