**Add stock/company or document related Image here,**

*Once you add image, click on it got to “Picture format” and then from “Arrange” tab go to the “sent to back” and click sent to back option. Also make sure the wrap the image “behind text” is also checked. And manually position image.*

Payroll Setup Checklist

**Updated: January 22, 2025**

Prepared For:

Completed By:

**Add Your Company Logo/Name here**

www.yourwebsite.com

**Table of Contents**

[Payroll Setup Checklist 2](#_Toc188128975)

[How to Use This Document 2](#_Toc188128976)

[Payroll Setup Checklist 3](#_Toc188128977)

[1. Business Registration 3](#_Toc188128978)

[2. Collect Employee Information 3](#_Toc188128979)

[3. Determine Payroll Frequency and Method 3](#_Toc188128980)

[4. Calculate Deductions and Contributions 3](#_Toc188128981)

[5. Set Up Payment Systems 3](#_Toc188128982)

[6. Record Keeping 4](#_Toc188128983)

[7. Compliance and Reporting 4](#_Toc188128984)

[8. Optional Benefits 4](#_Toc188128985)

# Payroll Setup Checklist

## How to Use This Document

This checklist is designed to help small business owners set up payroll systems that are compliant with Ontario regulations. Follow the steps in order and check off tasks as they are completed. Ensure you consult with a legal or HR professional if you encounter complex issues or require additional guidance.

***Disclaimer:*** *This document is provided as a template to assist employers in Ontario. It is not a substitute for legal advice. Employers should consult with a legal or HR professional to ensure compliance with applicable laws and regulations. ProSupport HR Partners assumes no liability for the use of this document.*

# Payroll Setup Checklist

## Business Registration

**Register for a Business Number (BN):** Obtain a BN from the Canada Revenue Agency (CRA). This is required for payroll reporting.

**Register for a Payroll Account:** Open a payroll account with the CRA to remit payroll deductions.

## Collect Employee Information

**SIN Verification:** Obtain and verify each employee’s Social Insurance Number (SIN).

**TD1 Forms:** Ensure all employees complete federal and provincial TD1 forms.

**Banking Details:** Collect direct deposit information (if applicable).

## Determine Payroll Frequency and Method

**Set Payroll Frequency:** Choose a payroll schedule (e.g., weekly, bi-weekly, semi-monthly, or monthly).

**Select Payroll Processing Method:** Decide whether to process payroll manually, use payroll software, or hire a payroll service provider.

## Calculate Deductions and Contributions

**CPP Contributions:** Calculate Canada Pension Plan contributions.

**EI Premiums:** Deduct Employment Insurance premiums.

**Income Tax Deductions:** Withhold federal and provincial income taxes.

## Set Up Payment Systems

**Bank Accounts:** Ensure a business bank account is set up for payroll transactions.

**Direct Deposit System:** If paying employees via direct deposit, set up the necessary infrastructure.

## Record Keeping

**Maintain Payroll Records:** Keep records of hours worked, wages paid, and deductions made for at least six years.

**Provide Pay Statements:** Issue itemized pay stubs to employees for each pay period.

## Compliance and Reporting

**Ontario Employment Standards Compliance:** Ensure wages, overtime, and statutory holiday pay comply with the Ontario Employment Standards Act (ESA).

**WSIB Registration:** Register with the Workplace Safety and Insurance Board (if applicable).

**ROE Filing:** Submit Records of Employment (ROE) to Service Canada when required.

**Remit Payroll Deductions:** Remit payroll deductions to the CRA by the due date.

**Year-End Reporting:** Issue T4 slips to employees and file a T4 summary with the CRA by the end of February each year.

## Optional Benefits

**Set Up Employee Benefits:** If offering benefits, set up group health insurance or other optional plans.

**Pension Plans:** If providing a pension plan, register and manage contributions as required.

**Please delete the last page once you are done.**

**A person using a calculator and a computer

Description automatically generated**

**Contact Us:**



**Email:** [contact@prosupporthr.ca](mailto:contact@prosupporthr.ca)

**Phone:** 289-628-1484

**Website:** <https://prosupporthr.ca>

**Copyright © 2025 Prosupport HR Partners**

All rights reserved. Unauthorized reproduction or distribution of this template is prohibited