

INTEGRITY OPERATIONS



The Automated Earnings Reporting System

Submitting your payroll data online

**Service
Canada** 

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What is the Automated Earnings Reporting System?

The Automated Earnings Reporting System (AERS) allows employers to submit payroll information to Service Canada using a secure online application.

What is the purpose of AERS?

The information collected through AERS is matched against Employment Insurance (EI) records to identify overpayments. Overpayments occur when people who are receiving EI benefits while working are either not reporting or misreporting their earnings.

AERS helps us ensure that EI benefits go to the right person at the right time. It protects the contributions that both you and your employees make to the EI program, and it deters claimants from not declaring work and earnings while receiving EI benefits.

What are the benefits of AERS for employers?

AERS simplifies how employers report their employees' earnings for EI purposes, and it almost eliminates the time they have to spend answering our earnings enquiries.

For each suspected overpayment, employers normally have to complete and return a written *Request for Payroll Information* form. If your payroll personnel receive a significant number of these forms from Service Canada, you should consider signing up for AERS.

- **You will spend less time and money** responding to payroll enquiries from Service Canada. Employers who participate in AERS rarely receive *Request for Payroll Information* forms.
- **You submit information electronically** using a **secure** online application, which means you can provide payroll information at any time, any day of the week.
- **You will help us detect EI overpayments** early, which helps protect the EI program and can reduce the hardship experienced by those people who have to repay them.

What are the requirements to participate in AERS?

Your business can participate in AERS if it has a Sunday-to-Saturday pay period or if you can report your payroll data in this format. (You can report in this format if your payroll system captures daily employee earnings data.)

Your business must also:

- transmit payroll data via the Internet using the Data Gateway application (details will be provided when you register);
- submit payroll data in the required format (for details, see “Reporting format” on page 3);
- submit the data to Service Canada at least once every four weeks; and
- have hired 10 or more employees within the past 12 months (or expect to do so in the next 12 months) or have been required to complete 10 or more Records of Employment over the past 12 months (or expect to do so in the next 12 months).

If your business does not meet these requirements, you can still reduce the time and money you spend responding to our payroll enquiries by participating in our Report on Hirings (ROH) program. For more information on the ROH program, visit www.servicecanada.gc.ca/roh.

What happens if AERS detects an overpayment?

If discrepancies are identified between earnings reported by the employer and those reported by the claimant, an “observation” is created and sent to a Service Canada Centre for investigation.

Normally, we would contact the employer to verify payroll data; however, for employers participating in AERS, this is not required.

Overpayments identified through AERS will be repaid by the claimants who received benefits they were not entitled to.

How do I register my business for AERS?

You can register for AERS by:

- e-mail at sadr-aers@servicecanada.gc.ca; or
- phone at 1-800-615-9144.

For Data Gateway technical enquiries, please call the Employer Contact Centre at 1-800-367-5693.

Reporting format

To participate in AERS, you need to submit your payroll data to Service Canada in the format described in this section. If a payroll service provider or software vendor will be producing your payroll data, make sure they produce data that meets these requirements.

General requirements

- Files must be produced in ASCII text format (.txt).
- File names must be in the following format:

Business Number, Pay Period Start Date-Pay Period End Date.txt

Example:

123456789RP000120100402-20100408.txt

The Pay Period Start Date and Pay Period End Date must be the same as identified in the Business Header Record (see page 4).

- Optional fields can be left blank.
- All fields must be right-justified.
- Each file must contain only one Business Number (in the Business Header Record) and cover only one weekly period. Both a Header Record (Record Type 01) and Employee Details Records (Record Type 02) must be provided.

Business Header Record

The Business Header Record identifies the organization/business submitting the payroll information along with the period being submitted. The Business Header Record has 42 characters, representing six pieces of information:

Example

Record Type	Payroll Location	Pay Period End Date
↓	↓	↓
01123456789RP00010000201005302010060500002		
	↑	↑
Business Number	Pay Period Start Date	Number of Employee Records

All fields are mandatory, unless stated otherwise.

Field	Position	Contents
Record Type	1–2	Numeric (2 digits); Must be 01; Identifies the record as being the Business Header Record.
Business Number	3–17	Alpha/Numeric (15 characters); Canada Revenue Agency Business Number; Format: 123456789RP9999; Only one Business Number per file; Must include all 15 characters.
Payroll Location	18–21	Alpha/Numeric (4 characters); Used by some employers as additional method of identifying different payroll locations; Optional.
Pay Period Start Date	22–29	Numeric (8 digits); Calendar date of the first day of the pay period covered by the file; Must be a Sunday; Must be earlier than the Pay Period End Date; Format: YYYYMMDD
Pay Period End Date	30–37	Numeric (8 digits); Calendar date of the last day of the pay period covered by the file; Must be first Saturday following Pay Period Start Date; Must be later than the Pay Period Start Date; Format: YYYYMMDD
Number of Employee Records	38–42	Numeric (5 digits); Number of employee records contained in the file; Equal to the number of records provided in the Employee Details portion; Format: 99999

Employee Details Records

The Employee Details Records include payroll information for each SIN under the Business Number provided in the Business Header Record. Each Employee Details Record has 75 characters, representing seven pieces of information:

Example

Record Type	Badge/Payroll Number	Period End Date	Other Monies
↓	↓	↓	↓
0298765432155555555555555555555555	SMITH201005302010060500000000	225.87	0000000000.00
↑	↑	↑	
Social Insurance Number	Period Start Date	Gross Earnings	

- Employee earnings must be shown in the week they are earned, regardless of when they are paid.
- Employee Details Records must be sorted by SIN in ascending order (smallest to largest).
- The same SIN cannot be used more than once in a file. If this situation occurs within your payroll, the earnings associated with this SIN must be combined and totalled for the SIN to appear only once within the file.

All fields are mandatory, unless stated otherwise.

Field	Position	Contents
Record Type	1–2	Numeric (2 digits); Must be 02; Identifies the record as an Employee Details Record.
Social Insurance Number (SIN)	3–11	Numeric (9 digits); Must pass a MOD-10 check (see page 10); Used to identify the employee; Can only occur once per file; Format: 999999999
Badge/Payroll Number	12–33	Alpha/Numeric (22 characters); Used by some employers as an additional method of identifying employees; Optional.
Period Start Date	34–41	Numeric (8 digits); Calendar date of the first day worked by the employee, or Pay Period Start Date, whichever can be provided, within the weekly pay period covered by the Business Header Record; Format: YYYYMMDD
Period End Date	42–49	Numeric (8 digits); Calendar date of the last day worked by the employee, or Pay Period End Date, whichever can be provided, within the weekly pay period covered by the Business Header Record; Format: YYYYMMDD
Gross Earnings	50–62	Numeric (12 digits: 10 before the decimal point and 2 after the decimal point); Format: 9999999999.99 (add leading zeros); Example: \$125.50 would appear as 0000000125.50; Cannot be a negative amount; Earnings before deductions; Optional; Note: Although Gross Earnings and Other Monies are optional, one or the other must be provided.
Other Monies	63–75	Numeric (12 digits: 10 before the decimal point and 2 after the decimal point); Format: 9999999999.99 (add leading zeros); Example: \$58.25 would appear as 0000000058.25; Cannot be a negative amount; Monies other than Gross Earnings paid during the pay period; Can include bonuses, commissions, non-pecuniary income, severance pay, statutory holiday pay, gratuities, wages in lieu of notice, pension, profit sharing, shift premiums, supplementary unemployment benefit (SUB) plan, and vacation pay—see the guide called <i>How to Complete the Record of Employment Form</i> for a more detailed listing; Optional; Note: Although Gross Earnings and Other Monies are optional, one or the other must be provided.

Record layout – A typical file

Here is an example of a file with two Employee Details Records:

File name: 123456789RP000120100530-20100605.txt

Business Header Record

Record Type	Payroll Location	Pay Period End Date
↓	↓	↓
01	123456789RP0001	0000201005302010060500002
↑	↑	↑
Business Number	Pay Period Start Date	Number of Employee Records

Employee Details Records

Record Type	Badge/Payroll Number	Period End Date	Other Monies
↓	↓	↓	↓
02	9876543215555555555555555555SMITH	20100530201006050000000225.87	0000000000.00
↑	↑	↑	↑
Social Insurance Number	Period Start Date	Gross Earnings	

Record Type	Badge/Payroll Number	Period End Date	Other Monies
↓	↓	↓	↓
02	9879879876666666666666666666DURE	20100530201006050000000755.45	0000000120.50
↑	↑	↑	↑
Social Insurance Number	Period Start Date	Gross Earnings	

Record layout – Week with no activity

In a week where no employees worked, a file must be sent for the weekly period with one Employee Details Record leaving the Social Insurance Number (SIN) field blank and with zeroes in the Gross Earnings and Other Monies fields. Also, the Number of Employee Records field in the Business Header Record must indicate “1”. This will prevent files from being rejected for being out of sequence. See the following example:

File name: 123456789RP000120060312-20060318.txt

Business Header Record

Record Type	Payroll Location	Pay Period End Date
↓	↓	↓
01123456789RP00010000200603122006031800001		
	↑	↑
Business Number	Pay Period Start Date	Number of Employee Records

Employee Details Records

Record Type	Badge/Payroll Number	Period End Date	Other Monies
↓	↓	↓	↓
02000000000000000000000000000000000020060312200603180000000000.000000000000.00			
	↑	↑	↑
Social Insurance Number	Period Start Date	Gross Earnings	

Submitting your data

Once your payroll data is in the correct format, you will submit it to Service Canada using the Data Gateway application. You will receive a User ID and a temporary password that allows you to log on to the Data Gateway application. Follow the instructions in the *Data Gateway Application Employer User Guide* to submit your payroll data.

Technical requirements

- Your computer's browser must support 128-bit encryption.
- Recent versions of most browsers are acceptable.
- Although not a requirement, the faster your modem speed the quicker your file transmission.
- Clear your computer's cache after each submission.

Reporting requirements

- You must submit your payroll files in the correct order. Unless you are using AERS for the first time, we must have received a valid payroll file from you for the previous pay period.
- Your first submission to AERS can include payroll data for no more than the four preceding weeks.
- You are encouraged to submit when the payroll is produced—**at least once every four weeks**.
- If you fail to submit payroll data for a four-month period, you will be automatically removed from AERS and will have to complete written *Request for Payroll Information* forms, starting with the period following the last valid file that was submitted.

Corrections and errors

- Try to make any required adjustments **before** you submit your payroll files.
- Any file that is 10% or greater in error will be rejected entirely and not processed. You will need to correct the errors and resubmit the file.
- If we reject a file, you must submit a corrected file **before AERS will accept any other payroll files**. If you send a new file and have not corrected and resubmitted the rejected file, that new file will show as “Pending” until the corrected file is received, or 14 days have elapsed, whichever is shorter. If the corrected file is not received within the 14 days, the “Pending” file will be rejected and you will have to resubmit it as well.
- Make and submit any corrections before the 14th of each month.
- Corrected files must contain all of the original information, not just the corrected records.
- Files that are less than 10% in error are retained and processed. However, only the valid information is processed.

MOD-10 check

A MOD-10 check ensures that any invalid SIN is rejected and cannot be matched against our Benefit Pay file. If your system does not already have a MOD-10 check to verify the validity of a SIN, we suggest that you add such a check to your program, which will allow your payroll and personnel offices to correct the files of those employees whose SINS are invalid.

How to verify a SIN

Take the following SIN as an example:

998 986 731

1. Starting with the first digit, add every second digit:
9 9 8 9 8 6 7 3 1. Therefore, $9 + 8 + 8 + 7 + 1 = \mathbf{33}$.
2. Double and add the other digits. If the doubling results in more than 9, add the two digits in the result, i.e., $2 \times 9 = 18$, so $1 + 8 = 9$.
3. Therefore, $9 9 6 3 = (1 + 8) + (1 + 8) + (1 + 2) + 6 = \mathbf{27}$.
4. Add the results of 1 and 3. Therefore, $33 + 27 = \mathbf{60}$.
5. The results of this addition should be a multiple of 10. If it is not, the SIN is invalid and the correct one must be determined.

For more information

For more information about AERS and how to register:

Click www.servicecanada.gc.ca/aers

Call 1-800-615-9144

Visit a Service Canada Centre