

## CANADA - COUNTRY REPORT

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## **STATUS**

EMPLOYMENT Each individual will be employed by Mauve Corporate Systems Inc. in Canada

PAYROLL Employees will be registered on Mauve Corporate Systems Inc. local payroll for tax and social security deductions including the federal plan CPP (Canadian pension plan) and EI (employment insurance). Employment insurance is used for people who work a certain number of hours and if they are laid off, they are able to collect employment insurance if they meet all the requirements.

> Salaries must be paid in Canada and will be paid in the local currency of Canadian dollars and once a work permit has been obtained, expatriate employees will be able to open a local bank account.

# SECURITY

TAX & SOCIAL Tax and statutory contributions in Canada are incremental so the higher the taxable income is, the higher the deductions. Ontario tax rates will apply when the employee is working in the province of Ontario. However, if the employee is working in a province outside Ontario, the tax tables for that province/territory will be used to calculate the amount of tax owed (even though they are being employed by an Ontario-based company).

> Once the employee has a work permit they will need to apply for a social insurance number. The social insurance number (SIN) is a nine-digit number that the employee will need in order to work in Canada or to have access to government programmes and benefits. This number will also enable the employee to open a bank account.

> At the end of the year, a T4 is provided by Mauve Corporate Systems Inc. that shows the taxation paid. This can be used to offset taxes in the employee's home country. A tax return is mandatory for foreigners and Canadians. Filing for the previous year is on or before the 30th April of the current year.

IMMIGRATION From March 15 2016 all nationalities previously able to enter Canada on a visa waiver, will require an Electronic Travel Authorization (ETA) when entering Canada by air. Other nationalities will require a Temporary resident visa (TRV) to enter. No person, of any nationality, is allowed to work until they have received their official work permit. Our Canadian lawyer will decide which type of work permit is most suitable and will advise on two possible options. Option A - The selected work permit is applied for and obtained at the Canadian embassy in the applicant's home country/country of residence prior to entering Canada or Option B The selected work permit is available at the Canadian port of entry. Those nationalities requiring a TRV will need to apply for the visa to enter the country in advance, especially if the most suitable option for them is Option B. In all cases, our lawyer will prepare the required paperwork for each application and advise on the documentation required from the applicant.

> A work permit for Canada can only be obtained if the applicant has had an offer of employment beforehand. Our lawyer will prepare all the legal documentation required for the application in Canada. Depending on the type of work permit selected as the most suitable, a labour market impact assessment (LMIA) may be required. Once the application has been prepared, our lawyer will advise as to whether or not the work permit selected is available from the applicant's home country/ country of residence or whether it is available at the port of entry.

> There are four types of work permits available in Canada. Copies of degrees and professional certificates will normally be required in order to determine which work permit is the most appropriate, along with details of the physical location where the applicant will be working. The four types of work permits are:

Intra Company Transfer ESDC permit (Employment and Social Development Canada) GATS (General Agreement on Trade in Services) professional work Trade National Visa (TN Visa) / NAFTA professional work permit

Each work permit application will be assessed on a case-by-case basis to determine which work permit is the most suitable for the individual applicant. However, if you require more detailed information on any of the work permit options, please contact us at customerservices@mauvegroup.com.

### ABOUT CANADA Capital: Ottawa

Dialing code: +1 Currency: Canadian dollar Population: 35.16 million Official language: English,

French

Continent: North America

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