Periodic payment calculation 2016

GUIDE

csst.qc.ca

The purpose of this guide is to facilitate comprehension of the methods for calculating periodic payments. It has no legal value and should not be regarded as a substitute for the official versions of the applicable laws and regulations.

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1.1 Partnership with Revenu Québec

To implement the new method for payment of insurance premiums on January 1, 2011, the Commission de la santé et de la sécurité du travail (CSST) and Revenu Québec entered into a partnership. Their collaboration requires that they share certain responsibilities and exchange the information required to apply the provisions of the *Act respecting industrial accidents and occupational diseases* (AIAOD) regarding the periodic payments that employers must make to Revenu Québec.

The CSST is responsible for informing every employer of its periodic payment rate. Revenu Québec determines payment frequency, issues remittance slips, collects and cashes employers' periodic payments and ensures the transfer of funds to the CSST.

Information disclosed by the CSST to Revenu Québec is specifically used to match clients to identify employers common to both partners. This information includes, among others, the employer's number with the CSST, the Québec business number, and the employer's name and address.

Information provided to the CSST by Revenu Québec specifically concerns periodic payments. This information includes, among others, the identification number with Revenu Québec, frequency of remittance of source deductions, amount declared for the CSST, amount paid to the CSST (payment) and date of receipt of remittance slip or amount paid, as the case may be. Other details, such as insurable wages and employment income declared by employers who make periodic payments to Revenu Québec, are also sent to the CSST.

1.2 Payment of insurance premiums

The CSST insurance premium must be paid periodically to Revenu Québec, by means of payments, at the same time as source deductions and employer contributions. Payment must therefore be made using the remittance slips sent out by Revenu Québec containing a box for payments to the CSST.

Your CSST insurance premium payment frequency is as determined by Revenu Québec for remitting your source deductions and employer contributions. It will be either weekly, twice monthly, monthly, quarterly or yearly.

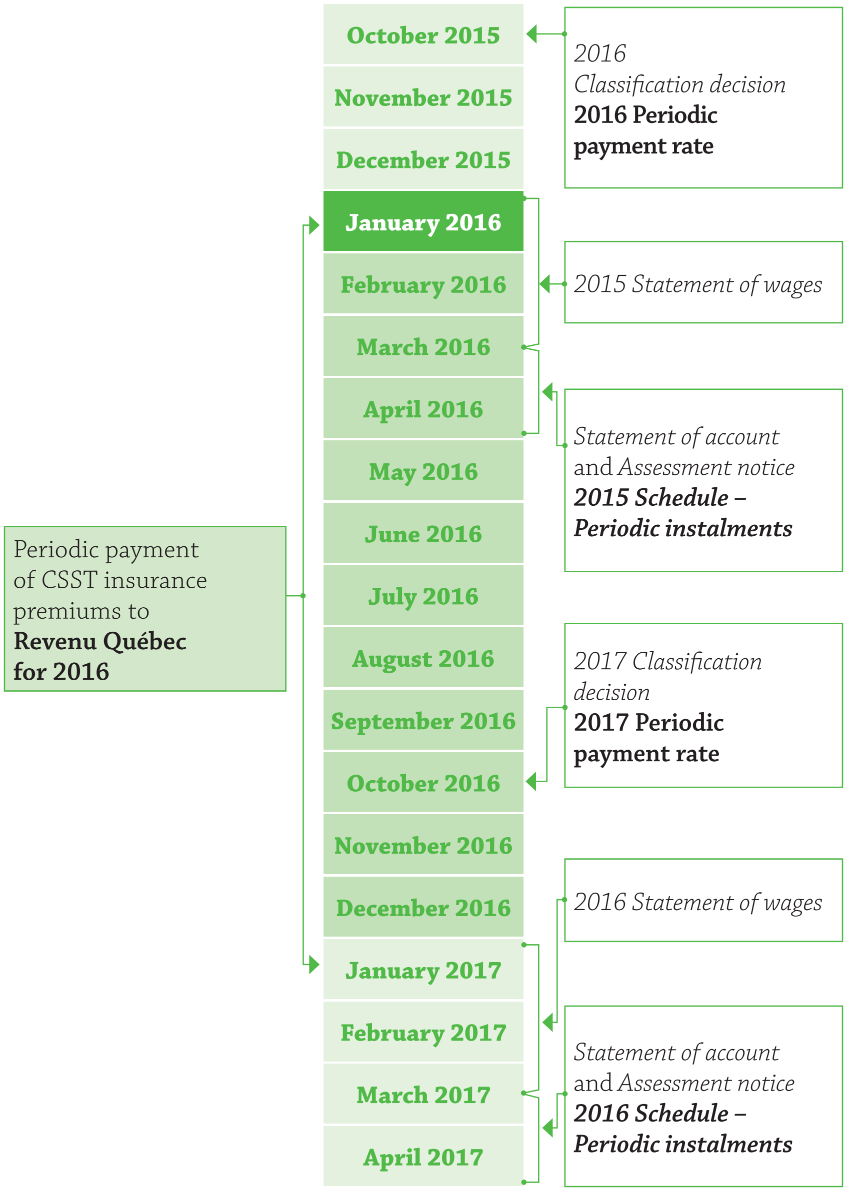
If you do not make source deductions or pay employer contributions, you will be receiving remittance slips from Revenu Québec showing only the box reserved for payment of your CSST insurance premium. In that case, you must make your periodic payments on a monthly basis.

If you have a file with the CSST only because you subscribe for personal coverage, you will not be required to make periodic payments to Revenu Québec. You will have to pay the CSST the premium for the cost of that coverage by the due date shown on the *Assessment notice* on which the premium is invoiced to you.

N.B.

The CSST remains responsible for all activities related to employer assessments. It sends out and checks the *Statement of wages*, then it invoices and deposits assessments.

Calendar of important dates in the assessment cycle under the method for payment of insurance premiums



2. Periodic payment

The amount of the periodic insurance premium payment is calculated by multiplying the insurable wages paid to workers over a given period (for example from March 1 to March 31) by the periodic payment rate.[1]

To determine the total insurable wages paid for periodic payment calculation purposes, various amounts must be used.

2.1 Amounts to be included in the calculation

Amounts to be included in calculating the periodic payment

Sample periodic payment calculation for the period of March 1 to March 31				
Amounts to be included in the calculation	*Statement of wages*			
Amounts to be entered in Box A of all RL-1 slips (Employment and other income – Revenu Québec)	Line 1	+	$31,790.00	
Other amounts to be included (Most amounts from line 4 of the *Statement of wages*)	Line 4	+	$4,000.00	
Sub-total of amounts to be included				**$35,790.00**
Amounts that may be deducted if previously included				
Remuneration of persons eligible for personal coverage	Line 5	-	$5,790.00	
Other amounts to be excluded	Line 6	-	$2,000.00	
Surplus (yearly or weekly)	Line 7	-	$3,000.00	
Sub-total of amounts that may be deducted				**$10,790.00**
Total insurable wages used to calculate the periodic payment (Amounts to be included – Amounts that may be deducted)		=		**$25,000.00**
Periodic payment rate		x		**$2.15**
For every $100.00 of insurable wages		÷		**$100.00**
PERIODIC PAYMENT		=		**$537.50**

1. Rate for every $100.00 of insurable wages.

The amounts used in calculating the periodic payment for a given period will be those that you must enter at year end in Box A of all RL-1 slips (Employment and other income – Revenu Québec).

In calculating the periodic payment, you must use most of the amounts reported on line 4 – "Other amounts to be included" of the *Statement of wages*:

- amounts corresponding to the coverage of persons participating in a job-creation program pursuant to an agreement signed with the government where you are regarded as the participants' employer;
- gross wages paid to an employee working in Québec if you are an employer established outside Québec and do not issue RL-1 slips;
- gross wages reimbursed to the employer of a worker on union leave, where you are the union making the reimbursement, unless an agreement between the union and the employer provides that the employer must report the wages;
- amounts paid to workers on a lump-sum basis, namely the global amount for which RL-1 slips were not issued, such as amounts paid to seasonal workers who pick fruits or vegetables, or earnings paid to a person who falls within the definition of worker under the law administered by the CSST but who is not considered to be a worker by Revenu Québec;
- amounts paid in the form of fees, lump sums or advances on royalties by a producer in the artistic domain to a worker as remuneration for services rendered. However, fees connected to the use of works such as residuals, profit-sharing and royalties associated with the use of such works need not be included;
- deferred amounts entered in Box Q of all RL-1 slips;
- earnings of native workers that are declared in Box R of RL-1 slips.

Amounts to be excluded in calculating the periodic payment

In calculating the periodic payment, you are not required to include the following amounts:

- wages paid to independent operators deemed to be workers;

  As a general rule, if a self-employed worker fulfils for you activities similar or connected to those that are done in your establishment for 420 hours or more during a calendar year, he or she is a self-employed worker considered to be a worker (for more information, see the section *Détermination du statut d'une personne physique* at csst.qc.ca);
- the amount for coverage of volunteer workers;
- the amount for coverage of persons whose assistance was expressly accepted or required during an event such as a fire, a disaster or some other emergency to help the firefighters of a municipality's fire department, where you are the authority regarded as their employer;
- the amount for coverage of persons (volunteer or otherwise) whose assistance was expressly accepted or required to help the staff deployed in a state of emergency declared further to an event listed in the *Civil Protection Act*, where you are recognized as their employer.

Even if the above amounts need not be included in calculating periodic payment, you must report them in your next *Statement of wages*.

Amounts that may be deducted if previously included in calculating the periodic payment

Sample periodic payment calculation for the period of March 1 to March 31				
Amounts to be included in the calculation	*Statement of wages*			
Amounts to be entered in Box A of all RL-1 slips (Employment and other income – Revenu Québec)	Line 1	+	$31,790.00	
Other amounts to be included (Most amounts from line 4 of the *Statement of wages*)	Line 4	+	$4,000.00	
Sub-total of amounts to be included				**$35,790.00**
Amounts that may be deducted if previously included				
Remuneration of persons eligible for personal coverage	Line 5	-	$5,790.00	
Other amounts to be excluded	Line 6	-	$2,000.00	
Surplus (yearly or weekly)	Line 7	-	$3,000.00	
Sub-total of amounts that may be deducted				**$10,790.00**
Total insurable wages used to calculate the periodic payment (Amounts to be included – Amounts that may be deducted)		=		**$25,000.00**
Periodic payment rate		x		**$2.15**
For every $100.00 of insurable wages		÷		**$100.00**
PERIODIC PAYMENT		=		**$537.50**

Remuneration paid to persons eligible for personal coverage

This means remuneration paid to:

- executive officers of a legal person, i.e., a person who is a member of the Board of Directors who also exercises the functions of president, vice-president, secretary, or treasurer of that legal entity. For the officer, the entirety of the remuneration must be deducted;
- members of the Board of Directors of a legal person for their work related only to their positions as board members;
- the mayor or the members of a city council;
- council members of a regional county municipality (RCM);
- commissioners of a school board.

Other amounts to be excluded

- amounts corresponding to the coverage of persons participating in a job-creation program pursuant to an agreement signed with the government, where you are not regarded as the participants' employer;
- gross wages that you have paid for that part of a worker's sick leave in excess of 105 consecutive days;
- gross wages reimbursed by a union to the employer of a worker on union leave, where you are the employer receiving the reimbursement, unless an agreement between the union and the employer provides that the employer must report the wages;
- expenses incurred by fisherman's helpers for the use of a fishing master's boat where their remuneration is determined according to a percentage of the catch, unless we determine the percentage, i.e., 32%;
- gross wages earned outside Québec by your worker if the wages are declared elsewhere in Canada in accordance with the Interjurisdictional Agreement on Workers' Compensation;
- gross wages paid by you where you are not constituted as a legal person;
- gross wages paid by a partnership to a partner;
- premium paid by the employer to insurance plans on behalf of a retiree.

Amounts in excess of the maximum yearly or weekly insurable

The portion of each worker's gross wages in excess of the maximum **yearly**[2] insurable for the year covered can be deducted in calculating the periodic payment.

Employers in the construction industry, including those in the residential renovation sector, may be entitled to calculate the surplus amount on a **weekly**[3] basis if they fulfil the necessary requirements.

Calculating surplus amounts on a yearly basis

For each payment period, you must verify if each worker's cumulative gross wages exceeds the maximum yearly insurable salary. Should this be the case, you may deduct this amount.

The method for calculating amounts in excess of the maximum yearly insurable salary is the same regardless of the frequency of payments to Revenu Québec.

In the following example, an employer whose frequency is monthly must establish the surplus amounts for the period of October 1 to October 31 for **every worker.**

2. As a guide, the maximum yearly insurable salary for 2016 should be $71,500,00.
3. As a guide, the maximum weekly insurable salary for 2016 should be $1,371.31 ($71,500.00 divided by 52.14 weeks).

Here is how

First step

- establish the cumulative gross wages from January to September (**A**);
- add the gross wages paid in October (**B**) to obtain the cumulative gross wages as at October 31 (**A+B**).

Second step

- compare the cumulative gross wages as at October 31 to the maximum yearly insurable earnings for the current year.

If the worker's cumulative gross wages as at October 31 are **less than** the maximum yearly insurable earnings for the current year, there will not be a surplus amount (**C**).

If the worker's cumulative gross wages as at October 31 are **greater than** the maximum yearly insurable earnings for the current year, the difference will be the surplus amount (**C**).

If during previous periods there was a surplus amount (**D**), the worker's gross wages for October will also be surplus and no payment will be required on those wages.

Third step

- add up the surplus amounts for each worker (**C-D**) to obtain the total amounts in surplus of the maximum yearly insurable earnings in order to calculate the periodic payment for October.

Sample calculation of surplus amounts based on the maximum yearly insurable salary
Monthly payment frequency to Revenu Québec
Period of October 1 to October 31

Worker	Cumulative gross wages for previous periods (**A**)	Gross wages for current period (**B**)	New cumulative gross wages (**A+B**)	Maximum yearly insurable earnings (2016) *	Cumulative surplus amounts (**C**)	Cumulative surplus amounts for previous periods (**D**)	**Surplus amounts for current period (C-D)**
1	$38,000.00	$1,000.00	$39,000.00		$0.00	$0.00	$0.00
2	$69,200.00	$2,800.00	$72,000.00	$71,500.00	$500.00	$0.00	$500.00
3	$71,800.00	$3,000.00	$74,800.00		$3,300.00	$300.00	$3,000.00
Amounts in excess of the maximum yearly insurable earnings to be used in calculating the periodic payment payable November 15:							**$3,500.00**

* At the time of going to press, the CSST's Board of Directors had not yet set the maximum yearly insurable salary. According to available data, it should be $71,500.00 in 2016.

Calculating surplus amounts on a weekly basis

Each week, you must verify if the gross wages of each of your workers exceed the maximum weekly insurable salary. Should this be the case, you may deduct the wage amount in excess of that maximum.

The method for calculating amounts that exceed the maximum weekly insurable salary is the same regardless of the frequency of your payment to Revenu Québec.

In our example, the calculation of surplus amounts is based on the maximum weekly insurable salary for an employer whose payment frequency to Revenu Québec is monthly. To obtain the surplus amounts for the period of November 1 to November 30 for **every worker**, the following steps apply.

First step

- Compare the weekly gross wages (**A**) to the maximum weekly insurable earnings for the current year (**B**) for each week.

If the worker's gross weekly wages are **less than** the maximum weekly insurable for the week, there will be no surplus amount for that week.

If the worker's gross weekly wages are **greater than** the maximum weekly insurable for the week, the difference in the amount will be the surplus amount for that week.

Second step

- Add up the weekly surplus amounts (**C**) calculated weekly to obtain the surplus amount for the period (**D**).

Third step

- Add up each worker's surplus amounts (**D**) to obtain the total amounts in excess of the maximum weekly insurable earnings in order to calculate the periodic payment for November.

Sample calculation of surplus amounts based on the maximum weekly insurable salary
Monthly payment frequency to Revenu Québec
Period of November 1 to November 30

Worker	Week	Gross weekly wages (A)	Maximum weekly insurable earnings (2016) * (B)	Weekly surplus amounts (C)	**Surplus amounts for the period** (D)
1	**1**	$900.00	$1,371.31	$0.00	$207.38
	2	$1,450.00		$78.69	
	3	$1,500.00		$128.69	
	4	$1,200.00		$0.00	
2	**1**	$1,600.00	$1,371.31	$228.69	$707.38
	2	$1,000.00		$0.00	
	3	$1,850.00		$478.69	
	4	$1,150.00		$0.00	
Amounts in excess of the maximum weekly insurable earnings used to calculate the periodic payment payable December 15:					**$914.76**

* At the time of going to press, the CSST's Board of Directors had not yet set the maximum yearly insurable salary. According to available data, it should be $71,500.00 in 2016. The maximum weekly insurable salary for 2016 would therefore be $1,371.31 ($71,500.00 divided by 52.14 weeks).

For more information on calculating periodic payments or surplus amounts, consult **csst.qc.ca** and click on the section entitled *Employeurs*.

Appendix 1 (pages 32 and 33) provides a summary table of the following amounts:

- amounts to be included in calculating the periodic payment;
- amounts that may be deducted if previously included;
- amounts to be excluded in calculating the periodic payment.

2.2 Periodic payment rate

Sample periodic payment calculation for the period of March 1 to March 31				
Amounts to be included in the calculation	*Statement of wages*			
Amounts to be entered in Box A of all RL-1 slips (Employment and other income – Revenu Québec)	Line 1	+	$31,790.00	
Other amounts to be included (Most amounts from line 4 of the *Statement of wages*)	Line 4	+	$4,000.00	
Sub-total of amounts to be included				**$35,790.00**
Amounts that may be deducted if previously included				
Remuneration of persons eligible for personal coverage	Line 5	-	$5,790.00	
Other amounts to be excluded	Line 6	-	$2,000.00	
Surplus (yearly or weekly)	Line 7	-	$3,000.00	
Sub-total of amounts that may be deducted				**$10,790.00**
Total insurable wages used to calculate the periodic payment (Amounts to be included – Amounts that may be deducted)		=		**$25,000.00**
Periodic payment rate		x		**$2.15**
For every $100.00 of insurable wages		÷		**$100.00**
PERIODIC PAYMENT		=		**$537.50**

Your periodic payment rate is indicated in your *Classification decision* sent out every October. This document also indicates the classification unit or units assigned to your activities and your corresponding premium rate or rates.

It is important to keep your *Classification decision*; the information it contains enables you to calculate your periodic payments. Please note that the periodic payment rate shown cannot be contested.

Whether your business activities are classified in a single or several classification units, **you are assigned only one periodic payment rate. You must use the periodic payment rate to calculate the amount of your payments to be made in the following year in order to minimize the possibility of having a balance of payment due when the *Statement of wages* is processed.**

If you are an employer whose activities are classified in more than one classification unit, you will be receiving a *Detailed calculation of the periodic payment rate* with your *Classification decision*. That document explains how your periodic payment rate was calculated.

If, in your *Detailed calculation of the periodic payment rate*, the percentage of insurable wages per unit used to establish your periodic payment rate does not reflect your actual situation, please contact us.

N.B.

Your periodic payment rate may change during the year, for example further to a recalculation of your personalized rate or if a change was made in the classification of your activities. In such a case, you will be informed of your new rate.

Therefore, always use the most recent periodic payment rate provided by the CSST to calculate the amount of your next payment. Periodic payment rates recalculated during the year will never apply retroactively.

As a general rule, the periodic payment rate[4] is established as follows:

If you are an employer classified in a single classification unit

Your periodic payment rate corresponds to the premium rate (unit rate or personalized rate) of the classification unit assigned for the year covered by the periodic payments.

If you are an employer classified in more than one classification unit

To facilitate the calculation of periodic payments, you are given a single periodic payment rate. The periodic payment rate is a weighted average of the premium rates (unit rate or personalized rate) for the assigned classification units.

The periodic payment rate is calculated on the basis of the following two factors:

- the percentage of insurable wages **declared** in each unit assigned to you in the most recent year for which a full year's wages were paid. This means that to establish the periodic payment rate for 2016, the most recent information that the CSST has for wages paid for a full year is that for 2014 (reference year). Note that insurable wages declared for auxiliary workers are not taken into account in establishing the percentage of wages;
- the premium rate associated with each classification unit for the year covered by the periodic payments.

An example of this situation can be found on the next page.

4. The periodic payment rate is based on the unit premium rate, namely, it takes into account the jurisdiction (federal or provincial) governing the enterprise and its contribution to a joint sector-based association, if any.

The periodic payment rate is calculated on the basis of the classification unit premium rates including those for exceptional units (34410, 80020, 90010 and 90020).

Employer classified in more than one classification unit Sample calculation of the periodic payment rate for 2016 on the basis of the insurable wages declared for 2014			
2016 Classification unit	Insurable wages declared in 2014* (**A**)	2016 Premium rate (**C**)	Periodic payment rate calculation (**A/B**) **x C**
Unit 1	$50,000.00	$2.68	$1.34
Unit 2	$30,000.00	$1.69	$0.51
Unit 3	$20,000.00	$2.10	$0.42
Total insurable wages declared in 2014:	**$100,000.00** (**B**)	**2016 periodic payment rate:**	**$2.27**

* To establish the payment rate for 2016, the most recent information that the CSST has for wages paid for a full year is that for 2014.

N.B.

If the percentage of insurable wages per unit used to establish your periodic payment rate does not reflect your actual situation, contact us to re-determine your periodic payment rate, if required. The CSST may require documentation in support of your request for a payment rate adjustment.

It is very important that your periodic payment rate should accurately reflect your current activities to minimize the possibility of having a balance of payment due when the *Statement of Wages* is processed. Note that any such changes must be made in your file before November 1 of the current year.

If you do not provide an estimate of a per-unit percentage of insurable wages, the periodic payment rate will be fixed according to the rate for the unit with the highest premium rate.

In certain circumstances, the periodic payment rate is calculated on the basis of data other than that generally used.

➢ If you are a newly registered employer classified in more than one classification unit

The periodic payment rate is calculated on the basis of the following two factors:

- the percentage of insurable wages that you **expect to declare** during the year for each classification unit assigned to you. Note that insurable wages declared for auxiliary workers are not taken into account in establishing the percentage of wages;
- the premium rate (unit rate or personalized rate) associated with each such classification unit for the year covered by periodic payments.

Newly registered employer classified in more than one classification unit
Sample calculation of the periodic payment rate for 2016 based on the estimate of the per-unit percentage of insurable wages

2016 Classification unit	Estimated percentage of insurable wages per unit (**A**)	2016 Premium rate (**B**)	Periodic payment rate calculation (**A x B**)
Unit 1	40%	$7.38	$2.95
Unit 2	30%	$4.78	$1.43
Unit 3	30%	$3.70	$1.11
2016 Periodic payment rate:			**$5.49**

➢ If your classification was modified since the reference year

Modification of the classification may result from the fact that you were classified as follows:

- in a single unit and now you carry on various activities necessitating classification in several units;
- in several units, but such units are now different due to a change in your activities.

Because your classification is no longer the same, it is impossible to establish the periodic payment rate in the usual manner. The breakdown of wages in classification units for the reference year cannot be used as the basis for calculating the payment rate.

The periodic payment rate is therefore calculated on the basis of the following two factors:

- the percentage of insurable wages that you **expect to declare** during the year in each classification unit assigned to you, excluding insurable wages paid to auxiliary workers;
- the premium rate (unit rate or personalized rate) associated with each of your classification units for the year covered by periodic payments.

Employer classified in more than one classification unit Modification of activities since the reference year for insurable wages declared			
Year	Classification unit	Insurable wages declared	
2014	Unit 1	$50,000.00	2014 cannot be used as the reference year for calculating the 2016 periodic payment rate.
	Unit 2	$30,000.00	
	Unit 3	$20,000.00	
2016	Unit 1	50%	The employer is required to provide an estimate of the percentages of insurable wages in order to establish its 2016 periodic payment rate.
	Unit 3	**35%**	
	Unit 4	**15%**	

For more information on the periodic payment rate, consult the section *Employeurs* at **csst.qc.ca**.

2.3 Calculating the periodic payment

Sample periodic payment calculation for the period of March 1 to March 31				
Amounts to be included in the calculation	*Statement of wages*			
Amounts to be entered in Box A of all RL-1 slips (Employment and other income – Revenu Québec)	Line 1	+	$31,790.00	
Other amounts to be included (Most amounts from line 4 of the *Statement of wages*)	Line 4	+	$4,000.00	
Sub-total of amounts to be included				**$35,790.00**
Amounts that may be deducted if previously included				
Remuneration of persons eligible for personal coverage	Line 5	-	$5,790.00	
Other amounts to be excluded	Line 6	-	$2,000.00	
Surplus (yearly or weekly)	Line 7	-	$3,000.00	
Sub-total of amounts that may be deducted				**$10,790.00**
Total insurable wages used to calculate the periodic payment (Amounts to be included – Amounts that may be deducted)		=	**(A)**	**$25,000.00**
Periodic payment rate		x	**(B)**	**$2.15**
For every $100.00 of insurable wages		÷		**$100.00**
PERIODIC PAYMENT		=	$\frac{\mathbf{(A \times B)}}{\mathbf{100}}$	**$537.50**

To calculate the periodic payment amount, **multiply the total insurable wages paid** (**A**) to your workers in a given period **by the periodic payment rate** (**B**), then divide the result by $100.00.

Enter the amount of the periodic payment thus obtained in the box labelled "CSST" on the remittance slip to be returned to Revenu Québec.

The formula for calculating the periodic payment is always the same, regardless of your payment frequency.

N.B.

You are not required to provide the information used in calculating your periodic payment; you are only required to remit the amount of each payment to Revenu Québec. However, the CSST reserves the right to verify the accuracy of the information used in calculating each payment. This information must therefore be kept on file and made available to the CSST if requested.

Calculation of the periodic payment – negative amount

If any of your periodic payments is negative, you must enter "0" in the box labelled "CSST" on the remittance slip and return it to Revenu Québec within the stipulated time limit.

Appendix 2 (page 34) contains sample calculations of the periodic payment for the following:

- wages in excess of the maximum **yearly** insurable salary;
- wages in excess of the maximum **weekly** insurable salary.

3. Making periodic payments

Periodic payments must be made using the remittance slips sent out by Revenu Québec.

You only need to complete one remittance slip per period in order to declare and pay your source deductions and employer contributions to Revenu Québec as well as to make the periodic payment of your CSST insurance premium. **Remittance slips should be returned to Revenu Québec, even if you have no periodic payment to make to the CSST for a given period**. In this case, please enter “0” in the box labelled “CSST”.

3.1 Remittance slips

According to your payment frequency, Revenu Québec will send you one or more remittance slips to make your periodic CSST insurance premium payments in 2016.

The period covered by the declaration and the payment due date are indicated on the remittance slips.

You must enter the amount of the periodic payment of your insurance premium in the box labelled “CSST” on your remittance slips. Revenu Québec will then send the information declared in that box as well as your payments to the CSST.

When you complete the remittance slip enclosed with the payment form, make sure that you break down the amounts in each box on the remittance slip.

Depending on whether or not you are required to remit source deductions and employer contributions to Revenu Québec, the remittance slip will differ as follows:

- Payment of source deductions and employer contributions (with the box labelled “CSST”);
- CSST payment (with the box labelled “CSST” only: form TPZ-1015.R.14.5).

3.2 Payment frequency

Your payment frequency for periodic payments is as determined by Revenu Québec for remitting your source deductions and employer contributions. It will be either weekly, twice monthly, monthly, quarterly or yearly.

The CSST may accept a single monthly periodic payment for employers whose payment frequency is weekly or twice monthly. For more details, see Section 4.

For further information regarding your payment frequency, consult Revenu Québec's *Guide for Employers: Source Deductions and Contributions*.

If you are an employer not subject to source deductions and employer contributions, then your payment frequency is monthly. Revenu Québec will send you remittance slips on which only the box labelled "CSST" will appear for declaring and paying your CSST insurance premium.

3.3 Due dates for the first and subsequent periodic payments

You must remit your periodic payment to Revenu Québec at the same time as your source deductions and employer contributions if you are an employer required to remit such deductions and contributions.

If you are an employer not required to remit source deductions and employer contributions, you must remit your CSST insurance premium to Revenu Québec for wages paid the previous month by the 15th day of the following month.

For payment deadline details, consult the *Guide for Employers: Source Deductions and Contributions* issued by Revenu Québec, or consult the Revenu Québec website at **revenu.gouv.qc.ca**.

If you are an employer newly registered with the CSST

As a new employer you must register with the CSST **within 60 days of commencing your activities**. Further to your registration, the CSST will provide you with your periodic payment rate on the *Classification decision*. Your first payment to Revenu Québec should be made by the 15th day of the month following the issuance of the *Classification decision*. To make your payment, you must use Revenu Québec's remittance slip with the due date corresponding to this date. The first expected payment must cover the aggregate of the periods following the date on which you hire your first worker.

New employer that registers within the prescribed deadline Deadline for making the first periodic payment	
Commencement of activities	March 12, 2016
Deadline for registering with the CSST	May 11, 2016
Registration with the CSST	April 18, 2016
Issuance of the *2016 Classification decision* (with periodic payment rate)	May 22, 2016
Payment frequency to Revenu Québec	Monthly
Due date for the first periodic payment to Revenu Québec (for salaries issued from March 12 to May 31, 2016)	June 15, 2016

N.B.

The period covered for the first periodic payment begins on the date on which the first worker is hired, even if the hiring date took place the previous year. (An example of this situation is given at csst.qc.ca, in French only.)

In the event that the due date on Revenu Québec's remittance slip does not correspond to the 15th day of the month following the issuance of the *Classification decision*, please contact us so we can assist you in your payment obligation to Revenu Québec.

Late registration

If you register with the CSST **60 days after the commencement of your activities**, you are subject to a penalty because you should have made a first monthly periodic payment by the 15th day of the month following the deadline for CSST registration. The first periodic payment must cover wages paid since the commencement of your activities.

New employer that is late in registering Deadline for making the first periodic payment Dates used to determine penalty for a late payment	
Commencement of activities	March 12, 2016
Deadline for registering with the CSST	May 11, 2016
Date of registration with the CSST (late, after deadline of 60 days from commencement of activities)	July 20, 2016
Issuance of the *2016 Classification decision* (with periodic payment rate)	August 18, 2016
Frequency of payment to Revenu Québec	Monthly
Due date for making the first periodic payment that should have been made to Revenu Québec, if the employer registered within the deadline - for penalty calculation purposes (for wages paid from March 12 to May 31, 2016)	June 15, 2016
Due date for the next periodic payment that should have been made to Revenu Québec, if the employer registered within the deadline - for penalty calculation purposes (for wages paid from June 1 to June 30, 2016)	July 15, 2016
Deadline for making the first periodic payment to Revenu Québec, if the employer **was late** in registering (for wages paid from March 12 to August 31, 2016)	September 15, 2016
Dates used to determine penalty for late instalment calculated on the periodic payments that should have been made	June 15, 2016 July 15, 2016

3.4 When an enterprise closes down or continues its activities without workers

When you no longer have any workers in your employ, you must send your periodic CSST payment to Revenu Québec along with your source deductions and employer contributions, and you must do so no later than the 7th day following the day your last worker permanently stopped working for you.

If you are not required to make source deductions and employer contributions, you must send your periodic payment using TPZ-1015.R.14.5, completing the box labelled "CSST" no later than the 15th day of the month following the day your last worker permanently stopped working for you.

3.5 Failure to make periodic payments

If you fail to make a periodic payment, a recovery process will be triggered. In such a case, you will be sent an *Assessment notice* issued by the CSST invoicing you for an arbitrarily established periodic payment as well as a late payment penalty.

N.B.

If you are not required to make any periodic payment for a given period, remember to enter "0" in the box labelled "CSST" on the remittance slip.

4. Penalties

Further to implementation of the insurance premium payment method, penalties will be charged for failure to comply with your obligations to the CSST. Thus, if you fail to make a periodic payment within the prescribed deadline or if the payment is insufficient, you will subject to a penalty of up to 15% of the amount not received by the deadline or missing.

Penalties are calculated as follows:

- 7% of the amount not paid within the prescribed time limit, if that amount is paid within 7 days following the due date;
- 11% of the amount not paid within the prescribed time limit, if that amount is paid from the 8th day to the 14th day inclusively, following the due date;
- 15% of the amount not paid within the prescribed time limit in all other cases.

Penalties will be invoiced on the *Assessment notice*.

N.B.

For penalty application purposes, the CSST will not penalize:

- an employer whose payment frequency is **weekly** if it makes a single payment covering wages paid in the month. No penalty will be calculated, on condition that the employer respects the due date stipulated for the first payment period for the following month. However, the employer must use the last remittance slip of the month to make his **December payment;**
- an employer with a **twice monthly** payment frequency if it makes a single payment covering wages paid in the month. No penalty will be calculated on condition that the employer respects the due date stipulated for the last payment period for the same month. For example, **payments for December** must be made by the deadline for the final payment for that month.

Penalty for late instalment

If you fail to make a periodic payment by the deadline applicable to your payment frequency, you will be charged a penalty for late instalment.

A penalty for late instalment will be calculated where the **periodic payment declared** on the remittance slip is:

- **the same as the amount paid**, but it is **paid** late (example 1);
- **greater than the amount paid**, but the balance of the periodic payment is paid late or outstanding (example 2).

Example 1 **Calculation of the penalty for late instalment** Periodic payment declared is the same as the amount paid	
Due date for the periodic payment	May 15
Remittance date of the periodic payment (late)	May 27
Number of days used in the penalty calculation	12 days
Amount of the periodic payment declared and amount paid	$2,000.00
Penalty for late instalment from May 16 to May 27 inclusively $2,000.00 x 11%	**$220.00**
Amount invoiced on the *Assessment notice* **(to be paid to the CSST, not Revenu Québec)**	**$220.00**

Example 2 **Calculation of penalty for late instalment** Periodic payment declared is greater than amount paid, balance remains outstanding	
Due date for the periodic payment	May 15
Remittance date of the periodic payment (late)	June 1
Declared amount of the periodic payment	$2,000.00
Amount paid by the stipulated due date	$1,400.00
Insufficient payment unpaid	$600.00
Penalty for late instalment $600.00 x 15%*	**$90.00**
Amount invoiced on the *Assessment notice* **(to be paid to the CSST, not Revenu Québec)** $600.00 + $90.00	**$690.00**

* The delay is assessed as over 15 days, hence the 15% penalty.

Penalty for insufficient instalments

A penalty is prescribed for insufficient instalments where the total payments declared in the year are less than the amount of payments expected. In order to limit divergence when the *Statement of Wages* is processed, you must use the **last periodic payment rate** which was provided to you to calculate the payment amounts.

Instalments may be insufficient in the following circumstances:

- upon receipt of your yearly *Statement of wages*;
- upon receipt of the *Statement of wages* produced following discontinuance of business or definitive layoff of your last worker;
- further to an audit.

The calculation of the penalty is presented in the *Schedule – Periodic payments*. This schedule is included with the *Statement of account* and the *Assessment notice*.

Calculation of penalty for insufficient instalments based on information provided in the *Statement of wages*	
Payments declared	$207,273.55
Payments expected (Insurable wages declared/$100.00) x periodic payment rate ($35,356,636.00/$100.00) x $0.62	$219,211.14
Difference	$11,937.59
Penalty for insufficient instalments $11,937.59 x 15%	**$1,790.64**

Furthermore, at any time in the year, the cumulative amount of payments made for the year must be sufficient. Otherwise, you could be charged a penalty of up to 15% of the difference between the insufficient instalment or instalments declared and the amount or amounts that should have been declared.

5. Determination of the assessment

Although you periodically pay your CSST insurance premium to Revenu Québec throughout the year using the periodic payment rate provided by the CSST, your assessment is determined in the following manner:

- beginning in January, the CSST will send you a *Statement of wages* form, which must be returned before March 15, advising us of wages paid the previous year;
- in March, the CSST will send you an *Assessment notice* specifying the balance of your assessment, which you must pay to the CSST before the date indicated on your *Statement of Account;*
- in October, the CSST will send out your *Classification decision* specifying the periodic payment rate for the following year.

In addition to the steps listed above, you must pay your periodic payments to Revenu Québec throughout the year.

5.1 *Assessment notice* issued in 2017

Upon receipt of the *2016 Statement of wages,*[5] the CSST will verify whether your total periodic payments made for that year are sufficient, taking into account the wages declared in that form. If the total is insufficient, the CSST will calculate a penalty of 15% of the difference between the payments you declared and the payments you should have made (see details on the preceding page).

The CSST will then establish the yearly assessment on the total wages declared in the *Statement of wages*, multiplied by the rate of the premium for each of your classification units. The periodic payments made during the preceding year will be deducted from the amount of the assessment established.

An *Assessment notice* indicating the balance of the assessment to be paid to the CSST as well as the prescribed due date will be issued and sent to you with the *Schedule – Periodic payments*.

5. A penalty of $25 for every day late (up to $2,500) and late payment interest will be billed if the *Statement of wages* has not been sent in before March 15 (or by the 45th day following the day your last worker permanently stopped working for you). Default interest will be calculated if there is a difference between the amount of the assessment based on wages paid and the amount of reported periodic payments. For further detail, consult the *Guide des pénalités et intérêts* (available in French only) at **csst.qc.ca**.

Determination of the assessment	
For 2017	
Assessment for personal coverage	$833.82
Insurance file administration charge	$65.00
Total for 2017	**$898.82**
For 2016	
Assessment (wages paid) ($35,356,636.00/$100,00) x $0.62	$219,211.14
Periodic payments declared (See *Schedule – Periodic instalments* on the following page)	$207,273.55
Insufficient instalments	$11,937.59
Fees attributable to all files	
Penalty for insufficient instalments (See Schedule – *Periodic instalments* on the following page) $11,937.59 x 15%	$1,790.64
Total for 2016	**$13,728.23**
Total of the notice	**$14,627.05**

Schedule – Periodic instalments

The *Schedule – Periodic instalments* included with the *Assessment notice* presents the cumulative periodic payments declared in the previous year. It will also be used to calculate the penalty for any insufficient instalments, by comparing payments declared against expected payments.

Example
Schedule – Periodic instalments

2016

Periodic payments declared

Period covered		Payment	Period covered		Payment	
From	To		From	To		
2016-01-01	2016-01-31	$19,312.63	2016-07-01	2016-07-31	$16,786.51	
2016-02-01	2016-02-29	$18,919.79	2016-08-01	2016-08-31	$15,381.79	
2016-03-01	2016-03-31	$19,804.60	2016-09-01	2016-09-30	$14,034.69	
2016-04-01	2016-04-30	$21,265.27	2016-10-01	2016-10-31	$13,136.47	
2016-05-01	2016-05-31	$19,269.75	2016-11-01	2016-11-30	$10,352.77	
2016-06-01	2016-06-30	$26,991.61	2016-12-01	2016-12-31	$12,017.67	
					Total payments	**$207,273.55**

Penalty for insufficient instalments
Information related to the *2016 Statement of wages*

Workers and other persons covered: Box A of all RL-1 slips		1	$43,884,688.00	A
Persons eligible for personal coverage (included on line 1)	-	5	$0.00	
Other amounts to be excluded	-	6	$499,604.00	
Surplus	-	7	$8,028,448.00	
Wages used to calculate payments for 2016	=		$35,356,636.00	
Payments declared			-$207,273.55	B
Payments expected ($35,356,636/100) x $0.62*			$219,211.14	
		Difference	$11,937.59	
Penalty for insufficient instalments ($11,937.59 x 15%)				**$1,790.64**

* Periodic payment rate used to calculate payments for every $100.00 of insurable wages

A The amounts declared on your *Statement of wages* form on lines 1, 5, 6 and 7, as well as most of the amounts from line 4, will be used to obtain the amount of expected payments.

B If the amount of expected payments (wages used to calculate payments x periodic payment rate) is greater than the periodic payments declared in the year, you will have to pay a penalty for insufficient instalments of 15% of the difference.

If the amount of the periodic payments declared in the year is greater than the expected payments amount, no interest will be paid to you.

In its calculation, the CSST will apply the lowest payment rate of those indicated to you in the year, regardless of whether it appeared in the *Classification decision* or in any other communication indicating a new payment rate.

APPENDIX 1

Summary table Amounts used in calculating periodic payments	
	Line on the *Statement of wages*
Amounts to be included in calculating periodic payments	
• Amounts indicated in Box A of all RL-1 slips (Employment and other income – Revenu Québec);	1
• Amounts paid for coverage of persons participating in a job-creation program where the employer is considered the participants' employer;	4
• Gross wages of workers working in Québec where the employer is established outside Québec and does not issue any RL-1 slips;	4
• For the union, the gross wages reimbursed to the employer for workers on union leave unless an agreement between the union and the employer provides that the employer must report the wages;	4
• Amount paid to workers for whom no RL-1 slip was issued;	4
• Amount paid by an artistic producer to artists considered workers;	4
• Deferred amounts indicated in Box Q of the RL-1 slip;	4
• Employment income paid to native workers and indicated in Box R of the RL-1 slip.	4
Amounts to be excluded in calculating periodic payments	
• Wages paid to independent operators considered workers;	2
• Amounts for the coverage of volunteer workers;	3
• Amount paid for coverage of persons whose assistance was required or expressly accepted during an event for the purpose of assisting the firefighters of a municipality's fire department;	4
• Amount paid for coverage of a person whose assistance was required or expressly accepted during an event for the purpose of assisting staff deployed where an emergency is declared further to an event listed in the Civil Protection Act.	4

APPENDIX 1

Summary table (cont.) Amounts used in calculating periodic payments	
	Line on the *Statement of wages*
Amounts that may be deducted if previously included	
• Remuneration paid to the executive officers of a legal person;	5
• Remuneration paid to the members of the board of a legal person for their work related to their responsibility as board members;	5
• Remuneration paid to the mayor or other councillors of a municipality;	5
• Remuneration paid to the council members of a RCM;	5
• Remuneration paid to the commissioners of a school board;	5
• Amount of personal coverage for persons participating in a job-creation program where the employer is not regarded as the participants' employer;	6
• Gross wages paid to any workers on sick leave for that part of their leave that exceeds 105 consecutive days;	6
• Gross wages reimbursed by a union to the employer of a worker on union leave, where you are the employer receiving the reimbursement unless an agreement between the union and the employer provides that the employer must report the wages;	6
• Expenses incurred by a fisherman's helper where the helper's remuneration is determined on the basis of a percentage of the catch, unless that percentage is determined by the CSST;	6
• Gross wages earned outside Québec by workers if declared elsewhere in Canada pursuant to the Interjurisdictional Agreement on Workers' Compensation;	6
• Gross wages paid by an employer not constituted as a legal person;	6
• Gross wages paid by a partnership to a partner;	6
• Premium paid by the employer to insurance plans on behalf of a retiree;	6
• That part of the gross wages paid to a worker in excess of the maximum yearly insurable salary;	7
• That part of the gross wages paid to a worker in excess of the maximum weekly insurable salary if the employer is entitled to calculate surplus amounts on a weekly basis.	7

APPENDIX 2

Sample periodic payment calculation with wages in excess of the maximum **yearly** insurable salary								
Worker	Cumulative wages for prior periods (A)	Wages for current period (B)	Cumulative wages including the current period (A+B)	Cumulative surplus amounts attributable to prior periods (C)	Surplus amounts attributable to current period (D)	Wages to be used in calculating the payment for the current period (B-D)	Periodic payment rate (E)	Amount of the payment for the current period $\frac{(B-D) \times E}{\$100.00}$
1	$38,000.00	$1,000.00	$39,000.00	$0.00	$0.00	$1,000.00	$2.50	$25.00
2	$69,500.00	$2,400.00	$71,900.00	$0.00	$400.00	$2,000.00		$50.00
3	$72,500.00	$3,000.00	$75,500.00	$1,000.00	$3,000.00	$0.00		$0.00
Total	$180,000.00	$6,400.00	$186,400.00	$1,000.00	$3,400.00	$3,000.00		**$75.00**
Periodic payment to be entered in the box labelled "CSST" on the remittance slip: $75.00								

Sample periodic payment calculation with wages in excess of the maximum **weekly** insurable salary						
Worker	Week	Gross weekly wages (A)	Weekly surplus amount (B)	Wages used to calculate the payment for the current period (A-B)	Periodic payment rate (C)	Amount of the payment for the current period $\frac{(A-B) \times C}{\$100.00}$
1	**1**	$900.00	$0.00	$900.00	$3.45	$31.05
	2	$1,400.00	$28.69	$1,371.31		$47.31
	3	$1,450.00	$78.69	$1,371.31		$47.31
	4	$1,100.00	$0.00	$1,100.00		$37.95
2	**1**	$1,500.00	$128.69	$1,371.31		$47.31
	2	$1,000.00	$0.00	$1,000.00		$34.50
	3	$1,750.00	$378.69	$1,371.31		$47.31
	4	$1,150.00	$0.00	$1,150.00		$39.68
Total		$10,250.00	$614.76	$9,635.24		**$332.42**
Periodic payment to be entered in the box labelled "CSST" on the remittance slip: $332.42						

Note: At the time this guide was printed, the maximum annual insurable salary had not be set by the CSST Board of Directors. According to available data, it should increase to $71,500.00 in 2016. The maximum weekly insurable should be therefore increase to $1,371.31 ($71,500.00 divided by 52.14 weeks).

Any questions?

Should you need further information, please call **1 844 838-0808**.

You can also consult the website at **csst.qc.ca**.

Just one number for the CSST: **1 844 838-0808**

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