

Payroll Administration in Canada

2019 Course Outline*

Topics

- Producing a net pay including statutory, legal, and company (compulsory and voluntary) deductions
- Federal and provincial withholding requirements
- Employment and labour standard's legislative requirements and minimums for employees
- Year-end reporting requirements

What is Payroll Administration in Canada?

- Roles and responsibilities
- Roles of Canadian government agencies
- Privacy legislation
- New employer checklist

Definition of an Employee

- Employee-employer relationship
- Criteria used to determine employment status (Québec)
- Required information for new employee
- Social Insurance Numbers (SIN)
- Completing the personal tax credits return and source deductions return
- Federal TD1 Form – Personal Tax Credit Return
- Provincial/territorial TD1 Form – Personal Tax Credit Return
- Determining which provincial/territorial income tax to use
- Québec TP-1015.3-V Form – Source Deductions Return

Employment Standards

- Minimum age
- Minimum wage
- Hours of work legislation
- Overtime
- Rest periods
- Legislation regarding leaves

- Bereavement
- Citizenship leave
- Compassionate care leave
- Family responsibility/crisis leave
- Jury duty
- Maternity (pregnancy), parental, adoption, and child care
- Reservist leave
- Sickness
- Voting
- Wedding
- Other types of leaves
- Statutory/public holidays
 - Statutory holidays and overtime calculations
- Vacation pay legislation
 - Vacation pay on termination
- Deductions for overpayment of wages and vacation pay
- Pay frequency
- Pay statement
- Records retention legislation

Remuneration

- Earnings
- Taxable benefits and allowances
 - Fair market value of benefits and allowances
 - Tax reporting and withholding
 - Automobile benefits
 - Group Insurance plans
 - Group RRSP
 - Technology tools
 - Gifts and awards

Deductions

- Deduction priority
- Statutory deductions
- Canada Pension Plan (CPP) contributions
- Québec Pension Plan (QPP) contributions
- Employment Insurance (EI) premiums
- Québec Parental Insurance Plan (QPIP) premiums
- Income tax
- Federal income tax
- Provincial income tax
- Québec income tax
- Legal deductions
- Company compulsory deductions
- Voluntary deductions
- Correcting a payroll error
- Non-statutory deductions
 - Orders from Canada Revenue Agency and Revenu Québec
 - Provincial court orders
 - Wage assignments

Regular Payment Calculation

- Gross to net
- Calculating Canada/Québec Pension Plan (CPP/QPP) contributions
- Calculating Employment Insurance (EI) premiums
- Calculating Québec Parental Insurance Plan (QPIP) premiums
- Calculating income tax withholding

Payroll Administration in Canada *Cont'd*

- Employee transfer in/out of Québec
- The manual pay statement

Irregular Payments

- Irregular cash payments
 - Canada/Québec Pension Plan (CPP/QPP) contribution
 - Employment Insurance (EI) premiums
 - Québec Parental Insurance Plan (QPIP) premiums
 - Income tax withholding
- Vacation payments
- Retroactive payments
- Commissions
- Directors' fees

Remittances

- Canada Revenue Agency payroll account
- Reporting and remitting federal statutory deductions
- EI premium reduction
- Report on Hirings (ROH) program
- Reporting and remitting statutory deductions – Québec
 - Québec Health Services Fund
 - Commissions De La Santé Et La Sécurité Au Travail (CNESST)
 - Québec Labour Standards Contributions – (CNESST)
 - Contributions to The Workforce Skills Development and Recognition Fund (WSDRF)
 - Reporting and remittance requirements

- Northwest Territories/ Nunavut Payroll Tax
- Provincial health care funding
 - British Columbia Medical Services Plan
 - British Columbia Employer Health Tax
 - Manitoba Health and Post-Secondary Education Tax
 - Newfoundland and Labrador Health and Post-Secondary Education Tax
 - Ontario Employer Health Tax

Workers' Compensation

- Managing workers' compensation (WC)
- Funding workers' compensation
- Workers' compensation premium
- The assessment process
- Workers' compensation awards
- Advance on awards
- Salary continuance
- Topping-up
- Reporting CSST payments

Terminations

- Special termination situations
- Sample Termination Checklist
- Notice of individual terminations
- Notice of group terminations
- Temporary layoffs

- Severance pay
- Salary continuance
- Retiring allowance
 - Statutory deductions from a retiring allowance
 - Transferring amounts to an RRSP/RPP
- Legal and counseling fees
- Summary of termination payments
- Record of Employment (ROE)

Pensions and Pension Adjustments

- Pensions and pension adjustments
- Pension adjustment reversals (PARS)

Year-end

- Year-end/new-year checklist
- Getting ready for year-end
- Pensionable and Insurable Earnings Review (PIER)
- Which forms do I use?
- When to order forms and guides
- Completing the T4 and T4 Summary
- T4 Slip sample
- Completing the T4A Slip
- T4A summary
- Repayment of salary or wages by an employee
- Salary paid in error
- QPP and QPIP reconciliation
- Completing the RL-1 slip
- Completing the RL-2 slip
- Employment income paid in error
- Reimbursements of salary or wages
- Amending RL-1 & RL-2 Forms