



CRA recently assessed a \$287,040 penalty to an employer after the employer remitted its source deductions. The source deductions were paid on time but they were not paid at a financial institution. The CFO of the company dropped off the cheque at a CRA office - the cheque was actually delivered to the CRA office before it was due and it was deposited with the Receiver General of Canada on the same day, but CRA still assessed the penalty.

Large employers are required to make their remittances at a financial institution pursuant to subsection 153(1) of the Income Tax Act. Large employers are employers that fit into threshold 2 of the accelerated remitter category - this category consists of employers, including those with associated corporations, that had a total average monthly withholding amount of \$50,000 or more two calendar years ago.

Keep in mind that if an employer has only one monthly remittance in a calendar year and it is more than \$50,000, then the average for that calendar year is more than \$50,000.

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