

JUST THE FACTS BUSINESS: HELPING YOU TALK ABOUT MONEY

Payroll

A company's payroll comprises all of its employees – everyone paid to work there. Fundamental to good payroll management is **documentation**.

Documentation for you to obtain:

- **Employee details** – including Social Insurance Numbers and emergency contacts.
 - This information should be kept on file, even after the employee leaves.
 - Some companies have a policy to keep all staff information for a period of seven years, which coincides with Canada Revenue Agency rules around income tax returns.
- **Provincial rules and regulations**
 - Each province has different rules around employment standards, such as minimum wage, overtime, vacation pay, statutory holiday pay and ending employment (mandatory notice periods and severance). You should be able to find this information on your provincial government's website, usually under the Ministry of Labour.

Documentation for you to provide to your employees:

- **Pay stubs** – for every pay period, setting out what they have been paid and listing deductions such as income taxes, Canada Pension Plan (CPP), Employment Insurance (EI), health insurance and other benefits.
- **Pay schedule** – advising how often they will be paid and how the money will be delivered (cash, cheque or direct deposit).

Documentation for you to provide to government:

- **Canada Revenue Agency (CRA) payroll account** – a holding fund for employee and employer contributions to taxes, CPP and EI, to be remitted on a regular schedule (usually monthly).
 - This account is considered a "trust fund." You may be personally liable for paying the money owed.
- **Service Canada record of employment** – forms that must be filled out for EI purposes, documenting the employee's time at the company.

Make sure to maintain **detailed records** – as a safeguard against potential disputes in the future – giving copies to your employees and keeping a set for yourself. This includes employee contracts, audits, legal opinions or decisions, offer letters, confidentiality agreements, technology use agreements, notes from reviews and other information pertaining to the employee's time at your company.



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