



# **Sage 300 Canadian Payroll**

## **July 1, 2025 Release Notes**

June 2025

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# Product update release notes

**Important!** All customers who update, maintain, and use Sage 300 Canadian Payroll should read these release notes to obtain valuable information about changes to the software program and payroll legislative database.

## Product update information

**Product:** Sage 300 Canadian Payroll

**Version:** Product Update July 1, 2025

## Software requirements

To use this product update, you must have Sage 300 Canadian Payroll 8.0, which is supported in Sage 300 2025, 2024 PU3, 2023 PU7, and 2022 PU8.

**Note:** Sage 300 2022 will no longer be supported following this tax update. Please reach out to your Business Partner for your upgrade options.

**Note:** If running Sage 300 2025 and Payroll Web Screens,

- Sage 300 2025 PU1 is required.
- If Canadian and US Payroll are installed, you must install the same Payroll Tax Update otherwise you will not be able to login to Sage 300 Web Screens.
- If you are using the Sage HR Integration with Sage 300, you can only use the Sage 300 desktop interface to print cheques. The 'Print Cheque' function is not available in Web Screens.

## Support and resources

Sage strives to provide you with the best help and support in the industry. If you have a question, we're here to help!

- **Help and documentation:** Many answers to common questions can be found in the help and documentation included with Sage 300. Visit the [Sage 300 Product Documents website](#) for access to more documents.
- **Community Hub:** Visit <https://communityhub.sage.com/us> for blogs, tips, and guidance specific to Sage 300.
- **Customer Support:** For additional articles and resources, visit the Sage Knowledgebase at <https://us-kb.sage.com/portal/ss/> or contact Customer Support at 800-253-1372 (U.S. and Canada). Please have your Sage Customer Number handy when contacting Support.

# Payroll Tax Updates

The following federal, provincial, and territorial tax changes are included in this update.

## Federal Legislative Updates

### Federal Changes

The Federal Government has announced that the lowest income tax rate will be reduced by 1% effective July 1, 2025.

On May 27, 2025, the Government of Canada tabled a Notice of Ways and Means Motion with proposed legislation that reduces the lowest income tax rate from 15% to 14% effective July 1, 2025.

In order to reflect the 1% cut in the lowest tax rate coming into effect halfway through the year, the full-year tax rate for 2025 will be 14.5% which means that a tax rate of 14% will apply for the remaining six months commencing with the first payroll in July.

The tax rates and brackets are as follows:

- income under \$57,375, the tax rate is 14% (prorated)
- income from \$57,375 to \$114,750, the tax rate is 20.5%
- income from \$114,750 to \$177,882, the tax rate is 26%
- income from \$177,882 to \$253,414, the tax rate is 29%
- income of \$253,414 and over, the tax rate is 33%.

## Provincial and Territorial Legislative Updates

### Personal Tax Credits for the 2025 mid-year release

Effective July 1, 2025, the provincial and territorial personal tax credits that employees can claim have changed. These changes are reflected in the new 2025 provincial and

territorial TD1 forms, and the Québec TP-1015.3-V form. The basic personal amounts that have changed are listed below.

	January 2025	July 2025	July 2025 (Prorated Amount)
Manitoba	\$15,969	\$15,780	\$15,591
Prince Edward Island	\$14,250	\$14,650	\$15,050
Saskatchewan	\$18,991	\$19,491	\$19,991

## Alberta

On February 27, 2025, the Government of Alberta announced that for 2025 and subsequent tax years, a new tax rate of 8% will be applied on the first \$60,000 of an individual's taxable income.

Since employees have been taxed at the rate of 10% for the first six months of the year, a prorated tax rate of 6% will apply for the remaining six months commencing with the first payroll in July.

The Alberta budget also introduced the Alberta Supplemental Tax Credit for taxpayers with personal tax credits greater than \$60,000. As a result, there is a new factor (K5P) added to the guide.

Since the employees have not received this tax credit for the first six months of the year, the formula has been prorated.

The T4 formula for Alberta is also updated to account for K5P.

## Manitoba

On March 20, 2025, the Government of Manitoba announced that for 2025 and subsequent tax years, the Manitoba Basic Personal Amount (BPAMB) and the Manitoba personal income tax bracket thresholds will not be indexed.

The BPAMB for 2025 is \$15,780. Since the employees have received the indexed BPAMB of \$15,969, a prorated BPAMB of \$15,591 will be applicable for the remaining six months commencing with the first payroll in July.

Since the employers have made deductions based on the indexed personal income tax bracket thresholds for the first six months of the year, prorated amounts will be applicable. Similarly, prorated tax brackets for payroll effective July 1st will be effective.

### **Nova Scotia**

On February 18, 2025, the Government of Nova Scotia announced that the Nova Scotia Basic Personal Amount (BPANS) is now set at the maximum of \$11,744, regardless of the taxable income.

For 2025, if the BPANS formula was previously implemented on your payroll system, some employees may have received a lower basic personal amount for the first six months of the year. Therefore, for the last 6 months in the year, employers will have the option to use a prorated basic personal amount calculation for these employees to account for the lower basic personal amount used for the first six months of the year, commencing with the first payroll in July.

BPANS:

- Where  $A \leq \$25,000$ , BPANS is equal to \$11,744;
- Where  $\$25,000 < A < \$75,000$ , BPANS is equal to  $\$11,744 + [(A - \$25,000) \times 6\%]$ ;
- Where  $A \geq \$75,000$ , BPANS is equal to \$14,744.

### **Prince Edward Island**

On April 10, 2025, the Government of Prince Edward Island announced an increase to the Basic Personal Amount (BPA) from \$14,250 to \$14,650, effective January 1, 2025.

Since the employees have received a lower basic personal amount for the first six months of the year, a prorated basic personal amount of \$15,050 will apply for the remaining six months commencing with the first payroll in July.

### **Saskatchewan**

On December 5, 2024, the Government of Saskatchewan announced an increase to the BPA from \$18,491 to \$19,491, effective January 1, 2025.



Since the employees have received a lower basic personal amount for the first six months of the year, a prorated basic personal amount of \$19,991 will apply for the remaining six months commencing with the first payroll in July.

# Product updates

The following product updates are included with this release.

## Payroll product updates

### Canadian Payroll product updates

The following new features and improvements to payroll are included in this update.

#### Sage HR integration

If you are using Sage HR Integration, a new version is now available. Please install it after the Q2 tax update for it will continue to work.

#### New Payroll Web Screens

Below is the new Payroll Web Screen included in this release:

- Payroll Employees - Assign Selection Lists to Emp

# Product update installation instructions

Follow the instructions in this section to install, apply, and verify this Product Update.

## Before you start:

- Back up your data.
- Make sure all users have exited the program.
- Verify your service pack or product update level. To verify what service pack or product update you have installed, click the **System Information** option on the **Help** menu in Sage 300.

## Installing the product update

### To install the product update:

1. Right-click the Product Update file to Run as Administrator (or make sure you have administrator rights to run the installation) and launch the installation program.
2. On the Welcome window, click **Next** to continue to the Software License Agreement window.
3. Select the features to install. Click **Next**, then **Install**.
4. On the Setup Complete window, click **Finish** to finish the installation.

## Activating the tax update

### To activate the tax update:

1. Start Sage 300.
2. In the **Administrative Services** folder, select **Data Activation**.
3. Select the current tax update, and then click **Activate**.
4. If you are prompted to convert a previous payroll tax update to the current version, click **Proceed**.

## Verifying the product update

After you complete installation and activation, and after you have made any adjustments described in this document, you can resume processing payroll.

## Verifying the product update

After the update is complete, you can confirm that the update was installed successfully by selecting **Help > System Information**.