



## This Month

- ◆ **New- Payroll Website Offers More!**
- ◆ **2008 Minimum Wage Changes**
- ◆ **Claiming Automobile Expenses**

### 2008 Minimum Wage Changes

Several Provinces have increased or will increase their minimum wage rates in 2008. The list below details the wage rate changes taking effect in 2008.

- **Alberta:** Effective **April 1, 2008**, the rate increased from \$8.00/hour to \$8.40/hour.
- **Manitoba:** Effective **April 1, 2008**, the rate increased from \$8.00/hour to \$8.50/hour.
- **New Brunswick:** Effective **March 31, 2008**, the rate increased from \$7.25/hour to \$7.75/hour.
- **Newfoundland and Labrador:** Effective **April 1, 2008**, the rate increased from \$7.50/hour to \$8.00/hour.
- **Nova Scotia:** Effective **May 1, 2008**, the rate increased from \$7.60/hour to \$8.10/hour.
- **Nova Scotia (inexperienced workers):** Effective **May 1, 2008**, the rate increased from \$7.15/hour to \$7.60/hour.
- **Ontario:** Effective **March 31, 2008**, the rate increased from \$8.00/hour to \$8.75/hour.
- **Ontario (students under 18 working 28 hrs or less/week):** Effective **March 31, 2008**, the rate increased from \$7.50/hour to \$8.20/hour.
- **Ontario (serving alcohol on licensed property):** Effective **March 31, 2008**, the rate increased from \$6.95/hour to \$7.60/hour.
- **Prince Edward Island:** Effective **May 1, 2008**, the rate increased from \$7.50/hour to \$7.75/hour and effective **October 1, 2008** the rate will rise to \$8.00/hour.
- **Quebec:** Effective **May 1, 2008**, the rate increased from \$8.00/hour to \$8.50/hour.
- **Quebec (Employees receiving tips):** Effective **May 1, 2008**, the rate increased from \$7.25/hour to \$7.75/hour.
- **Saskatchewan:** Effective **May 1, 2008**, the rate increased from \$8.25/hour to \$8.60/hour.
- **Yukon:** Effective **April 1, 2008**, the rate increased from \$8.37 to \$8.58.

\*\*There are no changes in 2008 to minimum wage rates for British Columbia, North West Territories, and Nunavut.

### New – Payroll Website Offers More!

Many of our clients have decided to make their lives less stressful by outsourcing one of their biggest aggravations - payroll preparation. PayTrak Payroll Services offers the things that are most desirable to the small business operator:

**Personalized Service** – each client is assigned a dedicated customer service representative

**Flexibility** – PayTrak has a number of options on how your payroll information is both received & delivered

**Direct Deposit or Cheque** – employees can be paid by cheque or their pay can be deposited directly into their bank accounts

**Concise Reports** – eliminate unnecessary paperwork

**TaxTrak** – PayTrak electronically files payroll remittances on your behalf

For more information on outsourcing your payroll, visit [www.paytrak.ca](http://www.paytrak.ca)

#### Web Site Update!

We have added some new features to the PayTrak website that you will find useful. We now have a **NEWS** area that keeps you abreast of payroll related issues. Currently, we have information posted on recent and upcoming minimum wage changes across Canada. We will post reminders of statutory holiday regulations, CRA & provincial updates, & other items that impact payroll. You will want to check back frequently.

Soon there will be a new **Resource Centre** area on the web site. This will include important links; a section that will allow you to download payroll forms & worksheets; and a FAQ section that will address many of your most common payroll questions.

Contact us today to find out more about Simplifying your Payroll

**PayTrak Payroll Services**

**877-316-2999**

[www.paytrak.ca](http://www.paytrak.ca)

## CLAIMING AUTOMOBILE EXPENSES



One of the more common expenses claimed by taxpayers are automobile expenses (applies to any motor vehicle such as a van, bus, pickup truck, station wagon, SUV, or other truck). Many individuals use their automobile for work or business and incur personal expenses in doing so. It is important to note that only expenses of a business nature are eligible as a deduction against their related income. As such, the Canada Revenue Agency (CRA) has strict requirements in ensuring that only business-related expenses are claimed. As a result, the retention of automobile tax records becomes imperative for every taxpayer that uses an automobile for work or business.

### Maintaining Automobile Expenses

The use of an automobile log provides one of the safest ways to substantiate and keep track of all your automobile expenses incurred that are deductible for income tax purposes and the kilometres driven on income-earning activities. The type of expenses to keep track of can be broken down into two categories. They are **operating** and **fixed expenses**.

### Operating Expenses

The types of operating expenses related to an automobile include gasoline, maintenance and repairs (such as oil changes and car washes), insurance, license and registration fees. Such expenses may vary in relation to the amount of kilometres driven.



### Fixed Expenses



Fixed expenses differ from operating expenses in that they relate to the automobile itself as opposed to the amount of kilometres driven. When an automobile is purchased, they would relate to the capital cost allowance and interest expense when financed. In the case of a leased automobile, such expenses would include the lease payments. It is important to note that there are special rules and restrictions which limit the portion of actual costs that can be included in your total expenses. You can consult with your Padgett Business Services representative to obtain more information on what these special rules and limitations are.

### Deductible Expenses

Because your automobile will most likely be utilized for both business and personal reasons, it is essential that the total automobile expenses be allocated between these two uses on a reasonable basis in order to arrive at only the deductible portion for income tax purposes. The best method to achieve this will involve the distance traveled calculated by taking total kilometres driven for business purposes divided by total kilometres driven for both business and personal purposes. Certain expenses such as parking expenses incurred while on a business trip and car repairs made as a result of an accident while on a business trip do not have to be prorated. However, such expenses incurred resulting from a personal trip made are not deductible.



PADGETT BUSINESS SERVICES

WHERE YOUR SUCCESS TAKES ROOT



Padgett Business Services is dedicated to meeting the tax, government compliance, profit & financial reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business planning concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter.