

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 don't yet have an account number) for each of the associated employers within the group, with permanent establishments in Ontario. An associated employer that is also a multiple accounts employer should enter **only** the EHT account number designated by the employer to complete and 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, the Total Ontario Remuneration (total of column B of Schedule 1 – Multiple Accounts) must be entered for that employer.

Note: An associated company with a permanent establishment in Ontario and no Ontario payroll must write **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 Transfer the value from the account with the largest number in column D to the Total Available Exemption Amount at the bottom of column E. From this amount, allocate an exemption amount to each employer in the group. 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.