



Payroll Basics

What We'll Cover



- Knowing the difference between employees and contractors.
- Getting a payroll number and remitting deductions.
- T4s - Submitting to employees and employers
- WSIB Basics
- Stat Pay

Who Am I?

- 15+ years of bookkeeping experience, both independently and as an employee
- Local to Northern Bruce Peninsula since August 2018
- Business owner & previous owner of a retail store, café, and previous landlord.



Employee or Independent Contractor?

EMPLOYEE

- You have control over when and where they work. You have say in how they complete the work and what work they need to do.
- You provide all or most of the tools and equipment needed to get the job done or you reimburse them.
- Worker has no right to hire someone else to do the work.

INDEPENDENT CONTRACTOR

- Worker has control over when and where they work. They decide how the work gets completed and the scope of the work.
- They provide the tools and equipment needed to get the job done. The financial burden is on them.
- They can hire a subordinate and delegate the work but maintains responsibility for it.

Some Employment Rules

- ❑ Must pay at least minimum wage. Right now, that's 16.55 per hour for employees over 18. (15.50 for those under 18)
- ❑ Must receive an additional 4% in vacation pay, either paid out on every cheque or held until requested or they take vacation time.
- ❑ Must receive overtime pay (1.5 times their regular wage) for all hours over 44 in a week.
- ❑ Must provide a pay stub to each employee.



Getting a Payroll Number



- Same as registering for HST
- Online through Business Online Registration.
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/registering-your-business/business-registration-online-overview.html>
- By phone. 1-800-959-5525
- Payroll number is 9-digit business number followed by RP 0001

What to Withhold from a Paycheque

- Great tool, the CRA Payroll Deductions Online Calculator.
<https://www.canada.ca/en/revenue-agency/services/e-services/digital-services-businesses/payroll-deductions-online-calculator.html>
- Most bookkeeping software will do all the calculations for you.
- Need to withhold:
 - Income Tax
 - Canada Pension Plan
 - Employment Insurance
- Don't forget the employer part of CPP & EI
- Also remember to set money aside, or at least know that money is not yours.

Remitting Deductions

- Usually monthly but can be quarterly.
- Due the 15th after the end of the period.
- Can be paid online through your business bank account or through your My Business Account.
- Also, can be paid at your bank, by withdrawal or cheque.
- Can be mailed, but that takes longer, and you're given no leeway for Canada Post delivery.



T4

- ❑ T4s must be remitted to employees and government by February 28th
- ❑ Must be filed online for 5 or more employees. Under 5 it can be mailed.
- ❑ Access through your My Business Account or sign up to WebForms using your payroll account number and the web access code.
- ❑ Most bookkeeping software offers and XML file that can be uploaded.

T4
Statement of Remuneration Paid
État de la rémunération payée

Canada Revenue Agency / Agence du revenu du Canada

Year / Année:

Employer's name – Nom de l'employeur:

Employer's account number / Numéro de compte de l'employeur:

Social insurance number / Numéro d'assurance sociale:

Exempt – Exemption: CPP/QPP, EI, PPIP, RPC/RRQ, AE, RPAP.

Employee's name and address – Nom et adresse de l'employé:

Province of employment / Province d'emploi:

Employment code / Code d'emploi:

Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant
14	Employment income / Revenus d'emploi	22	Income tax deducted / Impôt sur le revenu retenu		
16	Employee's CPP contributions – see over / Cotisations de l'employé au RPC – voir au verso	24	EI insurable earnings / Gains assurables d'AE		
17	Employee's QPP contributions – see over / Cotisations de l'employé au RRQ – voir au verso	26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ		
18	Employee's EI premiums / Cotisations de l'employé à l'AE	44	Union dues / Cotisations syndicales		
20	RPP contributions / Cotisations à un RPA	46	Charitable donations / Dons de bienfaisance		
52	Pension adjustment / Facteur d'équivalence	50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB		
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	56	PPIP insurable earnings / Gains assurables du RPAP		

Other information (see over):

Autres renseignements (voir au verso):

Protected B when completed / Protégé B une fois rempli

T4 (22)



Summary of Remuneration Paid / Sommaire de la rémunération payée

For the year ending December 31, 20__

You have to file your T4 information return on or before the last day of **February**. See the information on page 2.

Vous devez produire votre déclaration de renseignements T4 au plus tard le dernier jour de **février**. Lisez les renseignements à la page 2.

Employer's account number (15 characters) – Numéro de compte de l'employeur (15 caractères)

Name and address of employer – Nom et adresse de l'employeur

88 Total number of T4 slips filed / Nombre total de feuillets T4 produits

14 Employment income – Revenus d'emploi

20 Registered pension plan (RPP) contributions / Cotisations à un régime de pension agréé (RPA)

52 Pension adjustment – Facteur d'équivalence

16 Employees' CPP contributions / Cotisations des employés au RPC

27 Employer's CPP contributions / Cotisations de l'employeur au RPC

18 Employees' EI premiums – Cotisations des employés à l'AE

19 Employer's EI premiums – Cotisations de l'employeur à l'AE

Do not use this area / N'inscrivez rien ici

90 Last to current / Prédécente à courante: 1, 2, 3

91 Pro forma: 1, 2

93 Date

94 PD 15-1, 96 POF / PSF, 97 NLFP / APPT, 98 NMEFP / APPEO

22 Income tax deducted – Impôt sur le revenu retenu

80 Total deductions reported (16 + 27 + 18 + 19 + 22) / Total des retenues déclarées (16 + 27 + 18 + 19 + 22)

82 Minus: remittances – Moins: versements

Generally, we do not charge or refund a difference of \$2 or less. / Généralement, une différence de 2 \$ ou moins n'est ni exigée ni remboursée.

Difference – Différence

84 Overpayment – Paiement en trop

86 Balance due – Solde dû

Internal use only – Pour usage interne

74 SIN of the proprietor(s) or principal owner(s) – NAS du ou des propriétaires

76 Person to contact about this return / Personne avec qui communiquer au sujet de cette déclaration

77 Area code / Indicateur régional

78 Telephone number / Numéro de téléphone

75 Extension / Poste

Certification – Attestation

I certify that the information given on this T4 information return and on related slips is correct and complete. / J'atteste que les renseignements fournis dans cette déclaration de renseignements T4 et sur tous les feuillets connexes sont exacts et complets.

Date / Signature of authorized person – Signature d'une personne autorisée / Position or office – Titre ou poste

Workplace Safety Insurance Board



- WSIB is independent of CRA but is required if you have employees. It's insurance to cover workers hurt on the job.
- <https://www.wsib.ca/en> or [1-800-387-0750](tel:18003870750) to register
- WSIB must be reported and paid quarterly.
- It's a rate given by WSIB. Percentage of your payroll expense.

Ontario Stat Holidays

☐ New Years Day

☐ Family Day

☐ Good Friday

☐ Victoria Day

☐ Canada Day

☐ Labour Day

☐ Thanksgiving Day

☐ Christmas Day

☐ Boxing Day

Not Required

☐ Easter Sunday & Easter Monday

☐ Civic Holiday

☐ National Day for Truth & Reconciliation

☐ Remembrance Day

Stat pay

- Every employee is entitled to be paid for the day off.
- Calculation is wages paid over last 4 weeks (including vacation but not including overtime) / 20
- An employee working 40 hours a week, every week will get 8 hours for the day.

Premium pay for working a stat

- Any employee who works on the stat get paid 1.5 hours (time and a half) for every hour worked on the stat.
- The premium pay is ON TOP OF stat pay.
- Other option is to give a different day off as the stat day, but the previous is the norm for most retail, service, and construction industries.

Ontario Stat Holidays (Contd.)

<https://www.ontario.ca/document/your-guide-employment-standards-act-0/public-holidays#section-4>

A close-up photograph of several human hands raised, palms facing forward. The hands are of various skin tones and are positioned in a way that they appear to be reaching towards the center. The background is blurred, showing indistinct shapes and colors. Overlaid in the center of the image is the word "Questions?" in a large, black, serif font.

Questions?