

Instructions to complete the Schedule 2 – Associated Employers Exemption Allocation

Column A Enter the business number or Employer Health Tax (EHT) account number (or legal name if you do not yet have an account number) for each associated employer within the group, who has a permanent establishment in Ontario. An associated employer that is also a multiple accounts employer should enter **only** the designated account number used to submit Schedule 1 – Multiple Accounts.

Note: Multiple accounts are treated as one EHT account on Schedule 2.

The associated group includes all employers associated on December 31 **and** all employers who were associated during the year, but ceased to have total Ontario remuneration and/or a permanent establishment in Ontario, during the year.

Column B Enter the total Ontario remuneration of each of the associated employers. If one of the associated employers is also a multiple accounts employer, enter the Total Ontario remuneration amount (in column B of Schedule 1 – Multiple Accounts) for that employer.

Note: An associated company with a permanent establishment in Ontario and no Ontario payroll must enter **zero** in this column and give reasons; e.g., holding company.

Column C Enter the number of days that each employer had Ontario remuneration and a permanent establishment in Ontario.

Column D Divide each number in column C by the number of days in the year and multiply the result by \$400,000. This will give the maximum exemption available to each employer.

Column E The highest amount in column D is the total available exemption amount for the associated group. From this amount, allocate an exemption amount to each employer in the group in column E. The amount for any specific employer in the group **cannot** exceed the amount in column B or D that corresponds to that employer.

An associated employer with a single EHT account should enter its allocated exemption amount from column E on line of its annual return.

An associated employer with multiple EHT accounts should enter its allocated exemption amount from column E as the total of column C of Schedule 1.

Column F Subtract column E from column B and enter the result in column F.

Column G An authorized officer for each employer within the associated group must sign this column to authorize the exemption amount allocated to each of them.