

# Source Deductions and Employer Contributions

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## Tax News

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The Tax News summarizes the current source deductions and employer contribution rates in Quebec and the main attachment rules applicable to these requirements in respect of an office or employment held in Quebec or elsewhere in Canada.

**NEW!** The contribution rate to the QPP and the QPIP is reduced in 2026 for all employers and employees, and a contribution holiday to the HSF applies in 2026 and 2027 for certain employers in the agriculture, forestry and fishing sectors.

### 1. Current source deductions and employee contribution rates in Quebec

#### 1.1 Employment Insurance

Year	Maximum annual insurable earnings	Employee contributions				Employer contributions			
		Rate (%)		Annual maximum (\$)		Rate (%)		Annual maximum (\$)	
		Federal	Quebec	Federal	Quebec	Federal	Quebec	Federal	Quebec
2026	\$68,900	1.63	1.30	\$1,123.07	\$895.70	2.282	1.82	\$1,572.30	\$1,253.98
2025	\$65,700	1.64	1.31	\$1,077.48	\$860.67	2.296	1.83	\$1,508.47	\$1,204.94

#### 1.2 Quebec Parental Insurance Plan (QPIP)

QPIP premiums	2025	2026
Maximum insurable earnings	\$98,000	\$103,000
<b>Contribution rate and limit</b>		
<ul style="list-style-type: none"> <li>Employer (employee contribution x 1.4) Maximum</li> </ul>	0.692% \$678.16	0.602% \$620.06
<ul style="list-style-type: none"> <li>Employee Maximum</li> </ul>	0.494% \$484.12	0.430% \$442.90
<ul style="list-style-type: none"> <li>Self-employed worker Maximum</li> </ul>	0.878% \$860.44	0.764 % \$786.92

### 1.3 Quebec Pension Plan (QPP)

QPP contributions	2025	2026
Maximum pensionable earnings (MPE)	\$71,300	\$74,600
Maximum pensionable earnings under the additional plan <sup>1</sup>	\$81,200	\$85,000
Additional maximum pensionable earnings (AMPE)	\$9,900	\$10,400
Basic exemption for the year	\$3,500	\$3,500
<b>Contribution rate and limit (employer and employee<sup>2</sup>)</b>		
▪ <b>Base plan</b>	6.40%	6.30%
Maximum annual contribution	\$4,339.20	\$4,479.30
▪ <b>Additional plan</b>	4.00%	4.00%
Maximum annual additional contribution	\$396.00	\$416.00
<b>Total maximum annual contribution (base plan + additional plan)</b>	<b>\$4,735.20</b>	<b>\$4,895.30</b>

#### QPP contributions – Clarifications

##### *Additional QPP contribution*

Employers must withhold an additional contribution to the QPP up to the maximum AMPE, that is, either the portion of the employee's eligible salary between the MPE and the maximum annual pensionable earnings for the additional plan. The contribution rate for the additional plan is 8% per year (shared equally by the employee and the employer).

##### *Option to stop paying QPP contributions (aged 65 or older)*

An employee aged 65 or older but younger than 73 at the end of the year who receives a QPP or CPP retirement pension can elect to stop contributing to the QPP.<sup>3</sup>

To do this, the employee must provide their employer with a duly completed copy of form RR-50-V, Election to Stop Contributing to the Québec Pension Plan, or Revocation of an Election during the year. This election is effective on the first day of the month after the date the employee provides their employer with the form and will stay in effect until the employee revokes it or until December 31 of the year they turn 72<sup>4</sup>.

##### *Employee who turns 73 during the year*

Employers are no longer required to withhold QPP contributions as of January 1 of the year in which the employee turns 73.<sup>5</sup>

##### *Employee who is aged 60 or older and receives a disability pension*

Employers must withhold QPP contributions from an employee aged 60 or older who receives a salary or wages and also both a disability pension and a QPP retirement pension.<sup>6</sup>

<sup>1</sup> Additional plan limit corresponds to 114% of MPE since 2025.

<sup>2</sup> Contribution to be paid by both the employer and the employee. Self-employed individuals are required to pay both the employer and employee contribution such that their contribution rate is double the rate shown above.

<sup>3</sup> This election is also available under the CPP plan where the employee is aged 65 to 69 and provides their employer with form CPT30, Election to Stop Contributing to the Canada Pension Plan, or Revocation of a Prior Election. For further details, see the page entitled [Choosing to stop contributing to the Quebec Pension Plan](#) on Retraite Québec's website.

<sup>4</sup> Reasonable processing times for an employer following the exercise of the election or its revocation by an employee could result in various adjustments to QPP contributions. For comments on overpayments or underpayments in these circumstances, see OCPAQ and Revenu Québec Liaison Committee, May 29, 2024, Q. 2.3).

<sup>5</sup> Employers must deduct CPP contributions for employees who are aged 18 years or over until they turn 70.

<sup>6</sup> CPP contributions are not deducted for employees who are considered disabled under the CPP or QPP.

## 1.4 Canada Pension Plan (CPP)

CPP contributions	2025	2026
Year's maximum pensionable earnings (YMPE)	\$71,300	\$74,600
Year's additional maximum pensionable earnings (YAMPE) <sup>7</sup>	\$81,200	\$85,000
Additional maximum pensionable earnings (YAMPE – YMPE)	\$9,900	\$10,400
Basic exemption for the year	\$3,500	\$3,500
<b>Contribution rate and limit (employer and employee)<sup>8</sup></b>		
▪ <b>Base plan</b>	5.95%	5.95%
Maximum annual contribution	\$4,034.10	\$4,230.45
▪ <b>Additional plan<sup>9</sup></b>	4.00%	4.00%
Maximum annual additional contribution	\$396.00	\$416.00
▪ Total maximum annual contribution (base plan + supplementary plan)	<b>\$4,430.10</b>	<b>\$4,646.45</b>

## 1.5 Health Services Fund (HSF)

HSF contributions (based on the employer's activity sector) <sup>10</sup>	2026		
	Total payroll (TP)		
	≤ \$1M	Between \$1M and \$7.8M	\$7.8M or more
Primary and manufacturing sectors <sup>11</sup>	1.25%	1.25% to 4.26% <sup>12</sup>	4.26%
Other employers	1.65%	1.65% to 4.26% <sup>13</sup>	4.26%
Public sector <sup>14</sup>	4.26%		

### HSF contributions – Clarifications regarding the reduced rate for associated corporations

Since an employer's eligibility for the reduced rate is determined based on its total payroll, that is, the employer's payroll and that of any other employer with which it is associated, a corporation could technically be eligible for the reduced rate, even if the corporation is not engaged in eligible activities, if the percentage of the associated group of corporations' payroll attributable to eligible activities is greater than 50%.

**Example:** Corporation 1 and Corporation 2 have respective payrolls of \$500,000 and \$300,000 for the calendar year. Total payroll for Corporation 1 is attributable to primary and manufacturing sector activities, while payroll for Corporation 2 is attributable to the activities of another sector. Both Corporation 1 and Corporation 2 are entitled to a reduced contribution rate since more than 50%<sup>15</sup> of their **total** payroll is attributable to eligible activities.

<sup>7</sup> Corresponds to 14% of YMPE since 2025.

<sup>8</sup> Self-employed individuals are required to pay both the employer and employee contribution such that their contribution rate is double the rate shown above.

<sup>9</sup> For more information, consult the [Second additional CPP contribution \(CPP2\) rates and maximums](#) page on the CRA website.

<sup>10</sup> Rate established based on the total global payroll, i.e., the employer's payroll and that of all employers with which it is associated (regardless of where they carry out their activities and of whether they are subject to the TA and the RAMQA).

<sup>11</sup> Employers whose total payroll is more than 50% attributable to activities in the primary, manufacturing, agriculture, forestry, fishing and hunting, mining, quarrying and fuel or gas extraction sectors. See in particular interpretation 22-062387-001 for clarification regarding the NAICS code entered in an employer file. See also the details regarding exempt employers for the years 2026 and 2027 in the [Temporary Holiday Applicable to Certain Sectors](#) section.

<sup>12</sup> Rate determined as follows:  $0.8074 + (0.4426 \times TP/1,000,000)$ .

<sup>13</sup> Rate determined as follows:  $1.2662 + (0.3838 \times TP/1,000,000)$ .

<sup>14</sup> The Government of Canada or of a province, a Canadian municipality, a mandatory body of the State, of the Government of Canada, of a province or of a Canadian municipality, a municipal or public body performing a function of government in Canada or a mandated organization of such an organization, a corporation, commission or association exempt from income tax at a given time in the calendar year under Section 985 of the *Taxation Act*, in particular a corporation that is 90% owned by the State.

<sup>15</sup> That is,  $62.5\% (\$500,000/(\$500,000 + \$300,000))$ .

## Details regarding the temporary holiday applicable to certain the agriculture, forestry and fishing sectors

**NEW!** Employers in the **agriculture, forestry and fishing sectors** whose primary activities are among those listed in the table below, and whose total payroll<sup>16</sup> is primarily (more than 50%) attributable to these activities, **will not be required to pay any HSF contributions for the years 2026 and 2027**, regardless of their total payroll.

NAICS code	Employer's activities <sup>17</sup>
111	Crop production
112	Animal production and aquaculture
113	Forestry and logging
1141	Fishing
321111	Sawmills (except shingle and shake mills)
32211	Pulp mills

Employers in these sectors whose total payroll for these years is attributable to these activities in a proportion of 25% or more, without exceeding 50%, are entitled to a **partial** HSF contribution holiday at a rate of 50%.

Consequently, the periodic remittances payable by specified employers as of their first pay period beginning after January 28, 2026, may be reduced by the applicable rate.<sup>18</sup> Any refund of an excess periodic payment made after January 1, 2026, may be claimed after filing Summary 1, *Summary of Source Deductions and Employer Contributions* (RLZ-1.S), for the year in question, and not before.<sup>19</sup>

### 1.6 Commission des normes du travail (CNESST)

Year	Maximum annual earnings subject to source deductions and employer contributions <sup>20</sup>	CNT contribution rate (%)
2026	\$103,000	0.06
2025	\$98,000	0.06

### 1.7 Contributions to the Workforce Skills Development and Recognition Fund (WSDRF)

If an employer's total payroll exceeds \$2M, the employer is required to participate in the development of workforce skills for the year by allotting an amount representing at least 1% of its total payroll to eligible training expenditures.<sup>21</sup> If an employer's eligible training expenditures for the year represent less than 1% of its total payroll, it must make a contribution to the WSDRF equal to the difference between 1% of its payroll and the amount of its eligible training expenditures.

## 2 Attachment criteria (province of employment) for source deductions purposes<sup>22</sup>

Every person who pays a salary, wages or other remuneration in respect of an office or employment held in Quebec or elsewhere in Canada may be required to make source deductions from such amounts.<sup>23</sup>

### 2.1 Province of attachment and province of residence

Generally, as summarized below, the provinces of attachment and residence are determined based on factors such as the place of business of the employer where the employee must report for work or to which they are attached under a telework arrangement. In this respect, the job-related province of attachment and not the employee's province of residence is the

<sup>16</sup> The payroll of the employers with who they are associated is excluded for the purposes of this measure.

<sup>17</sup> Activities included in the North American Industry Classification System (NAICS) codes listed in the table or represented by one of those codes.

<sup>18</sup> Individuals with income from these sectors may deduct, in the calculation of their total income for those years, for the purposes of their HSF contribution, an amount equal to their net business income from these sectors.

<sup>19</sup> See [Broadening of the Temporary Exemption From Health Services Fund Contributions for the Agriculture, Forestry and Fishing Sectors | Revenu Québec](#) for details.

<sup>20</sup> An employer subject to the contribution related to labour standards must make a contribution on the total [remuneration subject to contributions](#) paid to its employees in the year.

<sup>21</sup> Employers that hold a training initiative quality certificate issued by the Commission des partenaires du marché du travail are not required to contribute to the WSDRF.

<sup>22</sup> References to the applicable laws are presented in the Appendix. The specifics of non-resident employees and employers are not covered in this document and should be discussed with an international tax specialist.

<sup>23</sup> This generally includes taxable benefits, vacation pay, tips, commissions and other gratuities. Please also refer to Appendix 1 of Revenu Québec's [TP-1015.G-V Guide for Employers: Source Deductions and Contributions](#) and Appendix 6 of the CRA's [T4001 Employers' Guide - Payroll Deductions and Remittances](#) to determine whether remuneration is subject to source deductions and employer contributions.

determining factor. Specific rules apply where withholdings are made in a province that is not the employee's province of residence. For example, a taxpayer residing in Quebec on December 31 of a given year can transfer to Quebec 45% of the income tax withheld at source by their employer for another province. This credit corresponds to the amount that will be transferred to Quebec by the CRA. A similar measure provides for income tax that has been withheld in Quebec for a resident of another province.

## 2.2 Basic subject-to-tax rule

Remuneration subject to source deductions and employer contributions		
Federal income tax	EI <sup>24</sup>	Quebec source deductions (Income tax, QPP, QPIP, HSF, CNT, WSDRF)
Satisfies <u>one of the following conditions</u> : <sup>25</sup> <ul style="list-style-type: none"> <li>Employment in Canada</li> <li>Employee is a Canadian resident</li> </ul>	Employment in Canada <sup>26</sup> (with some exceptions)	Satisfies <u>one of the following conditions</u> : <ul style="list-style-type: none"> <li>The employee physically reports for work or is considered attached to one of their employer's establishments in Quebec.<sup>27</sup></li> <li>The employee does not physically report for work at one of their employer's establishments (in Quebec or elsewhere) <b>and</b> is not considered attached to one such establishment, but their salary is paid from one of their employer's establishments in Quebec.<sup>28</sup></li> </ul>

## 2.3 Specific application rules and illustrative examples

Remuneration subject to source deductions and employer contributions						
Income tax	EI	QPP	QPIP	HSF <sup>29</sup>	CNT	WSDRF
The employee <u>does not report for work</u> at one of their employer's establishments and is not considered attached to one such establishment <u>and</u> their <u>salary is paid from one of their employer's establishments in Quebec</u> .						
Withholding obligations according to basic rules						
The employee <u>physically reports for work</u> at an establishment in Quebec <u>and</u> at an establishment <u>outside</u> Quebec.						
<b>Federal tax</b> <ul style="list-style-type: none"> <li>Withholding obligation according to basic rule</li> </ul> <b>Quebec tax</b> <ul style="list-style-type: none"> <li>Same rules as for DAS on the right<sup>30</sup></li> </ul>	Withholding obligation (except for uninsurable employment)	Regular remuneration <ul style="list-style-type: none"> <li>Withholding obligation if the employee primarily reports for work at the establishment in Quebec for the pay period or most recently worked there (where they reported to each establishment in Quebec or elsewhere for the same duration).</li> </ul> Other remuneration (bonuses, vacation or other) <sup>31</sup> <ul style="list-style-type: none"> <li>Withholding obligation if the employee usually reports for work at the establishment in Quebec.</li> </ul>				

<sup>24</sup> For an employee whose province of employment is Quebec, the employer must deduct and pay reduced EI contributions by using the Quebec rates and maximum employer contribution, regardless of the employee's province of residence.

<sup>25</sup> The obligations apply to both employers resident in Canada and employers not resident in Canada. See in particular interpretation 2010-038356117.

<sup>26</sup> Subject to the specific exclusions in EIA subsection 5(2), EIA subsection 5(1) states that **any employment in Canada is insurable employment**. In addition to this general rule, certain specific jobs, including those in the Canadian government and certain law enforcement agencies, are considered insurable employment, regardless of where the work is performed. This also applies to most employment duties performed either partly or entirely overseas by an individual who is ordinarily a Canadian resident for a Canadian employer if the employment is not insurable employment under the laws of the country in which it takes place and it would be insurable employment if it were in Canada. **Exclusions** under EIA subsection 5(2) include employment in which the employer and employee do not deal with each other at arm's length, employment of a shareholder who controls more than 40% of the voting shares, employment in Canada for an international organization, etc.

<sup>27</sup> Where the employee physically reports for work, they are not required to report for work at this location for any minimum period of time. Revenu Québec considers that this criterion is met if the threshold of 4 hours is met for at least 90% of the time and that, for the weeks of work where this threshold is not met, the employee was justified (e.g. the employee works for his employer abroad or attends training outside the establishment of his employer (see Roundtable on provincial tax, APFF Congress 2018, Q. 7 and 25-072723-001).

<sup>28</sup> Sections 7, QPPA, 43 and 52, PIA, 34, RAMQA and 39.0.1, LSA. Generally, this is the location of the payroll department or payroll records or the establishment that actually incurred the expenditure for the purpose of the T2 return. Revenu Québec considers that the establishment responsible for payroll has the decision-making power regarding the funds for satisfying this obligation and the location of the employee's manager does not affect this (see 21-057221-002).

<sup>29</sup> The same requirement for employers to contribute to a workers' compensation board (or other equivalent) applies in all Canadian provinces.

<sup>30</sup> For Quebec withholding purposes, the analysis must be for each pay period and Revenu Québec considers that the rules under sections 48 and 52, PIA, 34.0.0.1, RAMQA and 39.0.1, LSA apply for tax withholding and for QPP contributions (section 10 of the Guide for Employers – Source Deductions and Contributions (TP-1015.G-V)).

<sup>31</sup> This includes salary paid as a gratuity (e.g., bonus), retroactive increase, vacation pay and any other payment that does not relate to a regular pay period. This same rule applies to amounts paid to a custodian or trustee (except for QPIP purposes).

Remuneration subject to source deductions and employer contributions						
Income tax	EI	QPP	QPIP	HSF <sup>29</sup>	CNT	WSDRF
The employee <u>does not physically report for work</u> at an employer's establishment (in Quebec or elsewhere) and is not considered attached to one such establishment <u>and</u> their salary is paid from one of their employer's locations <u>outside</u> Quebec. <sup>32</sup>						
<b>Federal tax</b> <ul style="list-style-type: none"> <li>Withholding obligation according to basic rule</li> </ul> <b>Quebec tax</b> <ul style="list-style-type: none"> <li>No withholding obligation</li> </ul>	Withholding obligation (except for uninsurable employment)	Not subject to QPP, but subject to CPP		Withholding obligation if it is reasonable to consider that the person is an employee of the establishment in Quebec, considering: <sup>33</sup> <ul style="list-style-type: none"> <li>The location where they primarily report for work;</li> <li>Their principal place of residence;</li> <li>The location where they primarily carry out their duties;</li> <li>The establishment from which they are supervised;</li> <li>The nature of their employment duties;</li> <li>Any other similar criterion.</li> </ul>		
The employee <u>physically reports for work</u> at an employer's establishment in Canada, but <u>outside</u> Quebec <u>and</u> their salary is paid from one of their employer's establishments in Quebec.						
<b>Federal tax</b> <ul style="list-style-type: none"> <li>Withholding obligation according to basic rule</li> </ul> <b>Quebec tax</b> <ul style="list-style-type: none"> <li>No withholding obligation</li> </ul>	Withholding obligation (except for uninsurable employment)	Not subject to QPP, but subject to CPP		<ul style="list-style-type: none"> <li>No withholding obligation</li> </ul>		

## 2.4 Clarification and particular rules

### Employee attached to an employer's establishment (where there is no physical presence)

This administrative policy, which has been in effect since 2024, primarily focuses on **teleworkers** and employees who never have to report for work at an employee's establishment (travelling representatives, for example).

According to this administrative policy, where an employee does not physically report for work, the CRA and Revenu Québec consider that they report for work at one of the employer's establishments if they are attached to said establishment.<sup>34</sup>

For this purpose, an employee is attached to one of their employer's establishments if both of the following conditions are met:

- A temporary or permanent work agreement allows the employee to work full-time remotely from a location that is not one of their employer's establishments;<sup>35</sup>
- The employee can reasonably be considered to be attached to one of their employer's establishments.

#### Applicable criteria

If there is no full-time remote work agreement and the employee would have to physically report for work to carry out their employment duties at one of their employer's establishments, the employee is considered to be attached to that establishment.<sup>36</sup>

Other secondary criteria may be used to determine whether an employee can be reasonably considered attached to one of their employer's establishments:<sup>37</sup>

<sup>32</sup> The treatment would be the same for an employee who reports for work solely at an establishment in Canada but outside Quebec. See Illustrative Example 22-058676-001.

<sup>33</sup> Sections 48.1 and 52, PIA, 34.0.0.2, RAMQA and 39.0.1, LSA and TP-1015.G-V. The analysis must be for each pay period.

<sup>34</sup> The CRA uses the expression "employee attached to an employer's establishment." However, designating an employee establishment to avoid source deductions and employee contributions is not considered reasonable. For further details regarding these administrative positions, refer to the [Determine the province of employment](#) page on the CRA's website and the [Guide for Employers: Source Deductions and Contributions \(TP-1015.G-V\)](#) page on Revenu Québec's website.

<sup>35</sup> The employer requires or allows the employee to perform their tasks remotely on a full-time basis and these tasks are performed at one or more locations that are not the employer's establishments.

<sup>36</sup> Where an employee physically reported to one of their employer's establishments immediately before entering a full-time remote work agreement, the employee is also considered to be attached to that establishment, unless the employee's circumstances or the nature of their duties have changed.

<sup>37</sup> Generally, all the indicators must be assessed together based on the employee's specific work situation. If an employee can be reasonably considered attached to more than one of their employer's establishments, the same criteria should be used to determine which establishment the employee can be reasonably considered as more closely attached to.

- They attend or would attend meetings at the establishment in person or using any type of communication;
- They receive or would receive work-related material or equipment or associated instructions and assistance at this establishment;
- They do or would report to this establishment to receive instructions regarding their duties in person or using any type of communication;
- They are supervised from the establishment, as indicated in their employment contract;
- They would report for work at the establishment based on the nature of their duties.

## Other clarifications

### *Concept of an employer's establishment*

For the purposes of source deductions and employer contributions, any location where at least one employee reports for work and from where their salary is paid may constitute an employer's establishment. Generally, a fixed place of business owned or leased by the employer (office, branch, mine, oil well, farm, timberland, factory, workshop, warehouse, etc.) may constitute an employer's establishment where employees are required to report for work.

However, the employer's establishment does not have to be a permanent physical location. For example, a construction company's place of business may include one or more construction sites,<sup>38</sup> while a fairground company's place of business may include the parking lot of a shopping mall. **Consulting a tax professional to identify the employer's establishments is recommended.**<sup>39</sup>

### *Individual who is not a Quebec resident on December 31*

#### Quebec income tax

Even if an individual is not a Quebec resident on December 31 and is not subject to income tax in that province, the employer must still withhold Quebec income tax if one of the withholding obligation conditions is met. The adjustment (transfer to the province of residence) will occur when the individual files their income tax return.

Even with the increase in telework, Revenu Québec does not intend to authorize a reduction in withholding tax on remuneration for an employee who resides in a province where the employer does not have an establishment.<sup>40</sup>

#### Quebec Parental Insurance Plan (QPIP)

Generally, an employee who is not a Quebec resident at the end of the year is not required to pay the QPIP contribution. Nevertheless, an employer who pays remuneration subject to the QPIP to such an employee must still deduct and pay QPIP contributions.<sup>41</sup> When the employee files their tax return, they may recover any QPIP overpayment. Conversely, if the remuneration paid during the year to an employee residing in Quebec at the end of the year was not subject to QPIP deductions, the employee will be required to pay the QPIP when filing their income tax returns.

#### Quebec Pension Plan (QPP) and Canada Pension Plan (CPP)

These plans have a mutual sharing arrangement for the purpose of paying benefits. For example, an employee who resides in Quebec and works in Ontario will contribute to the CPP and these contributions will be taken into account for the QPP benefits received upon retirement, if the employee is still a Quebec resident at that time.

#### Occupational health and safety insurance premium (CNESST)

Any employer with an establishment in Quebec who employs at least one worker must register with the *Commission des normes, de l'équité, de la santé et de la sécurité du travail* (CNESST) and pay a workplace health and safety insurance premium in respect of the wages paid to the worker. Wages earned outside Quebec by the worker are excluded if they are reported elsewhere in Canada under the Interjurisdictional Agreement on Workers' Compensation, whereas wages paid to an employee working in Quebec by an employer established outside Quebec are subject to the insurance premium.

<sup>38</sup> The establishment is usually the location of the construction site.

<sup>39</sup> The concept of establishment used on a federal level to determine an employee's province of employment for the purpose of payroll deductions may differ from the concept of a "permanent establishment" which is relevant for the purpose of determining taxable income earned by a corporation in a province (allocation of tax payable based on the jurisdiction). In Quebec, the concept of an establishment for the purpose of payroll deductions is the concept outlined in Section 12 of the TA, such that the same concept applies to each province (see the [Guide for Employers: Source Deductions and Contributions \(TP-1015.G-V\)](#)). Generally, an employee's home office is not considered an establishment of the employer (see 2022-0942731C6). In all cases, the existence of a permanent establishment in a province does not mean that the employee is automatically considered attached to the establishment or is required to report for work there.

<sup>40</sup> Roundtable on provincial tax, APFF Conference, 2021, Q. 11.

<sup>41</sup> Combined effect of sections 50 and 52, PIA.

### *Self-employed worker*

A self-employed worker is not required to pay contributions on amounts included in their income as business income or self-employed earnings for the year during which they did not carry on a business. Thus, for example, no contribution would be payable regarding business income from a capital cost allowance recapture or accounts receivable collections included in the income of an individual who has retired or otherwise discontinued their business activities.<sup>42</sup>

### *Corporation acting as agent*

In the case of a corporation acting as agent for the management of source deductions and employer contributions, payments must be made using the account number of the actual employer.<sup>43</sup>

### *Succession of employers*

A new employer can generally take into account the contributions of the previous employer if the new employer immediately succeeds the previous employer as a result of the formation or dissolution of a corporation or the acquisition of the majority of the assets of a business or a separate part of a business, without there being any interruption of services provided by an employee.<sup>44</sup>

Do not hesitate to contact your Raymond Chabot Grant Thornton advisor who can help you determine which measures apply to your business and assist you with the steps needed throughout the process to benefit from these measures.

For further information, visit our website at [rcgt.com](http://rcgt.com).

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<sup>42</sup> See 24-069292-001.

<sup>43</sup> See 10-010199-001, 18-041775-001 and OCPAQ and Revenu Québec Liaison Committee, May 29, 2024, Q. 9.

<sup>44</sup> This principle is not subject to any specific time limit. In the case of an employee on maternity leave at the time of restructuring who is transferred to her new employer upon her return, Revenu Québec is of the opinion that the concept of succession of employers should apply (see 25-072768-001).

## APPENDIX – Summary of sections with employer withholding obligations

	Legal framework	Reference to employer's obligations
Federal tax	<i>Income Tax Act (ITA)</i>	<ul style="list-style-type: none"> <li>Subsection 153(1)</li> </ul>
Quebec tax	<i>Taxation Act (TA)</i>	<ul style="list-style-type: none"> <li>Section 1015</li> </ul>
EI	<i>Employment Insurance Act (EIA)</i>	<ul style="list-style-type: none"> <li>Sections 82 and 68: Deduct premium for insurance employment and corresponding employer's premium</li> <li>Section 5: Insurable employment and exclusions</li> </ul>
QPP	<i>Act respecting the Québec Pension Plan (QPPA)</i>	<p>General rules</p> <ul style="list-style-type: none"> <li>Section 2: Applies to any work performed in Quebec, unless excluded</li> <li>Section 7: Work deemed performed in Quebec if the employee reports to an establishment in Quebec, or, if not required to report to an establishment, the employee receives wages from an establishment in Quebec</li> </ul> <p>Assumptions</p> <ul style="list-style-type: none"> <li>Sections 37.1 to 37.3: Assumptions regarding remuneration paid</li> </ul>
CPP	<i>Canada Pension Plan Act (CPPA)</i>	<ul style="list-style-type: none"> <li>Sections 6 and 7: Any employment in Canada is pensionable employment unless excluded</li> <li>Section 21: Employee and employer contribution withholding obligation for pensionable employment</li> </ul>
QPIP	<i>Act respecting parental insurance (PIA)</i>	<p>General rules</p> <ul style="list-style-type: none"> <li>Section 43 "Employee": Reports for work to an establishment in Quebec, or, if not required to report to an establishment, the employee receives wages from an establishment in Quebec</li> <li>Section 52: Employer required to pay premiums for every "employee"</li> </ul> <p>Assumptions</p> <ul style="list-style-type: none"> <li>Section 43.1: Person deemed to be an employee in some circumstances</li> <li>Sections 48, 48.1 and 48.2: Assumptions to determine if a person "reports for work at an establishment of the employer"</li> </ul>
HSF	<i>Act respecting the Régie de l'assurance maladie du Québec (RAMQA)</i>	<p>General rules</p> <ul style="list-style-type: none"> <li>Section 34: Employer required to pay a contribution for every "employee" who reports for work at an establishment in Quebec, or, if not required to report to an establishment, the employee receives wages from an establishment in Quebec</li> </ul> <p>Assumptions</p> <ul style="list-style-type: none"> <li>Section 33.2: Assumption regarding wages paid</li> <li>Sections 34.0.0.1, 34.0.0.2, 34.0.0.3 et 34.0.2: Assumptions to determine if a person "reports for work at an establishment of the employer"</li> <li>Section 34.0.1: Person deemed to be an employee in some circumstances</li> </ul>
CNT	<i>Act respecting labour standards (LSA)</i>	<p>General rules</p> <ul style="list-style-type: none"> <li>Sections 39.0.1 and 39.0.2: Contribution required for remuneration subject to contribution of an employee working in Quebec unless excluded</li> </ul> <p>Assumptions</p> <ul style="list-style-type: none"> <li>Section 39.0.1, second subsection: Assumptions to determine if a person "reports for work at an establishment of the employer"</li> </ul>