

# T4 and T4A Slip Distribution Emphasized by First Richvale Corp. as Month-End Deadline Nears

LONDON, ON, CANADA, February 19, 2025 /EINPresswire.com/ -- First Richvale Corp. (FRC) reminds Ontario employers and contractors that T4 and T4A slips must be issued by the final day of February. With this deadline looming, FRC stresses the importance of accurate payroll reconciliation, proper worker classification, and efficient data handling. Providing timely, correct slips helps recipients meet their tax obligations with fewer complications and protects employers from potential penalties for lateness or inaccuracies.

The T4 slip summarizes an employee's wages, salaries, tips, taxable benefits, and other earnings for the calendar year, along with Canada Pension Plan (CPP) contributions and Employment Insurance (EI) premiums deducted. T4A slips typically apply to self-employed workers, independent contractors, and certain pension or annuity recipients. FRC advises businesses to confirm whether individuals qualify as employees or contractors, since misclassification can cause disputes over CPP, EI, or tax withholdings.

Because February is a short month, employers have limited time to finalize payroll data. FRC observes that unrecorded bonuses, retroactive raises, or reimbursements—often processed in January—can be missed. Ensuring these amounts appear on T4 slips spares employees from confusion or the need to file amended personal returns. For organizations that outsource payroll, early coordination with service providers is essential to avoid last-minute discrepancies.

T4A slips become mandatory for payments made without standard employee deductions, such



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as consulting fees, research grants, or self-employed commissions. Once such compensation exceeds CRA thresholds, T4A forms must be issued. FRC warns that failing to provide T4As on time can result in penalties for the payer and complications for recipients. Conducting early-February reviews of contractor payments helps identify all amounts that should be reported.

Employers must also submit T4 Summaries, reconciling total wages and deductions on individual T4 slips with the remittances already paid to the government. Uncovered discrepancies—like under-remitted tax—can be addressed before interest accrues. Overpayments may entitle a business to credits if documented properly. FRC emphasizes that detecting and resolving these issues now prevents costlier headaches in the future.

Accurate employee information is another key component. Errors in social insurance numbers (SINs), legal names, or addresses can disrupt an employee's personal tax filing. FRC suggests sending reminders in early February for staff to update their details. Doing so reduces the need for amended slips, which can be both time-consuming and frustrating for all parties.

Taxable benefits must be disclosed on T4 slips when they surpass CRA guidelines. Such benefits might include employer-paid personal expenses, company vehicles for personal use, or other non-cash perks. FRC advises employers unsure of whether a benefit is taxable to consult CRA publications or a qualified tax professional.

A particular area of focus is Box 45, covering employer-sponsored dental benefits. Introduced in 2023, this section indicates which dental coverage an employer offers—regardless of whether each employee opts in. Five codes (1–5) describe various coverage scenarios, from “no coverage” to full family plans. Most standard group dental policies remain non-taxable, but enhanced or specialized coverage could trigger taxable amounts. FRC recommends that employers uncertain about this reporting requirement seek expert help to avoid mistakes.

Employers should also review subcontractor relationships to confirm these workers genuinely qualify as independent contractors. If a business controls schedules, equipment, or work processes, the CRA may view the relationship as employment, requiring T4 slips and regular payroll deductions. FRC cautions businesses to correct any misclassifications before the end of February, preventing future compliance difficulties.

Many small to mid-sized companies must manage both T4 and T4A obligations. For example, a restaurant might hire servers under T4 status while contracting a freelance web designer needing a T4A slip. FRC advises businesses to maintain an organized list of each worker's classification to simplify the slip-generation process and avoid confusion.

Once T4 and T4A slips are finalized, prompt distribution is crucial. Employees and contractors need these slips to file personal taxes by April 30. Delaying the issuance of slips can anger recipients and, in some cases, jeopardize their ability to file on time. Employers may distribute slips electronically with recipient consent and appropriate security measures. FRC notes that

providing slips early demonstrates commitment to professionalism, reducing stress for everyone involved.

T4 and T4A reporting also influences corporate year-end matters. In many calendar-year businesses, the data from T4 slips informs T2 corporate returns, typically due midyear. Reconciling payroll figures in February helps verify deductions for wages, salaries, and bonuses, while owner-managers who pay themselves via T4 wages and T5 dividends must ensure they neither overlook nor double-count any income. FRC underscores the value of verifying all forms—T4, T4A, T5, and their summaries—together to avoid audits or adjustments.

Missing the February filing deadline can lead to penalties that escalate based on the number of slips involved and the length of delay. Chronic errors or lateness may prompt deeper CRA scrutiny. FRC highlights that timely slip distribution promotes trust among employees, who rely on these documents for financial planning, and reassures stakeholders that the organization manages its tax obligations responsibly. Even after issuing slips, businesses should remain open to feedback about possible oversights, such as missing overtime or tips. If needed, amended slips can correct mistakes and prevent formal complaints.

Ultimately, FRC views T4 and T4A compliance in February as a vital aspect of sound business operations. By organizing payroll data thoroughly, using correct classification methods, and adhering to CRA requirements—particularly for taxable benefits—employers protect themselves from penalties and ensure a smoother tax season for everyone involved.

About First Richvale Corp.

Based in London, Ontario, First Richvale Corp. specializes in accounting and tax services, assisting employers with T4, T4A, and other essential documents. Through expert guidance on slip deadlines, classification protocols, and CRA updates First Richvale Corp aims to streamline corporate reporting and reduce administrative burdens. By emphasizing precision, compliance, and timeliness, FRC supports Ontario businesses in meeting their payroll and tax obligations confidently.

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