

**Payroll and Reporting Q&As
LTC Temporary Pandemic Pay
August 6, 2020**

Payroll

1. Are short-term, temporary or convalescent beds included?

Yes, short-term, temporary and convalescent beds are included in the funding estimations for LTC homes.

2. Should LTC homes use statutory vacation pay (i.e., 4% or 6%) or vacation pay based on collective agreement (could be upwards of 14%) to estimate vacation pay entitlements for pandemic pay?

Pandemic pay – both hourly and lump sum – must be administered in accordance with the *Employment Standards Act, 2000* (ESA) and the applicable employment contracts, including collective agreement(s).

The ESA sets out a minimum standard of 4% to be paid out to employees (or 6% for employees with more than 5 years service) when they take vacation time, or on each pay period, or at some other time agreed to by the employer and the employee.

An employment contract or collective agreement may stipulate a higher percentage of vacation pay. Please note that each employer is responsible for determining and ensuring compliance with their legal obligations under applicable statutes and/or employment contracts (including collective agreements).

3. We have a site with multiple settings, including independent living, retirement home and LTC home settings. Some of our staff work across these settings and only a portion of their hours are in the LTC home. How do we determine if they are entitled and how much they are entitled to?

Please note that per Ontario Regulation 146/20 made under the *Reopening Ontario (A Flexible Response to COVID-19) Act, 2020* (previously the EMCPA), effective Wednesday, April 22, 2020, a long-term care provider shall ensure that employees who perform work in a long-term care home it operates or maintains is not also performing work,

- (a) in another long-term care home operated or maintained by the long-term care provider;
- (b) as an employee of any other health service provider; or
- (c) as an employee of a retirement home.

Staff hours worked by eligible employees in the LTC home are eligible for pandemic pay. Staff will need to be paid in alignment with the LTC Pandemic Pay policy. Eligibility for hours worked in other settings will be determined by the policies of each respective setting.

4. If an employee receives statutory holiday as part of their percentage in lieu of benefits, do we have to calculate a separate stat. pay for the extra premium amount?

Pandemic pay – both hourly and lump sum – must be administered in accordance with the *Employment Standards Act* and the applicable employment contracts, including collective agreement(s).

5. Should the pandemic pay be included on a Record of Employment (ROE)?

The determination of income tax treatment, withholding and remittances, as well as treatment for CPP (Canada Pension Plan) and EI (Employment Insurance) is within the purview of the Canada Revenue Agency.

Employers should consult with their professional advisors and/or the Canada Revenue Agency regarding their CPP, EI and income tax withholding obligations. More information about ROEs can be found on the [federal government's ROE webpage](#) or by contacting the CRA.

6. Should pandemic pay be paid to employees on regular payroll cycles or can they be paid monthly or following August 13th?

LTC homes should endeavor to pay employees their pandemic pay as soon as reasonably possible after receiving the funding from the government. Pandemic lump sum payments will be paid out after each 4-week period outlined in the LTC pandemic pay policy document

7. What if the employee working in LTC has other eligible hours paid by another ministry? The hours worked in the LTC home get reported through the process you've outlined, and the hours in other eligible workplaces get reported through another mechanism?

Yes, for the hourly pay. For the lump sum payment, employees can only receive one lump sum payment per eligible period and must provide an attestation form to the employer where they have worked the most hours, as outlined in the LTC Pandemic Pay policy.

8. Are agencies supposed to charge HST on the pandemic pay or should those charges be exempt from tax?

For the temporary pandemic pay, the LTC homes should follow the same process for HST as they normally would when they are billed by their service providers.

Eligible employers can submit a claim for HST costs as part of their final funding reconciliation documentation. A template will be provided that will ask eligible employers to outline the details of the HST costs they incurred and the tax credits and or recoveries they are expecting to receive. The template will include an attestation from your organization financial executive or external accountant (whichever is relevant) to ensure they have completed their due diligence on requested reimbursement for HST. The government will only consider reimbursement if there is a residual amount the employer must pay. If required, employers are expected to arrange and pay for their own tax advice.

For the purposes of payroll deductions and remittances, temporary pandemic pay should generally be treated the same by an employer as other amounts paid as salary or wages.

Employers should consult with their professional advisors and/or the Canada Revenue Agency regarding HST and their CPP, EI and income tax withholding obligations. Please contact the CRA's general business enquiries at 1-800-959-5525.

9. Some collective agreements allow workers to 'bank' hours (and associated pay) for statutory holidays. Are homes allowed to allocate this funding to the worker, but use it when the worker decides to use those banked hours?

Matters related to funding and reimbursable costs need to be determined through the execution of the transfer payment agreement with the ministry. In general, the timelines for when the pandemic pay funds are actually paid out is employer-dependent and will vary by employer.

Reporting Template

10. If an employee's occupation isn't listed, should it be included under the 'other health and social services' category for those providing care to residents?

All workers falling under the nursing or PSW categories should be included in these groups (even if not listed). This includes nursing and PSW students and assistants. If workers don't fall under these two categories, they should be captured under the 'other health and social services' category.

11. Do these occupational categories apply to agency, third-party, contracted staff and redeployed staff from ineligible workplaces in the same way?

Yes. Please group these workers in the same ways you'd group employees of the LTC home.

12. The template indicates that full-time is considered 30 hours a week. Most collective agreements consider 35 hours per week as full-time. This means part-time staff may be included in the full-time staff count. Is this correct?

For full-time category, please follow the rules as outlined in the homes' collective agreement.

13. Is it a cumulative count of staff for the 8 weeks (doesn't matter if months vary)?

Yes, count staff for each 8-week period.

14. Is the \$25 per hour 'base wage' before any additional premiums/ contributions /entitlements are applied?

Yes, the \$25 base wage is before taxes or deductions.

15. If a part-time employee works full-time during the eligible period, are they full-time or part-time in terms of classification?

Please classify employees based on their hours worked during the 16-week period. For example, if a part-time employee worked full-time hours during the 16-week period, they should be classified as full-time, for reporting purposes. The definition of full-time may vary according to collective agreements.

16. Would the vacancies count also include all positions created to manage the COVID-19 pandemic (e.g., screeners), or just the regular positions required for day-to-day operations?

Vacancies would include all positions that are vacant as of April 24, 2020, including those that homes have needed to manage the pandemic.

17. When can LTC homes expect to receive the funding difference if initial payments weren't enough?

Reconciliation will occur after the Final Report is submitted (i.e., September 11, 2020) and should be expected in the applicable year.

18. Should the total temporary pandemic pay paid out include both the \$4/hour, the \$250 lump sum and the employer contributions? What about pandemic pay paid out to agencies?

Yes, please include the total amount paid out for pandemic pay, including the hourly and lump sum totals, the employer contributions and payment to agencies.