



# Global trends shaping Canadian payroll

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.





# Global trends shaping Canadian payroll

When planning for the future of payroll in Canada, it is valuable to understand how the payroll landscape is evolving globally. By observing developments in other countries, organizations can anticipate emerging trends that may eventually influence Canadian payroll practices. Through interviews and focus group with payroll experts from the United States, Ireland, the United Kingdom, and Australia, this research provides insight into international approaches and innovations. These global perspectives help identify shifts that could reshape payroll in Canada, equipping organizations to prepare proactively rather than reactively.

In addition to understanding global payroll trends and their potential implications, it is crucial for Canadian payroll professionals—particularly those supporting organizations with cross-border operations—to be aware of how these developments may directly influence their day-to-day responsibilities. 17 percent of respondents indicated that they process payroll for countries outside of Canada, demonstrating that international payroll is a meaningful part of the work for a significant minority of Canadian professionals. This underscores the importance of having visibility into global practices, emerging technologies, and evolving regulatory expectations that may affect multinational payroll delivery. Before examining these global developments in detail, it is essential to first ground the discussion in an understanding of Canada's current payroll environment, establishing a baseline from which international comparisons can be drawn.

## ***The Bottom Line***



**Executive:** Global trends signal where Canadian payroll is heading; proactive adaptation reduces future disruption.

**Payroll professional:** Cross-border complexity increases skill demands and reliance on standardized processes.

**Technology:** Global-capable platforms and integration models are increasingly necessary even for Canada-based organizations.

## **Global trends**

Across international markets, several major trends are reshaping payroll models, systems, and expectations. One of the most pronounced is the accelerated shift to cloud-based payroll solutions, with countries such as Australia and Ireland moving rapidly away from on-premise systems toward integrated, real time cloud platforms—a similar shift is being experienced in Canada as well. This shift enables stronger compliance monitoring, more seamless data sharing across HR and finance, and improved system stability—capabilities that many Canadian organizations are increasingly seeking.

Another significant trend is the expanded use of automation and AI in payroll processes.



While the role of AI is still developing, global organizations are already leveraging AI for anomaly detection, data management, compliance updates, and employee-facing support tools. These applications help to reduce manual intervention, improve accuracy, and shorten processing times. Although Canadian adoption remains cautious, international experience suggests a strong trajectory toward AI-enabled payroll environments.

One emerging trend that is planned for Canada in the future is Real Time Payroll Reporting, a Government of Canada initiative to modernize how employers send payroll, employment, and demographic information to government departments and agencies. Over the past decade, jurisdictions including the United Kingdom (Real Time Information), Australia (Single Touch Payroll), and Ireland (Real Time Reporting) have implemented real time or near real time payroll reporting systems that are widely viewed as successful by both governments and employers. In Ireland, payroll industry experts, including Deloitte leaders, have emphasized that the system is positively received because it eliminates the intense year-end workload and keeps payroll information-sharing with government continuously up to date. These international experiences provide strong evidence of the value and feasibility of real time reporting models. Building on these global examples, Canada's planned Real Time Payroll Reporting initiative represents an important technological advancement for the country's payroll processes, having been in the planning and discussion phase for several years and increasingly expected to materialize in the near future. This government-led initiative is a federal "tell us once" reporting model designed

to modernize payroll by allowing employers to transmit payroll information every pay cycle, reducing redundancy and strengthening data integrity (National Payroll Institute, 2025).

Global markets are also seeing heightened attention to flexible pay models, including EWA (also known as on-demand pay). In the United States and parts of Europe, EWA has been established for over a decade and is widely adopted across industries (Interac, n.d.). While Canadian organizations remain conservative in this area, adoption is beginning to rise as organizations begin to entertain payroll solutions that enable this feature (e.g., Dayforce Wallet). Other markets show clear momentum, suggesting that flexible pay models may soon gain broader relevance in Canada. Payroll industry experts believe that large organizations are influencing near-term adoption of around five to ten years, with EWA becoming commonplace after that.

Finally, globalization continues to add complexity to multinational payroll operations. Deloitte leaders across the United States, United Kingdom, and Australia consistently note that organizations with international footprints face challenges related to multi-currency payroll, global mobility rules, cross-border taxation, and the lack of unified global payroll strategies. As Canadian organizations become more geographically distributed, similar challenges are expected to grow domestically.

### **International governance models**

Payroll governance varies significantly across countries, with two dominant models: association-led and government-led. In countries such as the United States,



United Kingdom, Ireland, Australia, New Zealand, and South Africa, payroll is largely shaped by strong industry associations (e.g., PayrollOrg, Chartered Institute of Payroll, Irish Payroll Association, The Association for Payroll Specialists, New Zealand Payroll Practitioners Association, South African Payroll Association). These associations play a critical role in professionalizing payroll by offering structured certifications, compliance resources, benchmarking tools, and advocacy. They also drive market education around emerging trends such as AI adoption, EWA, and data security. These association-led models excel in learning, professional development, and industry-driven innovation.

Based on information provided by national payroll bodies' websites (similar to the National Payroll Institute) in other countries, jurisdictions like Germany, France, Norway, Italy, Brazil, and the Netherlands rely on government-driven systems. In these markets, centralized platforms such as Germany's DATEV, France's DSN, Norway's Altinn, and Brazil's eSocial enforce compliance and standardize payroll reporting. These models provide strong governance clarity, comprehensive digital integration, and consistent statutory reporting but typically offer fewer opportunities for payroll professionalization, certification, or industry-driven benchmarking. Countries with government-centric frameworks tend to experience fewer compliance inconsistencies but may adopt new innovations more slowly.

Several markets, including the United Kingdom, Australia, and the United States, strike a balance between these approaches, combining robust industry associations with increasing

digital integration. Canada's governance model, anchored by the National Payroll Institute, most closely resembles this blended structure.

### Emerging practices to monitor

Several practices gaining traction globally have the potential to significantly influence the Canadian payroll landscape in the future. Much can be learned through monitoring the success of these payroll initiatives abroad, allowing Canadian organizations to influence and prepare for change alike.

**Open banking.** Open banking frameworks enable secure financial data sharing between banks and third-party applications. This framework is in its early implementation stages in the European Union, with instant payments and payee verification features having been launched in late 2025. Open banking is streamlining employee onboarding, payroll payments, verification processes, and enabling real time deposits and integration of payroll with employee financial planning tools (European Central Bank, 2024).. Federal frameworks for the renamed Consumer-Driven Banking are underway in Canada, making this a key trend to monitor.

**EWA.** As noted above, EWA is already well-established in the United States and Europe and continues to grow as part of financial wellness strategies. Payroll consultants and payroll industry experts noted that they are seeing a rise in large, influential employers in Canada who are either in the process of implementing or evaluating this option as interest begins to increase, though demand remains lukewarm. International adoption indicates that Canadian organizations may



soon face increased pressure, from both employees and competition, to offer similar flexibility in pay.

**Pay transparency directives.** In Europe, new pay transparency directives take effect in 2026, requiring employers to disclose gender pay gaps, salary ranges, and detailed compensation structures. These regulations are driving significant payroll transformation across European Union nations. Although Canada has not implemented equivalent national requirements, growing global momentum and the rise of provincial transparency laws suggest a potential shift toward greater pay reporting and visibility in Canada.

### Implications for Canada

Global payroll practices offer important signals for where Canada may be heading.

International markets demonstrate a clear move toward end-to-end digital payroll ecosystems, tighter integration between payroll and financial systems, advanced AI-enabled automation, and greater emphasis on transparent, employee-centric pay models. They also highlight the need for stronger global strategy, better succession planning, and deeper payroll professionalization.

For Canadian organizations, these international trends present both challenges and opportunities: the chance to adopt emerging practices early, modernize governance structures, strengthen compliance, and enhance the payroll experience for employees. As global trends continue to converge, Canada's payroll landscape is positioned to evolve rapidly in the coming years.





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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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