



The payroll landscape in Canada

Deloitte and the National Payroll Institute
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This report is part of the Beyond Paydays: The Evolution of Payroll in Canada research series, developed by the National Payroll Institute in collaboration with Deloitte (June 2026). While the original report provides a comprehensive view of payroll in Canada, this theme-based version highlights key insights on a specific topic area.

It is designed to be read independently, while serving as a companion to the full report for those seeking a broader perspective.





The payroll landscape in Canada

The payroll landscape in Canada is mature and highly compliance dense. Payroll work in Canada goes beyond basic processing and requires a strong focus on regulatory accuracy, consistency, and risk management. Although Canada is a single country market, payroll complexity is shaped by federal requirements (e.g., Canada Revenue Agency (CRA) and Service Canada rules, the CPP, Employment Insurance), as well as provincial tax regimes, including Revenu Québec obligations, varying employment standards legislation, bilingual requirements in some jurisdictions, and growing audit and reporting expectations. Together, these factors make Canadian payroll a complex function that spans organizational structures, technology ecosystems, and evolving employee expectations.

At its core, payroll is a critical function that ensures compliance with federal and provincial legislation while supporting organizational efficiency and employee trust. Structurally, payroll typically operates within HR or finance, though its positioning and decision-making influence vary widely across organizations. The market itself is substantial, with over 18 million Canadians getting paid (Statistics Canada, 2025). Canadians are paid through a growing and ever-evolving payroll vendor ecosystem offering both software as a service, and outsourced managed services solutions. The multi-layered nature of Canadian payroll is supported and informed by the National Payroll Institute, with

The Bottom Line



Executive: Canada's compliance-dense payroll environment amplifies risk and elevates the need for strong governance and fit-for-purpose systems.

Payroll professional: Navigating federal, provincial, and organizational complexity requires deeper expertise and better support.

Technology: Payroll platforms must be Canada-specific, integration-ready, and resilient to regulatory change.

organizations relying heavily on the Institute for updates, compliance support, advocacy, best practices, networking, and leadership education and training. On the human side of the payroll equation, employee experience is increasingly taking center stage, driven by demand for self-service capabilities, pay transparency, and financial wellness initiatives. Each of these dimensions influences the complexity of Canada's payroll environment and the implications for organizations operating within it.

Payroll governance

The payroll function impacts millions of Canadians every pay cycle. A robust governance framework is essential to keep organizations aligned with evolving regulations and maintain



trust at every level. Payroll regulations are set by the federal and provincial governments, and regulatory updates are shared with organizations as legislation or administrative requirements change. The National Payroll Institute helps organizations navigate updates by interpreting regulatory changes, explaining their implications, and sharing timely guidance with its members.

At an organizational level, payroll governance is paramount to maintaining compliance. This involves establishing clear policies, defining roles and responsibilities, and implementing internal controls that ensure accuracy and accountability. Beyond meeting legal requirements, effective governance minimizes risk, prevents costly errors, and reinforces employee confidence in the payroll process. As regulations and technologies continue to evolve, organizations that prioritize governance position themselves not only to remain compliant but to operate with resilience and integrity in a rapidly changing environment.

Looking ahead, payroll governance in Canada is being reshaped by several key trends. Technological transformation is driving the adoption of cloud-based payroll systems, automation, and AI tools, reducing manual errors and enhancing compliance monitoring, though the need for human intervention to ensure the reliability of the systems remains. At the same time, data privacy and cybersecurity have become predominant concerns, prompting organizations to implement stricter controls to protect sensitive employee information. Additionally, the rise of globalization as well as remote and hybrid work models is introducing new complexities in tax compliance and jurisdictional regulations,

requiring more agile and involved governance structures. These trends highlight the need for organizations to view payroll governance not as a static obligation, but as a dynamic function that needs to evolve alongside technology and workforce expectations.

Leading practice indicates that organizations that recognize a need to strengthen their payroll governance may look to adopt a proactive approach in the future. This begins with establishing clear internal policies that define roles, responsibilities, and escalation procedures for payroll-related issues. Payroll professionals at small and mid-sized organizations shared that they have begun drafting AI-related policies for their payroll functions to proactively manage risk. Ensuring that existing payroll technology is being leveraged to its fullest potential to automate compliance checks where possible and integrate real-time regulatory updates can help to reduce risk and improve accuracy. Regular reporting and internal audit cycles can also help to maintain oversight into payroll compliance and performance to identify gaps and challenges faced by the function, enabling earlier detection and prevention of issues.

Organizations can benefit from investing in regular training for payroll and HR teams to ensure their skillsets and knowledge bases are up to date with the most recent regulations and best practices. This ensures that payroll and HR teams are plugged into the appropriate channels to remain informed about legislative changes. Payroll professionals expressed through focus group discussions that they feel there is a need to prioritize the maintenance of payroll knowledge amongst payroll professionals, including validating calculations



so that humans can enable the oversight of machines. Training payroll professionals and keeping them up to date can support overall governance and ability to maintain compliance.

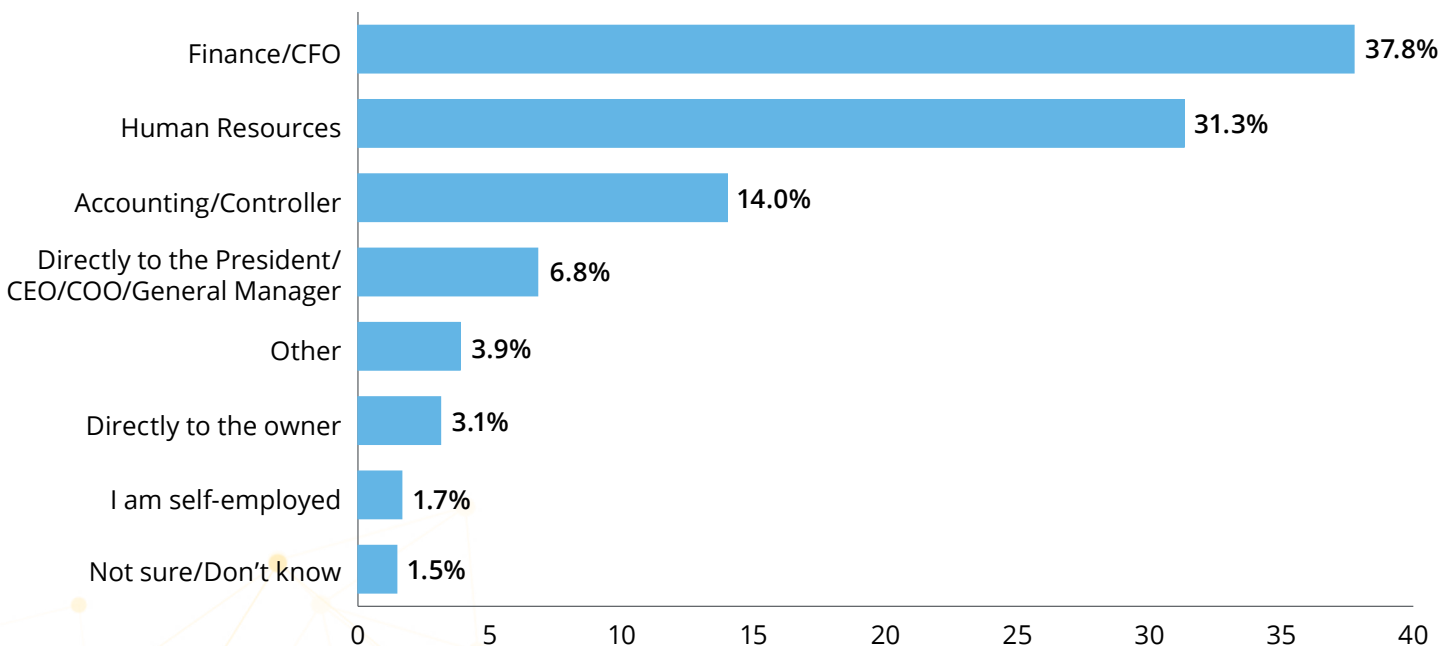
Structure of payroll within an organization

Positioning. Where payroll is located on a structural basis, an organization will have an impact on its overall governance and operational focus. Most commonly, payroll is located within HR, finance, accounting, or sometimes reports directly to the CEO or organizational leadership. As is shown in *Figure 8* most respondents' organizations see the payroll function sitting in either HR (31%) or finance (38%). Each placement brings a different distinct focus: HR-led payroll often emphasizes employee experience or workforce management; finance or accounting-led payroll prioritizes cost control, compliance,

and financial accuracy; reporting directly to leadership often provides more autonomy to the payroll function and enables a payroll-centric approach. Regardless of where payroll is located, clear accountability and cross-functional collaboration remain essential to ensure compliance and operational excellence.

Operating model. While organizational structure determines where payroll sits, the operating model defines how payroll functions day-to-day. The clarity of the operating model can heavily impact the efficiency, compliance, and overall experience of payroll staff. A payroll operating model outlines the structure, processes, roles, technologies, and governance mechanisms that drive payroll delivery. Without a well-defined model, organizations risk inconsistencies in experience and delivery, compliance gaps, and inefficiencies that can lead to costly errors and reputational damage.

Figure 8. Reporting structure of the payroll function within an organization





A strong operating model ensures alignment between payroll and related functions such as HR, finance, and IT. It establishes clear accountability, standardizes workflows, and leverages automation to reduce manual intervention. Some organizations adopt a centralized or shared-service model to streamline operations and enhance control, while others embrace hybrid approaches that combine in-house expertise with outsourced services for scalability and flexibility.

As demonstrated in *Figure 9*, 30 percent of respondents indicated that their organization has an operating model that is very clearly defined and documented that outlines how payroll processes, and how roles and responsibilities are structured and managed. Nineteen percent of large organizations (500 or more employees), 6 percent of medium sized organizations (100 to 499 employees) and

5 percent of small sized organizations (99 or fewer employees) report having clearly defined operating models (*Figure 10*). These results indicate that large organizations are more likely to have well-defined payroll operating models than mid-to-small organizations. These differences are likely to be a result of larger teams (normally found in large organizations) requiring a defined operating model to function and more resources available to take on the task of defining and shaping the model. While these results demonstrate that almost three-quarters of organizations still have a long way to go in defining their operating models, they also indicate a slight sign of growth since 2020 where a study conducted by PricewaterhouseCoopers (PwC) and the National Payroll Institute (under its former name, the Canadian Payroll Association [CPA]) indicated that most organizations do not have a clear understanding of payroll operating models.

Figure 9. Level of clarity and documentation of payroll operating models within an organization

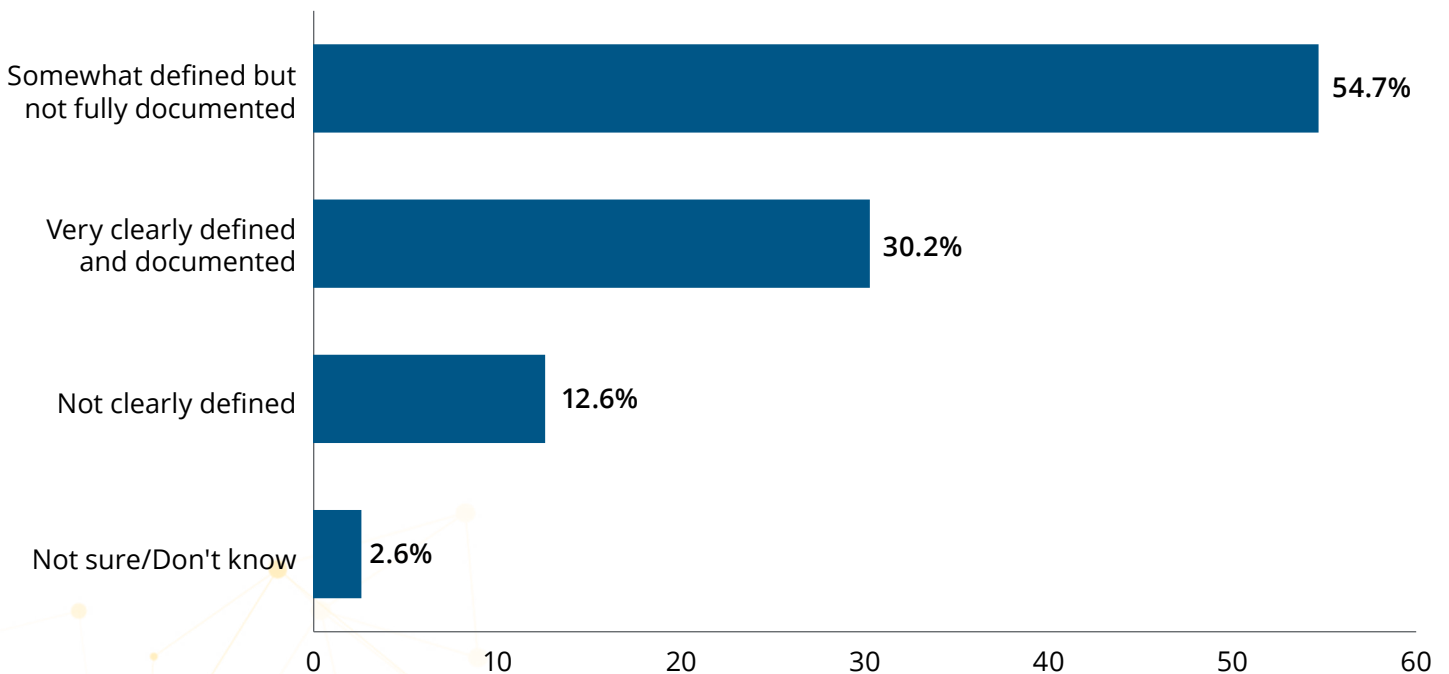
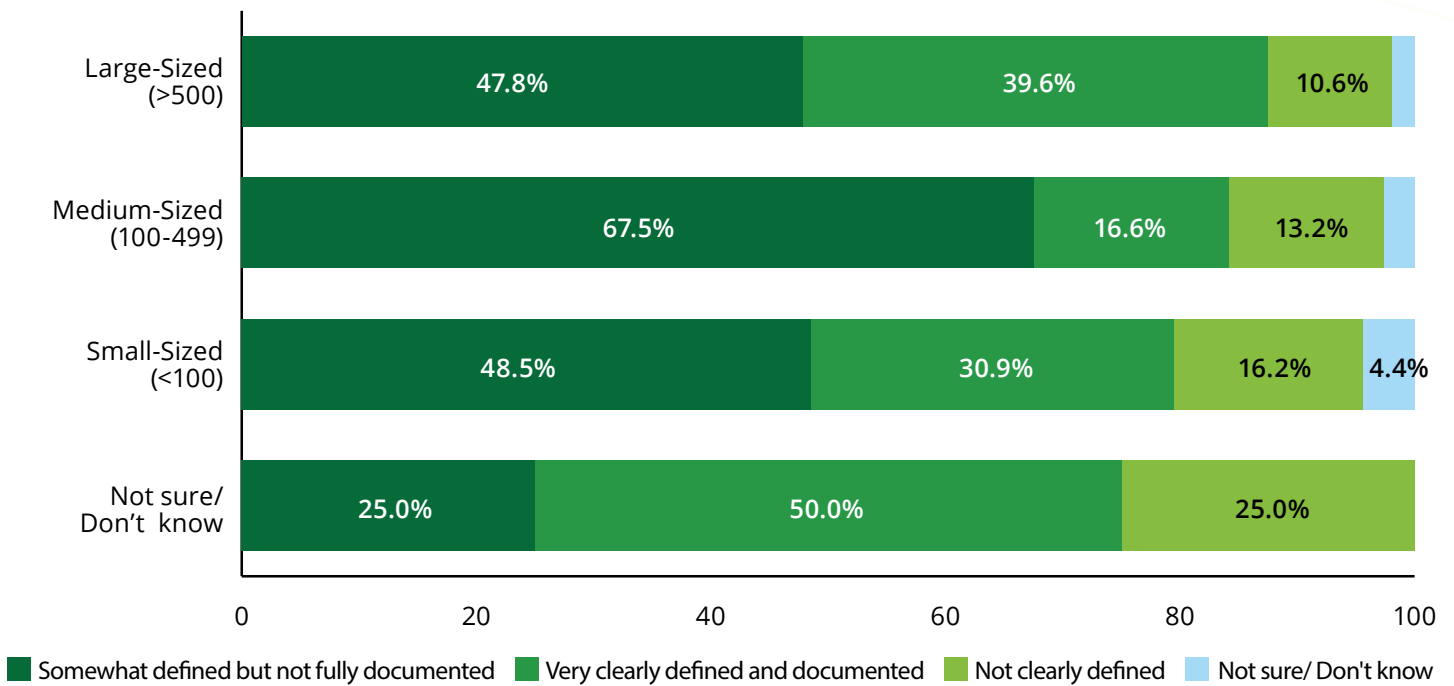




Figure 10. Level of clarity and documentation of payroll operating models by organization size



Ultimately, a well-defined payroll operating model is not just about processing pay accurately but is also about creating a resilient framework that supports compliance, transparency, and strategic decision-making. Organizations that invest in refining their operating model position themselves to adapt quickly to regulatory changes, technological advancements, and workforce trends. It is important that organizations revisit their operating models regularly to evaluate their efficacy and determine where enhancements and alterations are required.

Payroll delivery models

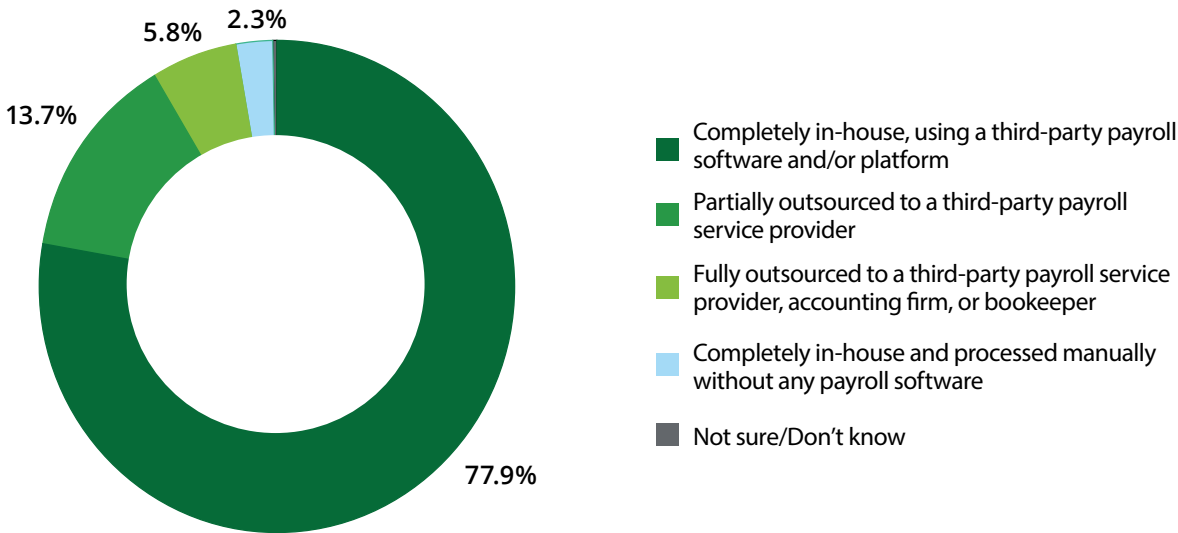
Organizations face a critical choice between managing payroll technology in-house or leveraging external providers. Insourced models offer greater control, customization, and data security, but require significant investment

in infrastructure, resourcing, and expertise. Outsourced solutions, often delivered through managed services or cloud platforms, reduce administrative burden and provide access to specialized knowledge, though they introduce risk as a result of a dependency on vendor performance and limit direct control that does not exist in insourced models.

As is demonstrated in *Figure 11*, only 6 percent of organizations fully outsource payroll, while 78 percent perform payroll in-house using a third-party payroll software, and 14 percent operate under a hybrid model with certain aspects of payroll operating in-house and others operated by a vendor. When viewed by organizational size, no differences emerged; large, medium, and small organizations alike typically operate payroll fully in house using a third-party payroll software.



Figure 11. Payroll processing model type



Payroll technology landscape

Canada’s payroll technology ecosystem is broad and increasingly segmented, reflecting the diversity of employer needs across industry, organizational size, geographic footprint, and operating model. While the market includes a range of established providers and emerging entrants, solutions typically cluster into distinct categories based on the complexity of payroll rules they are designed to support, the degree to which payroll is integrated with HR, finance, and time and attendance, and whether the model is primarily employer-run software or vendor-operated managed services.

In practice, many organizations treat payroll technology selection as a “risk and readiness” decision: Choosing platforms that can maintain compliance, provide auditable controls, and sustain operational continuity, particularly given that payroll cannot pause during transformation. This is consistent with the observation that organizations often delay payroll transformation until systems reach end-of-life or risk levels become unacceptable and

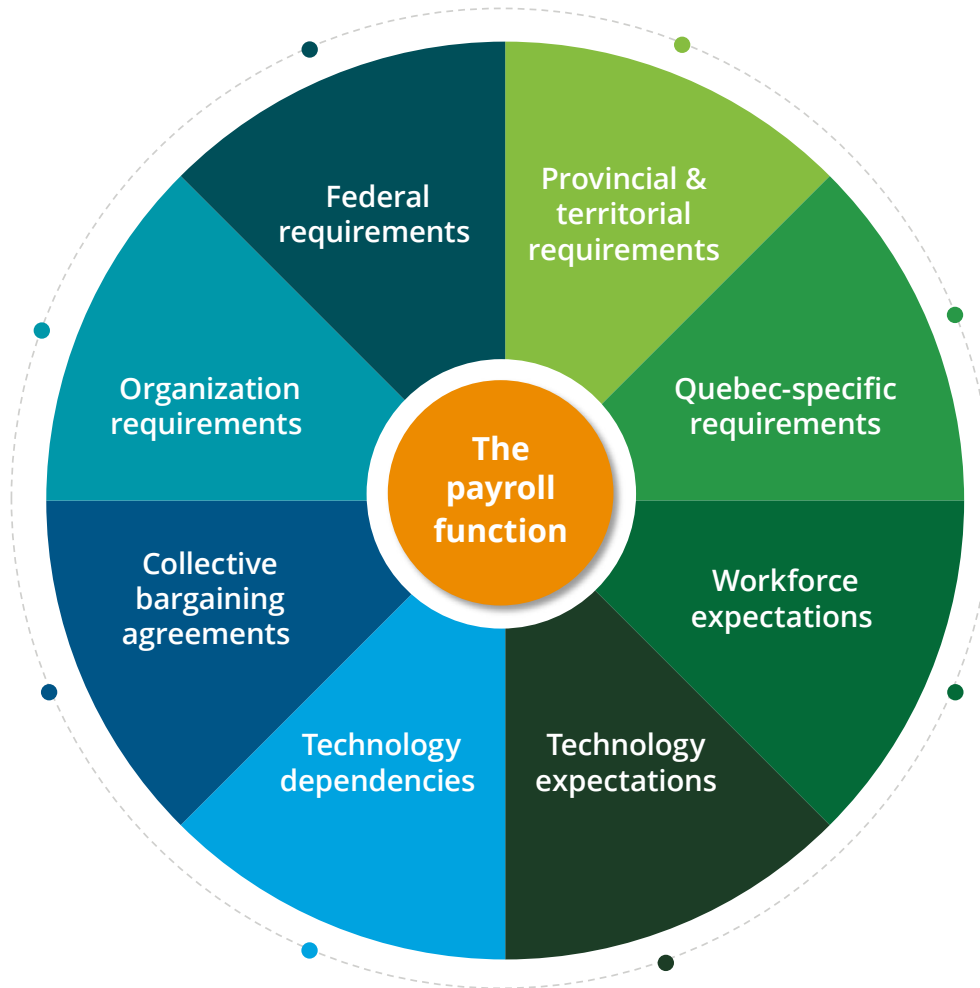
then engage third parties (payroll technology vendors and/or system implementers) to manage the complexity and resourcing constraints of implementation and transition.

To describe the market in a way that is both practical and defensible, the landscape can be viewed through five segments, outlined below. These segments are not mutually exclusive—large organizations may operate multiple platforms across business units, and many vendors offer more than one product line. However, the segmentation provides a useful foundation for understanding where solutions tend to fit and what trade-offs organizations typically face.

Players in the market. The payroll vendor market (i.e., companies that design, own, and sell a proprietary payroll software), in Canada is a diverse one with nearly 60 different payroll technology vendors for organizations to choose from. Table 1 in Appendix A provides an illustrative view of payroll systems (i.e., software applications used to perform payroll) offered by payroll technology vendors currently



The Canadian payroll function is facing an increasingly complex set of requirements, expectations and dependencies



active in the Canadian market. The payroll technology landscape continues to evolve with new entrants, products, and delivery models emerging over time, which is expected to persist at a rapid pace over the coming years.

While a number of global payroll technology vendors such as ADP, Dayforce, Oracle, SAP, Workday, and UKG have a significant presence among larger organizations in Canada, they typically report results on a global or regional basis and do not consistently disclose Canada-specific payroll volumes. In addition, outsourced and multi-country payroll models

introduce ambiguity around where payroll work is performed and how activity is counted, and many payroll solutions are bundled within broader HR, finance, and Enterprise Resource Planning (ERP) platforms. As a result, reliable, Canada-only vendor market shares are not publicly available. Instead of point estimates, this report focuses on the main categories of providers (global enterprise suites, regional payroll specialists, and domestic subject matter expert (SME)-focused vendors) and their typical customer focus, delivery models, and solution characteristics.



Payroll technology vendor definitions



CANADA-FIRST PAYROLL SOLUTIONS

Deliver strong Canadian compliance depth and reliability with lower implementation complexity for organizations operating primarily within Canada.



GLOBAL HCM/ERP SOLUTIONS WITH CANADIAN PAYROLL

Provide integrated, enterprise-scale payroll within unified HR and finance ecosystems, supporting strong governance, auditability, and global consistency.



SMALL-MEDIUM BUSINESS HUMAN RESOURCES INFORMATION SYSTEM (HRIS) SOLUTIONS WITH PAYROLL

Offer an integrated HR-to-pay experience that prioritizes usability, ESS, and rapid deployment for growing organizations.



ACCOUNTING- LED PAYROLL SOLUTIONS

Enable straightforward, cost-effective payroll processing tightly aligned to accounting workflows for organizations with simple requirements.



ENTERPRISE/ MANAGED SERVICES

Combine specialized payroll expertise and scalable delivery models to support complex, regulated, or multi-jurisdictional payroll environments.



Differentiating payroll technology vendors.

A common set of dimensions helps differentiate payroll technology vendors and clarify why organizations select them. Drawing on research, a benchmarking view was developed that emphasizes implementation complexity, global coverage, integration ecosystem, AI and analytics maturity, and overall fit for enterprise vs. small and medium-sized organizations. These dimensions underpin the market segments described below and reflect how organizations in Canada typically evaluate payroll technology options.

1. Core Canadian & “Canada-First” payroll software

Core Canadian payroll solutions are designed to address the compliance-dense nature of the Canadian environment by prioritizing legislative coverage, remittance requirements, and Canada-specific reporting obligations. These solutions tend to be most attractive to small and mid-market employers that operate primarily in Canada and value local compliance depth, reliability, and a manageable implementation footprint.

From a functional perspective, this segment generally offers strong foundational capabilities (gross-to-net processing, off-cycle runs, role-based controls, audit trails, and year-end outputs), as well as standard integrations with finance and time systems. The differentiators often emerge in areas such as service model (self-run vs. supported payroll), quality of Canadian compliance automation (e.g., remittances, return on equities), usability and self-service, and the extent of built-in reporting and

analytics. Canada-only solutions often skew toward stronger small-medium business fit and faster deployment timelines, with more limited global coverage and less advanced predictive analytics compared to enterprise platforms investing heavily in AI.

Examples of vendors in this category (non-exhaustive) include: Payworks, Wagepoint, QuickBooks Online Payroll (Canada), Nethris, Desjardins Payroll System, PaymentEvolution, and Rise People.

2. Global HCM/ERP platforms with Canadian payroll engines

Enterprise Human Capital Management (HCM) and Enterprise Resource Planning (ERP) platforms (where Canadian payroll is delivered through native or certified modules) are commonly selected by organizations that prioritize a unified HR-Finance ecosystem, strong governance, and scalable processing across complex structures. These platforms are often aligned to broader enterprise architecture decisions, particularly where HR and Finance transformations create demand for tighter integration and consolidated data models.

A defining feature of this segment is depth of integration, particularly for organizations seeking a “single source of truth” that reduces reconciliation effort and strengthens financial reporting and auditability. This is also where implementation complexity is typically highest: deployments often require specialized expertise, extensive configuration, data conversion, and change management, with timelines more commonly measured in months than weeks.



Examples of vendors in this category that support Canada (non-exhaustive) include: ADP Workforce Now, Dayforce Payroll, Workday Payroll (Canada), SAP SuccessFactors Employee Central Payroll, Oracle HCM Cloud Payroll (Canada), UKG Pro Payroll (Canada), and Microsoft Dynamics 365 and Canadian payroll Independent Software Vendor (ISVs).

3. **Small-medium business (SMB)/mid-market HRIS platforms with embedded payroll (Canada-capable)**

A growing portion of the market consists of HRIS platforms that embed payroll capability (either natively or through partners) to provide an integrated HR and payroll experience without the complexity of enterprise ERP/HCM deployments. This segment is often attractive to organizations in growth phases that want to consolidate systems, improve ESS, and standardize HR workflows while maintaining compliant payroll operations.

In these platforms, payroll value is frequently framed around operational efficiency and experience: reducing administration, improving onboarding-to-payroll transitions, and enabling self-service and ticketing models that reduce burden on payroll teams. However, the depth of Canadian payroll capability may vary depending on whether payroll is native, localized, or delivered through partnerships; as such, due diligence often focuses on Canadian compliance specifics, local support, and the integration model for time, benefits, and finance systems.

Examples of vendors in this category supporting Canada (non-exhaustive) include: BambooHR (via Canada integrations), Zenefits (Canada via partners), Namely Payroll (Canada), Paycom, Dayforce Powerpay (legacy SMB), and BrightHR Payroll (Canada).

4. **Accounting-led payroll software (self-run)**

Accounting-led payroll tools are embedded in financial platforms and are commonly used by small businesses and startups seeking a streamlined approach to paying employees while maintaining close coupling to accounting workflows. These solutions typically emphasize ease of use, affordability, and rapid setup, with sufficient compliance automation for straightforward payroll scenarios. In this segment, payroll is often managed as an extension of finance operations, and system selection is influenced heavily by the broader accounting ecosystem.

Examples of vendors in this category supporting Canada (non-exhaustive) include: Intuit, Sage 50/Sage Payroll, Xero Payroll (via Canadian integrations), FreshBooks Payroll (via Canadian integrations), and Wave Payroll (limited scope).

5. **Enterprise/vertical-specific and global payroll providers (including managed services)**

This segment includes platforms and providers that support payroll in complex enterprise environments through specialized engines, vertical alignment, global coverage, and/or managed services delivery models. These offerings are often relevant where organizations have distributed workforces,



complex labour rules, union environments, or multi-jurisdictional operations that require scalable controls and advanced compliance capabilities.

An important distinction in this segment is the breadth of operating model choice. Some organizations adopt point solutions or managed payroll services that operate alongside HR and finance systems, rather than fully embedding payroll inside an ERP/HCM ecosystem. Common patterns occur as payroll either fast-follows enterprise structures (aligning with ERP/HCM) or intentionally outsources against the ERP grain to providers that can run payroll irrespective of the core enterprise platform.

Examples of vendors in this category supporting Canada (non-exhaustive) include: UKG Ready, Infor HCM Payroll, ADP Celegro (global payroll including Canada), CloudPay, Paylocity (Canada via partners), and Rippling Payroll (new in Canada).

Key trends shaping vendor evolution in Canada. Across segments, payroll technology vendors are evolving along a similar set of technology trajectories with differentiation emerging based on pace and maturity.

AI-enabled payroll controls and insights.

Enterprise vendors are investing heavily in AI for anomaly detection, compliance monitoring, and workforce planning, moving beyond automation into predictive capability. SMB solutions increasingly incorporate “assistive” automation, but advanced predictive features remain concentrated among enterprise platforms.

Global coverage and partner models.

Payroll technology vendors vary significantly in global payroll capability. Some offer broad multi-country coverage via native engines or partnerships, while Canada-first and accounting-led tools remain primarily regional. For Canadian organizations with multinational footprints, this creates a strategic decision between consolidation (single vendor where feasible) and best-fit regional engines with integration back to core HR/finance platforms.

Integration ecosystems as a scaling lever.

Integration depth increasingly differentiates platforms, affecting data governance, error rates, and payroll efficiency. The benchmarking view highlights variability across vendors: ERP-native integration can enable strong finance alignment, while broad connector ecosystems reduce effort in connecting peripheral tools.

Implementation complexity vs.

organization size. The market continues to reflect a cost and complexity divide between enterprise and SMB needs. Enterprise suites deliver robust governance and analytics but require longer and more resource-intensive transformations, while SMB solutions provide quicker implementations and faster time-to-value.

Employee experience as a growing

selection criterion. Across payroll technology vendors, mobile self-service, improved user experience, and conversational support are becoming stronger drivers, particularly in shift-based and distributed environments where employee engagement and issue deflection reduce payroll team burden.



New entrants. Recent market activity indicates that disruption in the Canadian payroll vendor ecosystem is being driven by a set of newer cloud challengers and emerging platforms, notably Rippling, Paycom, Paylocity, Employment Hero (previously known as Humi) and Globali, that compete less on basic payroll processing and more on platform integration, automation, and user experience. These vendors are gaining attention primarily in SMB and lower mid-market segments where speed to value and ecosystem connectivity often carry more weight than enterprise-scale governance requirement.

The most visible way in which these new entrants have changed the landscape is how they reframe payroll as a connected operating platform. Rippling differentiates through an integration-led model (a broad “app shop”/connector ecosystem) and has built Canadian payroll rails natively, positioning payroll as part of an integrated HR/IT/finance workflow rather than a standalone engine. Paycom redefines the space through an employee-driven payroll model that shifts validation activity earlier in the pay cycle, aiming to reduce administrative burden on payroll teams. Paylocity is seen to be expanding competitively in lower mid-market brands, increasingly nipping at the heels of incumbents down-market through targeted capability expansion and broader platform positioning. Humi (part of Employment Hero) competes by offering a simple, Canada-specific experience for startups and small firms, where usability and fast deployment are central decision factors.

Globali represents an innovative technology vendor focused on global workforce execution

rather than Canada-only payroll. Globali positions itself as an “all-in-one global payroll and HR management solution” supporting onboarding-to-offboarding across 125+ countries (Globali, 2025). It emphasizes AI-enabled workflows, localized compliance, and global payments in multiple currencies. Globali is an emerging AI-powered platform that would see payroll technology vendors such as BambooHR, ADP, and Dayforce as competitors.

Despite their innovative value propositions, new entrants face material barriers in Canada due to the country’s compliance density (particularly in Quebec) which tends to favour vendors with long-standing native Canadian engines and proven delivery history. In addition, new entrants can encounter a service and configuration learning curve as they adapt to Canadian requirements and expectations which can slow adoption in a function where tolerance for error is low. Finally, some Canada-focused challengers that are highly attractive to Canada-only SMBs can face scaling constraints as customers expand internationally and require integrated support for United States or multi-country employees. This reinforces a market pattern in which newer payroll technology vendors win targeted segments while incumbents remain dominant in compliance-heavy international footprints.

Employee experience

Emerging trends, such as the growing demand for flexible pay options, underscore a clear shift: employee experience is becoming a central focus within Canada’s payroll function. From the employee’s perspective, payroll is more than a transaction; it is a trust touchpoint that affects financial security, engagement, and the perception of organizational fairness.



Financial wellness. A positive experience for an employee often includes access to benefits and tools—typically HR/benefits led and enabled by payroll processes—that provide information and capabilities to support personal financial management (for example, optional automatic employer savings plan deductions, budgeting resources, or access to on demand pay where offered). Among survey respondents who identified as general employees (i.e., nonpayroll, non-HR, non-IT, and non-C-suite), 13 percent indicated that they either already have an automatic savings plan through their employer, 21 percent would be interested in an automatic savings plan, and 33 percent might be interested but would need more information. This reflects interest in employer facilitated options; it does not constitute individualized financial or tax advice, which organizations typically do not provide. Where programs such as EWA are considered, appropriate governance, privacy, and compliance reviews are required.

Payroll and pay transparency. Payroll transparency is another pillar of the employee experience. Clear, consistent messaging about pay policies, overtime rules, differentials, and deductions paired with accessible, plain language documentation helps employees to understand not just what they are being paid, but why. Ensuring payroll transparency may be viewed as a shared responsibility between payroll and HR, particularly during the employee onboarding process, and organizations can identify additional opportunities to enhance transparency through avenues such as self-service portals.

Pay transparency refers to legislative disclosure requirements. Developments in the European

Union, including requirements coming into effect in 2026 for member states to mandate disclosures such as gender pay gap reporting, signal a shift toward greater accountability and visibility in compensation practices, which may pose compliance and data readiness considerations for employers operating in those jurisdictions (Thomson Reuters, 2024). While comparable national legislation has not been implemented in Canada (though some provinces have individually implemented similar legislation), these global trends may inform policy discussions and expectations over time. Organizations with international operations may benefit from assessing whether payroll systems, data structures, and reporting capabilities are positioned to support more rigorous transparency requirements. Proactive focus on pay data quality, accessibility, and governance can help mitigate future compliance risk and support readiness for emerging expectations.

Self-service. ESS capabilities are typically employee portals or mobile apps where employees can securely update things like banking details, tax forms, and addresses; view year-to-date totals of their earnings, vacation, and sick time; request corrections; and submit and track the status of payroll tickets. Nearly half of respondents who identified as general employees at their organizations indicated that they use a self-service portal when they require information about their payroll. Not all employees take advantage of self-service portals, as some prefer to try to access payroll directly through internal communication channels, hoping for immediate response, and others still attempt to reach payroll teams through in-person channels (i.e., meetings, passing through the office, etc.).

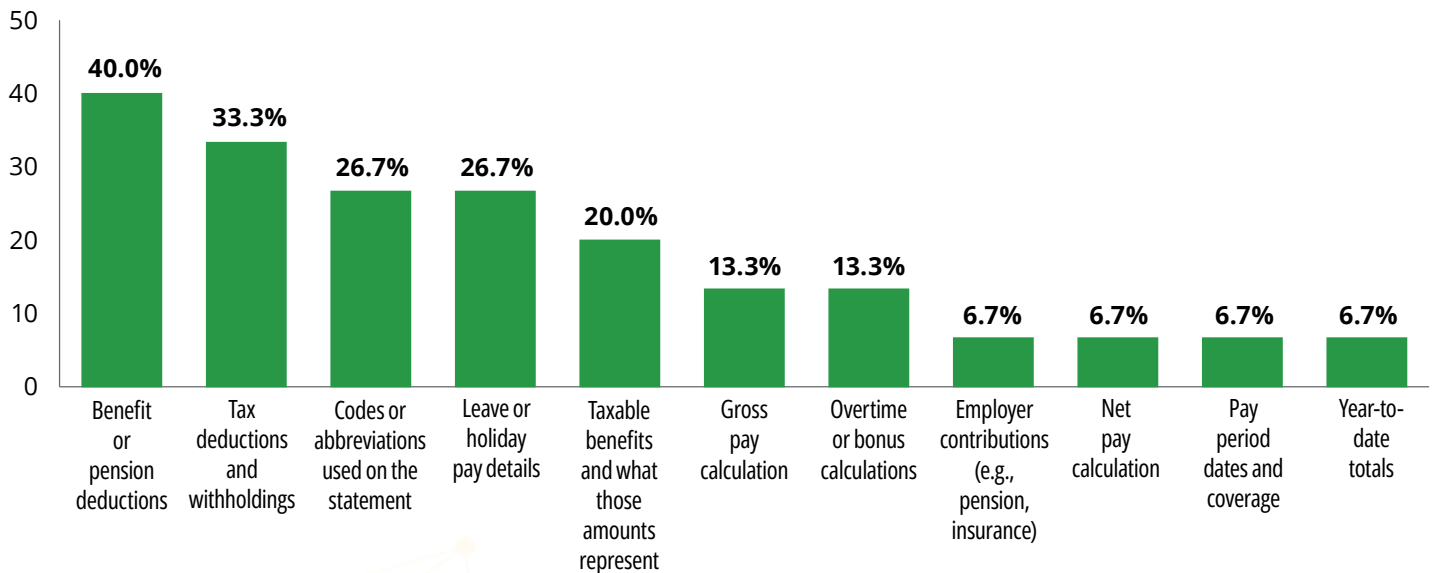


The use of the self-service tool enhances the employee experience through empowerment, enabling self-service data-ownership and issue resolution through information that’s available at their fingertips, without having to make the effort of contacting someone within the organization or waiting for the process of logging a ticket. While self-service tools cannot at this time resolve all employee inquiries or issues, they are a good starting place to get information quickly and easily. Not only are self-service tools beneficial for employees, but they decrease the administrative burden on payroll teams through the deflection of basic inquiries which would typically distract from their payroll processing tasks.

Employee payroll literacy. While employees typically have regular access to pay statements, either virtually through self-service portals,

or physically as paper copies distributed by their employers, this does not mean that employees actually understand the content of the pay statements. Only 42 percent of employee survey respondents indicated that they understand their pay statements “very well” and according to research conducted by Payments Canada in 2022, 38 percent of Canadians are not confident in their ability to catch a discrepancy in their pay. *Figure 12* shows the aspects of a pay statement that employee survey respondents find the most confusing, with benefit or pension deductions being most common. These figures represent a risk to Canadian workers as it indicates a reliance on their organizations’ payroll department to be able to flawlessly operate payroll every payday. When asked which methods of support would most help to empower employees to understand their pay statement,

Figure 12. Aspects of pay statements that employees find confusing





responses varied, but online tutorials were the most common (Figure 13). Organizations are encouraged to develop employee literacy regarding payroll as employees will be better able to interpret their pay details accurately, identify discrepancies promptly, and engage confidently with payroll processes—ultimately reducing dependency on payroll teams and strengthening overall trust in the organization.

Impact of payroll errors. Though the frequency of payroll errors is declining with the help of automation and AI tools, errors are still relatively common occurrences for most organizations of all sizes and types. Seventy-five percent of employees reported that they experience payroll errors throughout the year, and only 25 percent indicated that they never experience payroll errors. Figure 14 shows the reasons for pay issues, according to employees, with the most common issues being incorrect pay amount and missing overtime

or bonus payments. Interestingly, the errors that are associated with payroll are often not a result of steps within payroll processing at all. According to Deloitte industry leaders, when employees have errors in pay, the issues most often are a result of upstream information from other areas of the business, such as time and attendance, which impact the quality of the data that feeds the payroll system. This underscores the importance of having good quality integrations between payroll and other business functions’ technology and ensuring those other systems are correct so that there can be confidence that the data is accurate prior to entering the payroll system.

It is important for organizations to pay attention to the issues being experienced with payroll and the root causes because it has such an immense impact on employee experience. Employees on average ranked pay accuracy as being the most important factor

Figure 13. Preferred methods to improve employee ability to understand pay statements

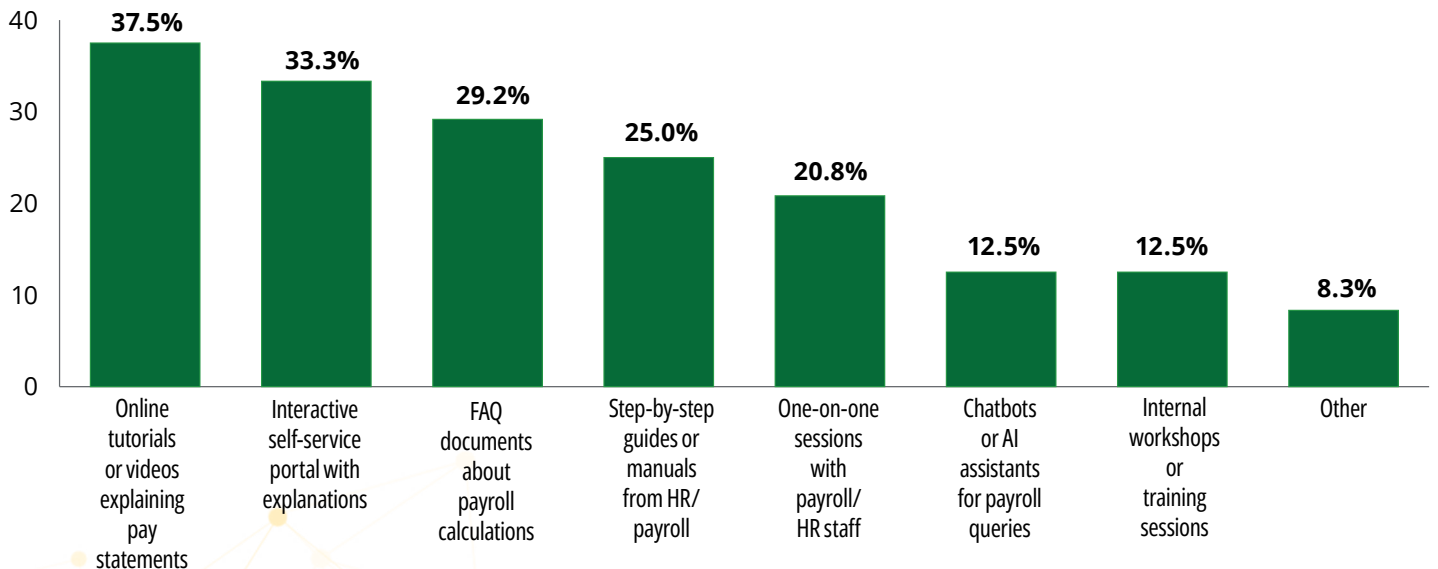
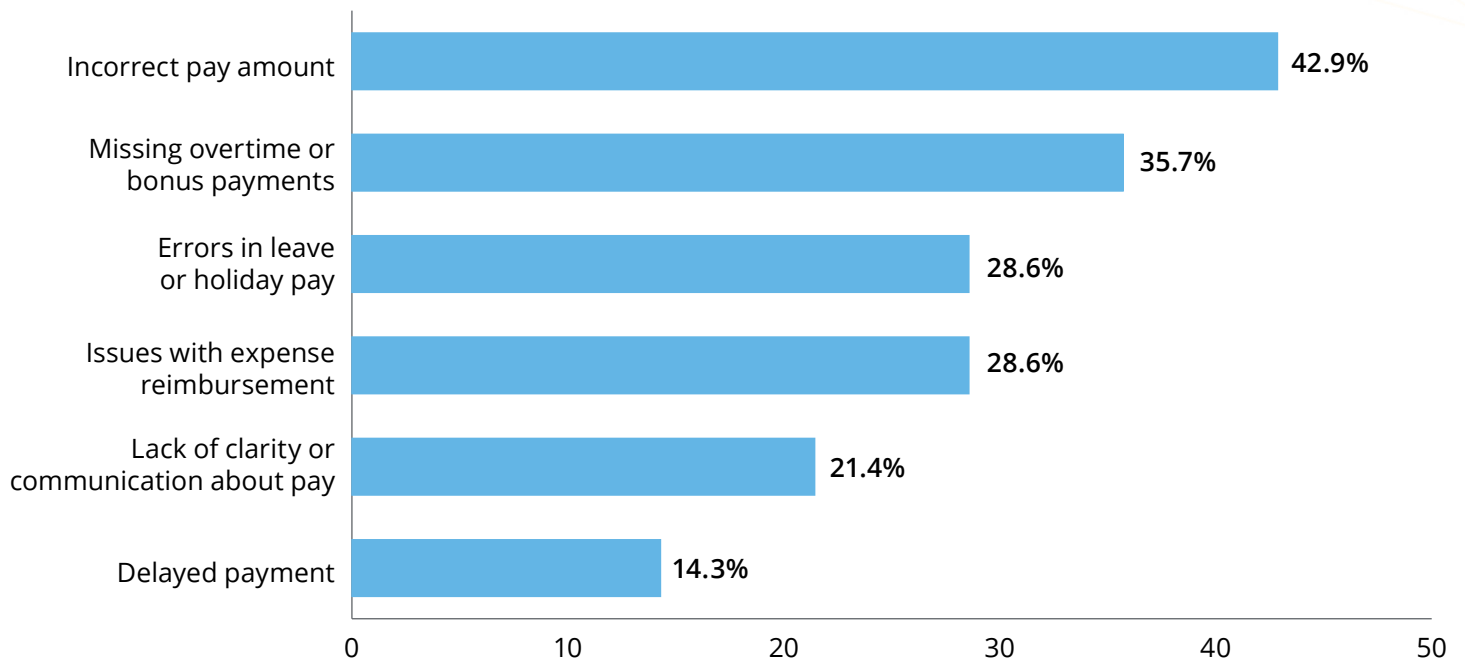




Figure 14. Common reasons for pay issues experienced by employees



in their experience with payroll and Payments Canada (2022) uncovered that 57 percent of Canadians do not pay attention to the income and deduction amounts on their pay slips—the combination of these factors make it clear that it is important for organizations to

investigate and invest in solutions to improve the payroll function and payroll accuracy, such as automation and AI tools that enable error detection, to ensure employees are being paid accurately each time.





Appendix

Table 1. Payroll technology vendors in the Canadian market (non-exhaustive)

1	ADP	31	Paylocity (Canada payroll support via partners)
2	Algopaie	32	PaymentEvolution Payroll
3	Avanti	33	Payroll Guardian
4	BambooHR Payroll (Canada integration)	34	Payroll Solutions International
5	BrightHR Payroll	35	Paytrak Payroll Services
6	BSI	36	Payworks Payroll
7	CanPay	37	PDSSoftware
8	CloudPay (Canada-supported payroll engine)	38	QuickBooks Online Payroll
9	ComVida	39	Remitr (FinTech)
10	Dayforce	40	Rippling Payroll
11	Desjardins Payroll System	41	Rise People Payroll
12	DLGL	42	Sage 50 / Sage Payroll
13	Employment Hero (previously known as Humi Payroll)	43	SAP
14	Ernst & Young (EY)	44	Sparkrock
15	Folks HR	45	Stargarden
16	FreshBooks Payroll (via Canadian integrations)	46	TELUS Employer Solutions
17	GCE Payroll/Nexus	47	Thomson Reuters
18	Globalli	48	Ultimate Kronos Group
19	HRPLink Inc.	49	Vertex
20	Infor	50	Vensure
21	INNOOVA	51	VPM-VTAC Payroll
22	Intuit	52	Wagepoint Payroll
23	Knit People	53	Wave Payroll
24	Microsoft Dynamics 365 + Canadian Payroll ISVs	54	Workday
25	Namely Payroll	55	Workforce Go
26	Nethris Payroll	56	Workzoom
27	Now Solutions	57	Xero Payroll (via Canadian integrations)
28	Oracle	58	ZayZoon
29	Paiday	59	Zenefits Payroll (Canada via partners)
30	Paycom		



Resources

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Glossary

AI	Artificial Intelligence
Altinn	Norwegian government digital portal
CBA	Collective Bargaining Agreement
CPP	Canada Pension Plan
CRA	Canada Revenue Agency
DATEV	German statutory/compliance platform
DSN	Déclaration Sociale Nominative—France’s unified social reporting
EI	Employment Insurance
ERP	Enterprise Resource Planning
eSocial	Brazil’s unified digital reporting system
ESS	Employee Self-Service
EWA	Earned Wage Access
FinTech	Financial Technology
FTE	Full-Time Equivalent
HCM	Human Capital Management
HRIS	Human Resources Information System
ISV	Independent Software Vendors
The Institute	The National Payroll Institute
KPI	Key Performance Indicator
PCP	Payroll Compliance Professional
PLP	Payroll Leadership Professional
PwC	PricewaterhouseCoopers
Real-time reporting	Previously known as e-payroll
ROE	Record of Employment
SMB	Small-Medium Business
SME	Subject Matter Expert
SOP	Standard Operating Procedure



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