




Beyond paydays: The evolution of payroll in Canada



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State of payroll in Canada at-a-glance



Canada is sitting mid-pack in payroll maturity, with strong compliance rigour, however, lagging in digitalization, cloud action, employee experience focused pay practices, and AI-enabled payroll.



Upstream processes shape payroll resilience and data integrity.



The **payroll function is a hot spot for strategy** through the wealth of data at its fingertips.



Benchmarks are the key to unlocking improvement in an organizations' payroll function.



Global trends signal what may come next for payroll in Canada, including Earned Wage Access and real-time reporting.





Executive summary

About this report. This report provides a comprehensive view of the state of payroll in Canada today and a forward-looking perspective on where it is headed. The National Payroll Institute, in collaboration with Deloitte, conducted research that combines literature review, interviews with payroll leaders, and survey insights to illuminate current practices, gaps, and emerging opportunities in the payroll industry. The objective is to equip employers, payroll professionals, technology vendors (i.e., companies that design, own, and sell a proprietary payroll software), and policy makers with actionable insight to improve compliance, efficiency, resilience, and employee experience. It also highlights a shift in payroll as a more data-driven contributor to strategic organizational decision-making.

Background. The National Payroll Institute (the Institute) is Canada's authority on payroll education, compliance and professional standards, and the key advocate for the profession. It provides designations, resources, and industry insights that help organizations strengthen readiness and leading-practice adoption. Although payroll plays a critical role and generates significant organizational data, it is often underused in strategic planning. To get a better holistic understanding of where the profession stands today and where it's headed, the Institute collaborated with Deloitte's Payroll Advisory practice, a cross-functional global team that supports organizations in payroll operations, compliance, and technology. This joint research examines the

The Bottom Line



Executive: Payroll in Canada is compliant but under-leveraged; without coordinated investment in technology, governance, and talent, organizations risk falling behind operationally and strategically.

Payroll professional: Payroll expertise is becoming more strategic, but success depends on modern tools, clearer operating models, and recognition of payroll's decision-support role.

Technology: Legacy platforms constrain insight, automation, and resilience; modern payroll technology is now foundational to compliance, scalability, and analytics.

current state of payroll in Canada, identifies opportunities for modernization, and outlines emerging trends that are expected to shape the function and profession.

Summary of key findings

- **Canada sits mid-pack in payroll maturity**, with strong compliance rigour but lagging in digitalization, cloud adoption, employee experience focused pay practices, and artificial intelligence (AI)-enabled payroll.
- **Today's AI enables targeted controls. Tomorrow's AI will be embedded into payroll operations.** Across organizations,



payroll's potential continues to outpace adoption. While transformative AI use cases are widely discussed and actively explored, most payroll teams still operate with manual, fragmented processes, creating a gap between the possibilities of the future as a result of what modern, AI-enabled payroll can deliver and what organizations are currently able to execute in practice.

- **Upstream processes shape payroll resilience and data integrity.** Payroll risk is increasing as compliance requirements grow more complex, the possibility for data exposure rises, and cross-system data flows accelerate beyond existing controls. Many organizations lack payroll-specific-tested continuity plans, creating material vulnerabilities in resilience and compliance assurance.
- **The payroll function is a hot spot for strategy.** For those who may still be focused on defining payroll as a finance function vs. HR function, it is more productive to focus and agree that while payroll does not generate revenue, it controls and protects money. Payroll has a wealth of data and analytics at its fingertips that can be used to inform leaders and organizations on workforce trends, labor costs, compliance risks, and operational efficiency. This information tends to be underutilized in many organizations, though can be effective in enabling more strategic, data-driven decision-making.
- **A significant talent gap is emerging.** Canada faces a tightening payroll talent pipeline as the workforce ages, and demand grows for professionals who combine compliance expertise with technical, analytical, and interpersonal skills. Organizations need targeted investment in upskilling areas, such

For those who may still be focused on defining payroll as a finance function vs. HR function, it is more productive to focus and agree that while payroll does not generate revenue, it controls and protects money.

as system literacy, cybersecurity, AI oversight, data storytelling, and change management to ensure payroll teams are equipped for the evolving landscape.

- **Benchmarks are the key to unlocking improvement.** Payroll holds substantial organizational data that can inform employee experience, resource planning, and financial insights. However, without baseline key performance indicators (KPIs), leaders cannot evaluate business cases or outcomes.
- **Global trends signal what comes next for payroll in Canada.** International developments offer a preview of emerging priorities for Canadian payroll functions, including establishing earned wage access (EWA), expanding pay transparency mandates, introducing real-time payroll reporting, accelerating cloud adoption, and deeper integration of AI. Monitoring these trends enables organizations to anticipate change, assess readiness, and proactively adapt payroll strategies before expectations and regulatory pressures intensify.

Canada's payroll landscape is undergoing meaningful change

The research shows that while Canada maintains strong compliance discipline, it continues to lag leading markets in digital maturity, automation, AI integration, and the



use of payroll data for strategic insight. At the same time, risk is increasing, data flows are accelerating, and the talent pipeline is tightening. International trends demonstrate where the function is heading, including broader access to EWA, real-time payroll reporting, expanded pay-transparency requirements, rapid cloud adoption, and deeper AI integration. Organizations that wait for these shifts to take hold, risk falling behind both operationally and competitively.

Organizations across the payroll ecosystem may consider using these findings to strengthen digital foundations, improve data quality and resilience, and develop the next generation of payroll talent. Establishing clear KPIs, automating manual processes, and elevating payroll as a source of organizational intelligence are essential steps. Canada has momentum but sustaining it will require coordinated investment to ensure the function becomes not only compliant and efficient, but insight-driven, resilient, and prepared for the future.





1 Introduction

Payroll is no longer just about paying people, it is a strategic function at the very heart of employee experience, compliance, and business resilience in Canada. As with nearly every other organizational function, payroll must adapt to meet the evolving demands of an increasingly technology-driven society seeking faster, more seamless digital experiences. Understanding the payroll landscape—both its current state and its future trajectory—is essential for business leaders and payroll professionals. Organizations that anticipate change will be better positioned to manage it in this critical function. The National Payroll Institute, in collaboration with Deloitte Canada, has undertaken comprehensive research on the evolving role of payroll in Canada to empower people and organizations with the insights needed to make strategic, informed decisions.

1.1 Background

The National Payroll Institute (the Institute) is Canada's leading authority on payroll education, compliance, advocacy, and professional standards. Dedicated to advancing the payroll profession, the Institute provides designation programs, resources, and advocacy to ensure payroll practices meet the highest levels of accuracy and regulatory compliance. Through its extensive network of members and industry partnerships, the Institute plays a pivotal role

Payroll is no longer a back-office function; understanding its trajectory is essential to managing risk, employee experience, and organizational resilience.

The Bottom Line



Executive: Payroll is no longer a back-office function; understanding its trajectory is essential to managing risk, employee experience, and organizational resilience.

Payroll professional: The role is expanding beyond processing to influence compliance, experience, and business decisions.

Technology: Digital expectations are reshaping payroll; systems must evolve to support speed, accuracy, and integration.

in shaping payroll policy and promoting best practices across Canadian organizations. The Institute is committed to delivering industry insights that drive organizational readiness and competitive advantages. It also uncovers emerging trends and delivers actionable insights and benchmarking tools that help organizations optimize payroll operations, remain competitive, and support payroll professionals as they navigate a rapidly evolving landscape with confidence. Findings are integrated into professional development resources, designation and training programs, and webinars to support growth and readiness for future challenges.

Deloitte is a global leader in professional services, trusted by organizations worldwide to deliver insights and solutions that drive



business transformation. Deloitte's professional services drive one purpose—to make an impact that matters through inspiring and supporting our people, organizations, communities, and country so that they thrive. Recognizing the critical role payroll plays in shaping the future of work, Deloitte is committed to advancing research in this space to uncover emerging trends, inform best practices, and help organizations prepare for the evolving payroll landscape.

The National Payroll Institute and Deloitte found that, despite payroll's critical role and rich data, it is frequently underrepresented in strategic planning. Elevating payroll as a strategic business function means giving it a seat in enterprise decision-making, where its insights can inform investments, operating models, workforce planning, and risk mitigation across the organization.

The National Payroll Institute collaborated with Deloitte to conduct this thorough study of the state of payroll in Canada, by identifying challenges and opportunities, and exploring future trends impacting the industry.

As payroll continues to evolve into a critical business function, the National Payroll Institute is committed to equipping professionals with the education, designations, and resources they need to build future-ready skills that elevate their role and ensure relevance in a rapidly changing environment.

1.2 Methodology and approach

To provide a comprehensive view of the state of payroll in Canada, the National Payroll Institute and Deloitte employed a three-pronged research approach:

1. **A detailed market and literature scan of national and international payroll research, industry reports, and trend analyses to identify current practices and gaps in existing knowledge.**
2. **Qualitative interviews with payroll professionals and industry leaders in Canada and internationally to gather practical insights and applied perspectives.**
3. **An in-depth national perception survey to capture views on payroll priorities, key challenges, and emerging needs.**

Market and literature scan. The market and literature scan examined a broad range of national and international payroll research, industry publications, and trend analyses. This review established a baseline understanding of payroll maturity, emerging practices, and regulatory and technology developments, while also identifying gaps where existing research remains limited or fragmented.

Qualitative interviews. The qualitative research component consisted of a structured interview program designed to capture insights from across the payroll ecosystem. This program included one-on-one interviews, focus groups, and roundtable discussions with payroll professionals, payroll industry experts, and leaders from the National Payroll Institute and Deloitte, representing a range of



industries, technology platforms, and levels of professional experience. Perspectives from payroll technology and service providers were incorporated alongside input from leaders and specialists in adjacent functions who experience the downstream impacts of payroll through client and organizational work. Together, these discussions provided a well-rounded understanding of the payroll environment and its broader operating context.

National perception survey. The final component comprised an in-depth national perception survey focused on payroll priorities, challenges, and emerging needs. Distributed digitally to the Institute's membership and the broader public through targeted outreach channels, the survey combined quantitative benchmarking data with qualitative insights related to demographics, payroll practices, technology and automation, workforce trends, and future outlooks. While primarily targeting payroll professionals, the survey also incorporated perspectives from supporting functions and end users, including HR and IT professionals, executives, and employees across Canada.

Integrated insights. Taken together, this three-pronged approach produced insights grounded in robust data, informed by diverse perspectives, and intended to support organizations seeking to strengthen payroll operations, and prepare for future challenges.

Limitations and barriers. As the research progressed, limitations were identified that affected participation and data collection. One key factor was the challenge of securing participant availability during the research

period. Given the busy and demanding nature of payroll work, many professionals were unable to dedicate time to participate.

Additionally, through the literature review, it became apparent that existing research around the state of the payroll industry is quite limited. This identified a gap that this research will help to fill, though it also hindered the visibility into the industry scan and in defining the current state of the payroll function in Canada. Further, current research tends to generate predictions in a five- to ten-year outlook, which is not adequate to align with the pace of technology and professional advancements in the payroll space. This is likely because the payroll environment is evolving far more rapidly than in the past—with accelerated regulatory changes, continuous system updates, and emerging technologies, such as AI and automation—making long-horizon forecasts quickly outdated and requiring more agile, short-cycle research to remain relevant.

1.3 Participant demographics

This research solicited responses and viewpoints from a wide range of participants across Canada. Interviews were conducted with leadership at the Institute and with Deloitte leaders in payroll and payments modernization. Perspectives from global Deloitte payroll leaders in the United States, Ireland, United Kingdom, and Australia were also included to capture international trends that may influence the Canadian landscape. In addition, discussions were held with industry leaders and payroll professionals from Deloitte and other organizations, spanning technology, financial services, energy and resources, public sector, and retail consumer sectors.



The survey, offered in both English and French, remained open for 54 days and was broadly accessible through a public-facing link. A total of 622 completed responses were collected from participants across nearly every province in Canada, with the exception of the Northwest Territories (*Figure 1*). While the geographic distribution of respondents generally reflects the Canadian population, the findings also show that many participants are responsible for paying employees outside the province or territory in which they reside. As illustrated in *Figure 2*, most respondents indicated payroll responsibilities spanning all provinces and territories, highlighting the wide geographic reach of payroll operations represented in this research.

As shown in *Figure 3*, of the 622 responses that were recorded, 458 respondents stated that they are payroll professionals, which indicates that a significant proportion of data was collected from individuals who are directly involved in payroll. The remaining 164 responses are from a combination of payroll

Demographic trends



Payroll is a female-dominated industry

90% of respondents identify as female



More payroll professionals are closer to the end of their career than the beginning

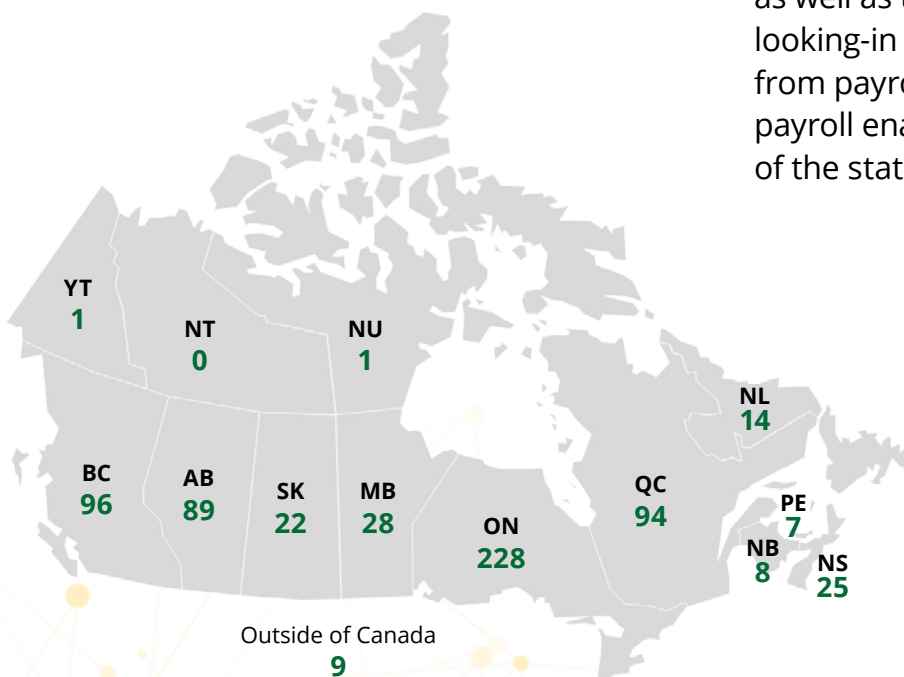
Approximately 69% of respondents are 45 or older



Payroll professionals are well educated

86% of respondents have a higher education level than a high school diploma

Figure 1. Survey respondent locations



industry subject matter experts, executives, payroll consultants, payroll system and service providers, IT and HR professionals, and employees. These responses from participants who are not payroll professionals provide valuable insight into the employee experience, as well as the payroll function from an outside-looking-in perspective. The combination of data from payroll professionals and roles outside of payroll enables a holistic and inclusive analysis of the state of payroll.



Figure 2. Provinces and territories in which respondents pay employees

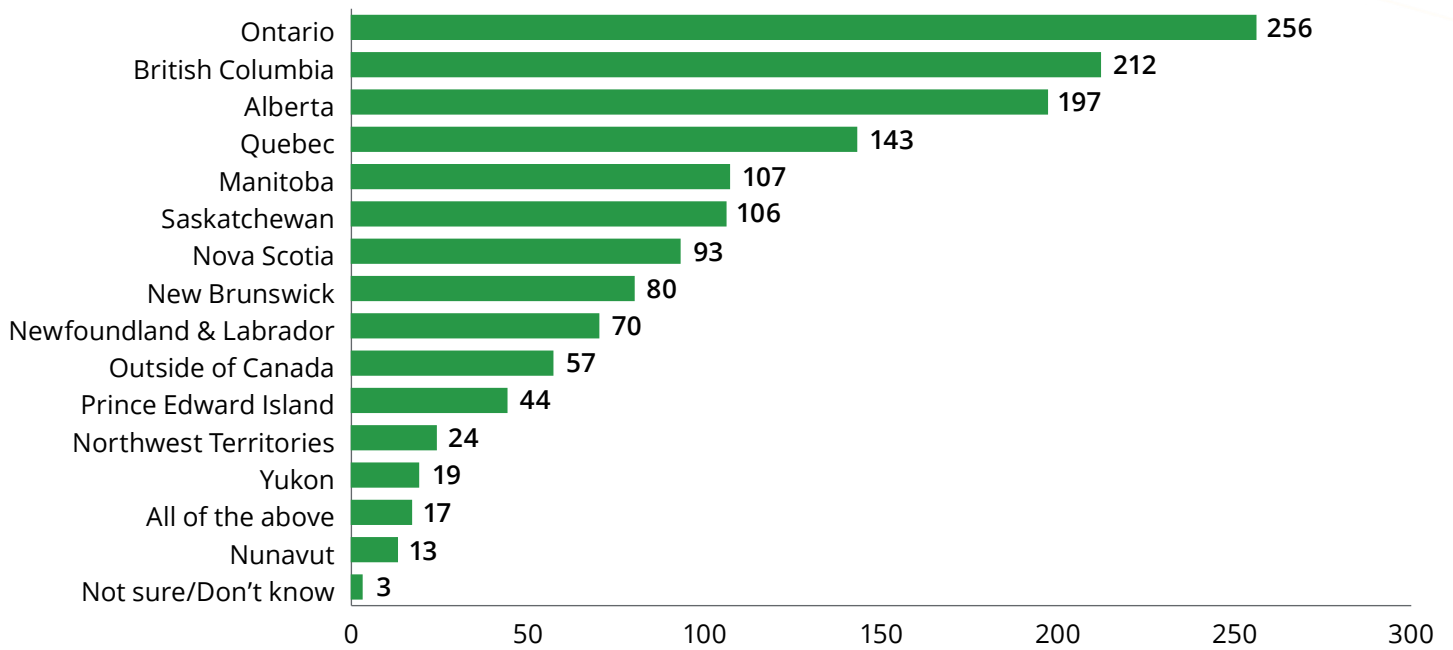
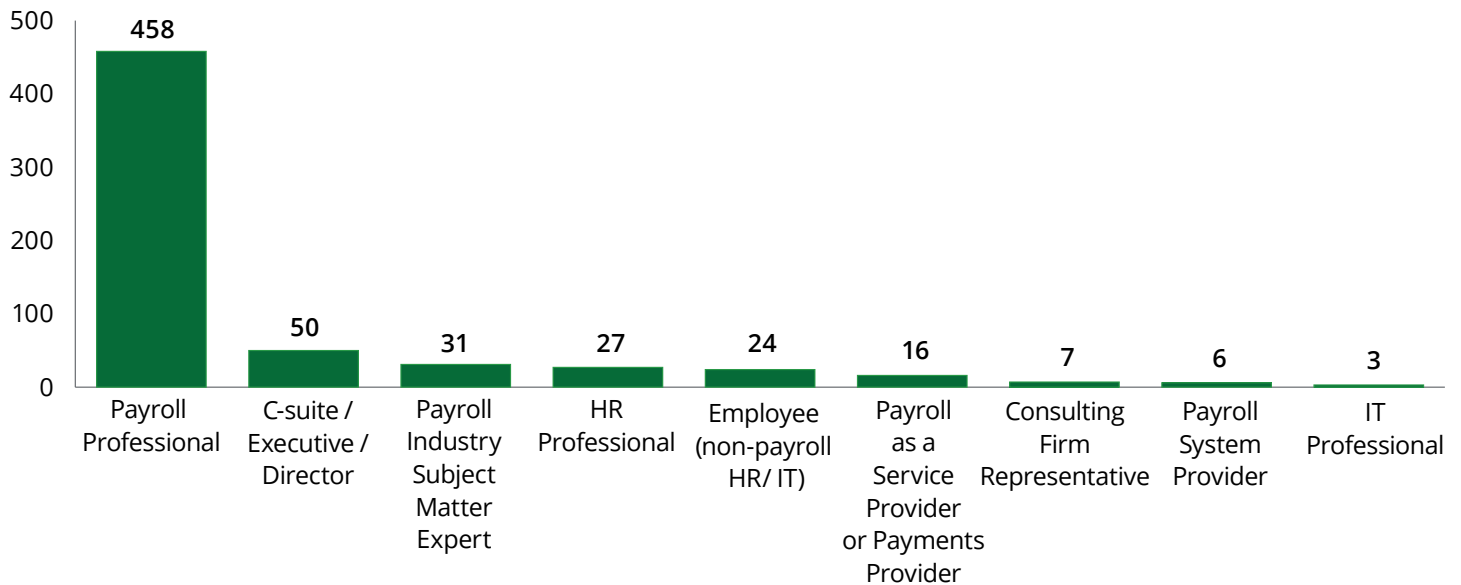
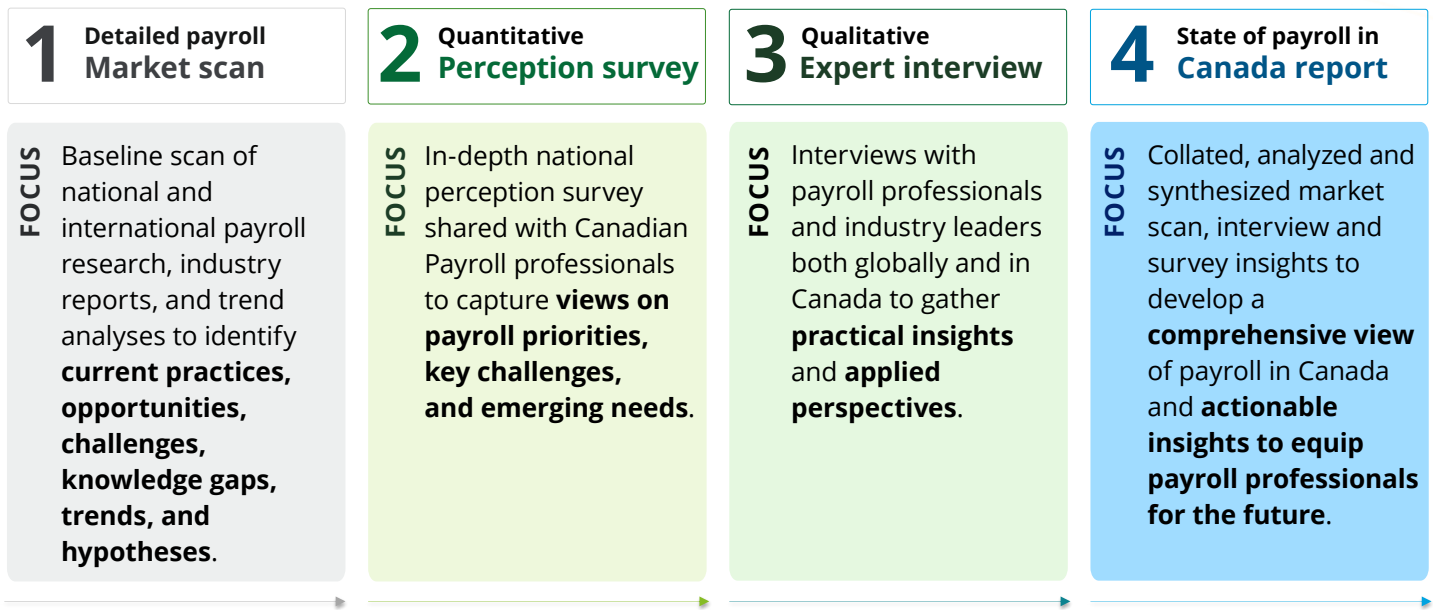


Figure 3. Respondent group self-identification





Report development approach



1.4 Overview of key findings

The following themes summarize the most significant insights emerging from the research.

Payroll's evolving role

Payroll is shifting from a transactional function to a core organizational enabler with growing influence on compliance, experience, and decision-making. Payroll is increasingly recognized as a critical function that contributes far beyond transactional processing, with organizations beginning to view it as an essential driver of compliance, employee experience, and business continuity. Survey responses, industry scans, and interviews revealed that payroll is steadily evolving into a more insight-driven and strategically integrated function, even as many organizations continue to operate with legacy processes and uneven levels of technological maturity making.

Payroll is shifting from a transactional function to a core organizational enabler with growing influence on compliance, experience, and decision-making.

Workforce pressures

A shrinking, aging talent pool is creating urgency for upskilling, knowledge transfer, and future-ready payroll capabilities. Canada's payroll workforce is aging, and organizations face challenges attracting new talent with the right combination of technical knowledge, compliance expertise, and soft skills. This talent gap is amplified by the pace of technological change, which requires payroll professionals to rapidly build capabilities in analytics, automation, AI, cybersecurity, and change management. Despite these challenges, there is strong evidence that payroll professionals are highly adaptable and committed to professional development, positioning them well to take on more strategic roles in the future-ready payroll capabilities.



Technology modernization

Modern platforms and automation are becoming essential for accuracy, integration, efficiency, and reliable compliance in an increasingly complex environment.

Organizations are accelerating their transition to modern payroll technologies, particularly cloud-based solutions, automation, and data-driven tools. This shift is strengthening accuracy, improving integration across HR and finance systems, and enabling more proactive compliance management. At the same time, payroll professionals are navigating increasingly complex regulatory environments and rising expectations for real-time reporting, highlighting the need for enhanced governance frameworks and deeper collaboration across functions.

Employee experience

Employee expectations are rising, making seamless access, transparency, and digital accessibility important to maintaining trust and engagement. Payroll is increasingly expected to support financial well-being, transparency, and timely access to pay information. Tools such as employee self-service, online pay statements, and responsive inquiry resolution have become essential components of the modern payroll ecosystem. While interest in alternative payment models, such as earned wage access, is present, survey findings indicate it remains limited, highlighting an emerging area for consideration alongside evolving employer responsibilities.



Organizational readiness

Readiness is uneven, and without stronger governance, KPIs, and continuity planning, organizations risk falling behind operationally and strategically. Organizations remain at varying levels of readiness for the future. While many have begun modernizing payroll technology and strengthening governance, others remain reliant on manual processes, lack formal business continuity plans, or have not yet adopted meaningful payroll-specific KPIs.

These gaps present opportunities for improvement, particularly in operational efficiency, risk management, and data-driven decision-making. The insights shared throughout this report outline both the progress made and the work still to be done, offering a comprehensive view of how payroll in Canada is transforming and what organizations must prepare for next.



2 Baseline assessment of the payroll function

2.0 Baseline assessment of the payroll function

To fully understand the opportunities and challenges that lie ahead, it is important to first understand the state of payroll today. Today's payroll function is more than the back-office function that it once was—it is a critical enabler of compliance, employee experience, and organizational resilience. Yet, despite its importance, the payroll landscape remains uneven as it is comprised of varying degrees of maturity and modernization, with significant variation in technology adoption, workforce capabilities, and strategic positioning across industries. Drawing from recent survey insights, expert interviews, and industry research, the analysis presents a clear picture of payroll's current state: what has changed in the last five years, what gaps persist, and what risks and opportunities organizations must address to prepare for the future.

2.1 General outlook on payroll today

Role of payroll. Payroll is an essential industry, on which every nation depends to fuel its economic function, social programs, and infrastructure. While it will never go away, it has and will continue to require evolution over time to adapt to the changes taking place in and around it. According to Statistics Canada (2025) approximately 18.275 million Canadians are employed and are receiving pay across 1.375 million businesses (Statistics Canada, 2025)—this highlights how critical the payroll

The Bottom Line



Executive: Assessing current payroll maturity is a prerequisite to credible transformation and investment decisions.

Payroll professional: Uneven maturity increases workload, risk, and reliance on manual effort.

Technology: Current-state technology choices directly limit payroll's efficiency, insight, and ability to scale.

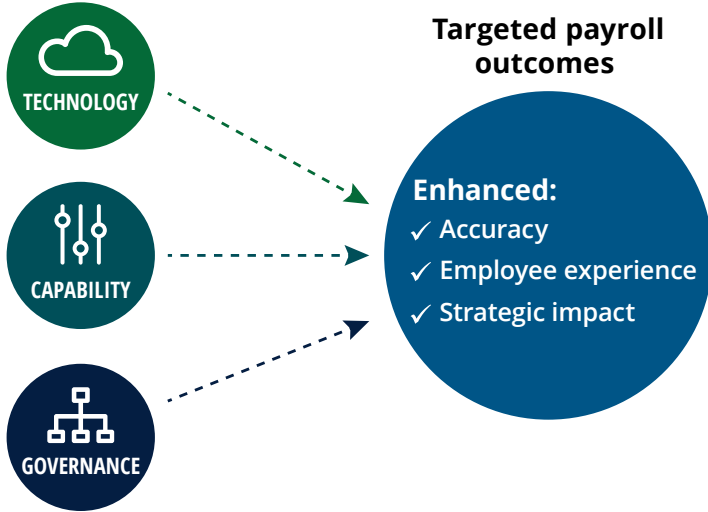
industry is to Canadians who depend on it to receive their wages and support themselves and their families. Based on the most recent study around its size and scope, it is estimated that the payroll industry is supported by approximately 77,000 payroll professionals and an additional approximately 6,700 employees who work at payroll service and software providers (National Payroll Institute).

Given payroll's critical role in society, it is unsurprising that business leaders are increasingly treating it as a strategic function in key discussions and decision making. Payroll industry experts have indicated that payroll has been evolving meaningfully, from a transactional function in an organization, to taking on more



The Canadian payroll industry is prioritizing key drivers to drive towards targeted outcomes

Key drivers

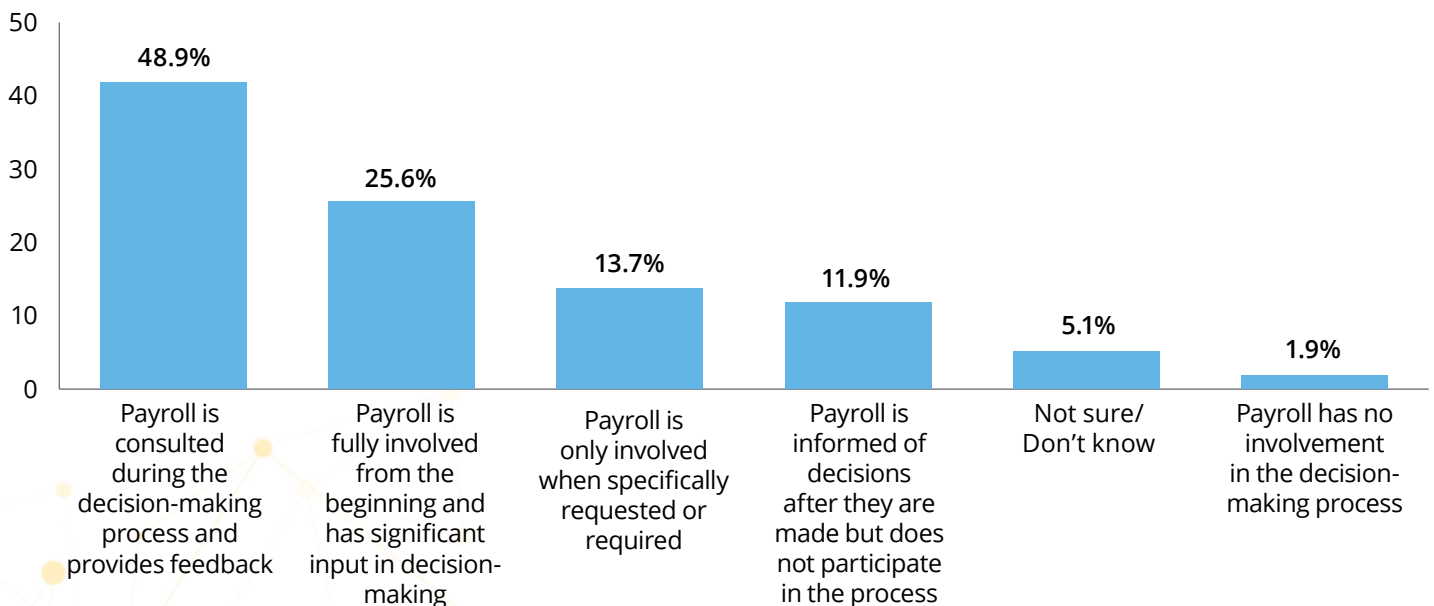


of a strategic role as a partner or advisor to business leaders. A company’s payroll has a wealth of employee and organizational data at its disposal. As organizations increasingly progress toward more evolved data analytics tools and

technology, payroll data will become critical to enabling more informed business strategies and decisions and measuring their impact. In fact, as is shown in *Figure 4*, approximately 26 percent of payroll professionals indicated that their payroll department is fully involved from the outset of relevant initiatives and has significant input, and approximately 49 percent reported that they are consulted to provide feedback in the decision-making process when a business decision may impact or be impacted by payroll.

This growing involvement in decision-making reflects a broader recognition of payroll’s evolving capabilities and value to the organization. As articulated in the National Payroll Institute’s Competency Framework for Payroll Professionals, payroll’s role extends well beyond delivering accurate and compliant pay to partnering strategically with the business. The framework highlights payroll’s unique ability to leverage systems and data, demonstrate business acumen, and translate complex legislative, financial, and

Figure 4. Role of payroll department in organizational decision-making





workforce information into clear, decision-ready insights for leaders. As payroll professionals increasingly participate in strategic planning, cross-functional initiatives, and enterprise-wide change, their deep understanding of compensation, compliance, workforce dynamics, and employee experience positions payroll as a critical contributor to informed, risk-aware, and people-centric decision-making across the organization.

Benchmarking gaps. While Payroll has the potential to act as a strategic partner and deliver data-driven insights, there is a significant shortage of benchmarking information needed to support payroll teams. Industry benchmarks, which are essential for setting standards, measuring performance, and enabling informed decision-making, are scarce and inconsistently tracked. Organizations that aim to improve the measurable performance of their payroll departments often struggle to set realistic KPIs or objectives. In many cases, they must rely on their own historical data, when it is available, or turn to external sources to obtain the benchmarks needed to guide meaningful improvements. The Institute initiated this research, with Deloitte as a research partner, to close this gap and to create a foundational data set that Institute members can use for organizational benchmarking.

2.2 The Canadian payroll environment: Context and complexity

Canada's payroll environment is recognized as one of the most complex among single-country markets, shaped by a dense regulatory landscape, multi-layered governance structures, and evolving workforce expectations. Payroll in Canada is not merely the administration of pay; it is a compliance-driven function that must navigate

federal requirements—such as income tax, the Canada Pension Plan (CPP), Employment Insurance, and Records of Employment—alongside distinct provincial and territorial tax regimes, employment standards, workers compensation, and, in some jurisdictions, bilingual reporting obligations. These intersecting rules create significant complexity and place payroll at the center of organizational risk management, accuracy, and employee trust. Canadian organizations rely on the payroll function not only to ensure employees are paid correctly and on time, but also to uphold their broader legal responsibilities and maintain operational stability.

The Canadian payroll landscape is also characterized by varying levels of technological maturity and strategic integration across organizations. While many have moved toward cloud-based payroll solutions, stronger HR-finance integration, and automation, others continue to rely on legacy systems and manual processes. This creates inconsistencies in efficiency, data quality, and the ability to scale or respond to new regulatory requirements. At the same time, payroll teams across Canada are contending with increased expectations for real-time accuracy, digital self-service, and enhanced transparency—elements that are becoming standard in other global markets. The rise of employee-centric payroll models, demand for financial wellness support, and the growing emphasis on pay transparency further reflect a shift toward positioning payroll as a core contributor to the employee experience.

Despite these challenges, Canada's payroll function is evolving steadily, driven by modernization efforts, technological advancement, and heightened governance



awareness. Organizations are increasingly recognizing the strategic value payroll brings—its unique visibility into workforce data, its role in compliance readiness, and its impact on organizational reputation. However, gaps remain: formal operating models are not consistently defined, KPI measurement and benchmarking are still underutilized, and many payroll professionals face significant workload pressures due to shrinking teams, skill shortages, and rising complexity. These realities highlight both the strengths and fragilities of the Canadian payroll landscape, setting the foundation for why global insights are valuable. Understanding how other markets are navigating similar pressures—and often adopting innovations more rapidly—can help inform Canada’s path forward and identify opportunities for improvement, adaptation, and sustained resilience.

2.3 State of technology

Payroll is not exempt from rapid technological change reshaping organizations; the function itself is undergoing significant transformation. In the early 2000s, organizations adopted more refined payroll systems with integrations to related platforms. Cloud computing in the mid-to-late 2010s expanded these capabilities by improving system connectivity and functionality. Today, advances in machine learning, data analytics and AI are setting the stage for the next evolution, with potential to elevate payroll into a more strategic role through greater automation and richer insights. For most organizations, making changes to payroll is intimidating, and viewed as a high-risk decision because failures, such as missed payroll runs, can result in reputational damage. However, it is becoming clear to business leaders that updates to payroll technology are essential to support efficiency and compliance.

The Bottom Line



Executive: Technology decisions made today determine payroll’s future compliance posture, efficiency, and strategic relevance.

Payroll professional: Automation and cloud tools reduce manual burden but adoption remains inconsistent, driving uneven outcomes.

Technology: Cloud, automation, and AI are becoming baseline requirements—not differentiators—for modern payroll.

Cloud payroll. A common trend amongst Canadian organizations is the migration from outdated on-premise solutions to cloud-based payroll solutions. Initially reluctant to make the shift, many organizations have become more confident in making the decision to move to cloud payroll. For many large organizations, this confidence has been driven by the influence of surrounding functions such as finance and HR which have had successful cloud-based technology transformations, while smaller organizations tend to be motivated by simple systems that integrate easily with other functions in the business. Often, these shifts are charged by a need for greater flexibility, scalability, and compliance in an environment where regulatory requirements and workforce models are rapidly evolving. Pressures to shift to cloud platforms may also be experienced when payroll systems are decommissioned or payroll technology vendors significantly reduce support for on-premise solutions, leaving organizations with little choice but to



move to the cloud. Cloud platforms offer real-time data access, have the capability of having legislative changes integrated, and enhanced integration with HR and finance systems—capabilities that on-premise systems often lack. Organizations that adopt cloud-based payroll systems typically benefit from greater insights, data access, and clear decision-making abilities. Although implementation complexity and change management can pose challenges, the shift to cloud technology presents the opportunity and launch point for payroll to support workforce planning, deliver more actionable insights, and elevate outcomes and efficiency for business leaders.

Automation and AI. The introduction of automation and AI is also a fast-moving trend in payroll today. While automation has existed within payroll systems for some time, its organizational utility has been rapidly accelerating in recent years. Organizations are increasingly leveraging automation to eliminate repetitive, manual tasks such as data entry, time and attendance validation, and payroll calculations, serving to minimize errors and reduce processing time. AI takes this a step further by enabling predictive analytics, anomaly detection, and real-time basic compliance updates, ensuring payroll systems remain aligned with evolving tax and regulatory requirements. Advanced tools now support automated remittances, benefit administration, and even ESS through chatbots, improving both operational efficiency and the employee experience. These innovations represent a major shift: payroll professionals can now move beyond routine data entry and reconciliation to focus on strategic initiatives; support decision-making and provide data-driven insights. Despite these

benefits, adoption of advanced features remains inconsistent across organizations. As automation and AI mature, they are expected to become foundational to payroll transformation, continuing to position payroll as a data-driven, strategic function rather than a purely transactional one.

Governmental push. While the private sector continues to pursue technological advancements to improve efficiency through strategic decision-making, the public sector is also seeking efficiency through “e-payroll.”, also referred to as “real-time reporting”. This federal government initiative aims to modernize the exchange of payroll, employment, and demographic information between employers and government bodies, with the intent of easing administrative demands on Canadian employers and improving the efficiency of government benefit and service delivery. Through focus groups conducted during this research, it is clear that payroll professionals are eager for the launch of real-time reporting as they anticipate a reduction in year-end burden.

2.4 Challenges, risks, and opportunities in payroll today

As payroll evolves into a more complex function, driven by technology and producing insights, organizations face a unique mix of challenges, risks, and opportunities that shape their role in business performance and employee experience.

Many organizations are struggling to find experienced payroll professionals. Survey results and membership data from the Institute indicate the majority of respondents are 45+ years old, suggesting that a large portion of the payroll workforce is in the



mid-to-late career stage. As this generational shift accelerates, organizations face growing difficulty locating talent with the required level of payroll expertise. This leads to understaffed and strained payroll teams and creates significant challenges for succession planning, as retirements are outpacing the supply of qualified replacements.

As concerns around the size of the payroll resource pool grow, an opportunity for technological innovation and adoption arises. Organizations can leverage automation and AI within their payroll functions to perform some basic, repetitive tasks, so that the remaining payroll resources can focus on the more strategic and complex tasks of planning and advising the business using data-driven insights. The introduction of automation and AI will not eliminate the number of available job opportunities for payroll professionals. Instead, these technologies will help organizations address workforce gaps created by an aging payroll population, while opening up new career opportunities and elevating the function from a transactional role to a more strategic one.

Complex regulations and the increasing sophistication of payroll solutions both create risks for organizations. Federal and provincial payroll requirements are difficult to navigate, and organizations operating across multiple provinces, territories, or countries face an even broader set of rules to comply with (6Wresearch, 2025). Industry experts report that because compliance requirements change frequently, payroll professionals often rely on their payroll systems to stay current with regulatory updates and ensure accurate and compliant processing. In organizations using on-premise payroll systems, responsibility for

system maintenance, regulatory interpretation, and software updates often rests with payroll teams or internal IT departments. In addition to managing these regulatory updates, organizations are increasingly integrating their payroll systems with other functions such as HR, finance, and accounting, which adds further complexity (6Wresearch, 2025). These technology and regulatory requirements increase the risk organizations face in staying compliant and ensuring payroll is processed accurately and on time.

Increased reliance on the integration of organizational data and technology in the payroll function has resulted in heightened risk around data security (6Wresearch, 2025). As payroll systems become more digitized and integrated with HR, finance, and time-tracking platforms, the volume of sensitive employee data (such as Social Insurance Numbers, banking details, and compensation information) stored and transmitted electronically has grown exponentially. This creates a larger attack surface for external cyber threats, as well as internal mishandling of personal identifying information. Many surveyed payroll professionals expressed concern about storing personal information and their ability to protect it against cyber-attacks. In addition, the introduction of AI in payroll has raised further apprehension, as some professionals are unsure about the privacy and security controls built into AI enabled tools.

Organizations often find that they are not prepared nor equipped to handle disasters within their payroll functions, including cyber-attacks, natural disasters, resourcing disasters, etc. It is considered leading practice for organizations to develop disaster recovery and



business continuity plans to ensure operations continue during unexpected disruptions. Effective disaster response typically requires collaboration among key players, of which includes payroll, HR, IT, etc. Each of these practice areas need to be prepared to work together to manage the shared responsibilities in the event of a disaster impacting an organization’s payroll. This includes resolving the issue as quickly as possible, as well as communicating the issue and any impacts to relevant members of the organization, while being able to maintain operations using a back-up plan to ensure minimal disruption to payroll processing.

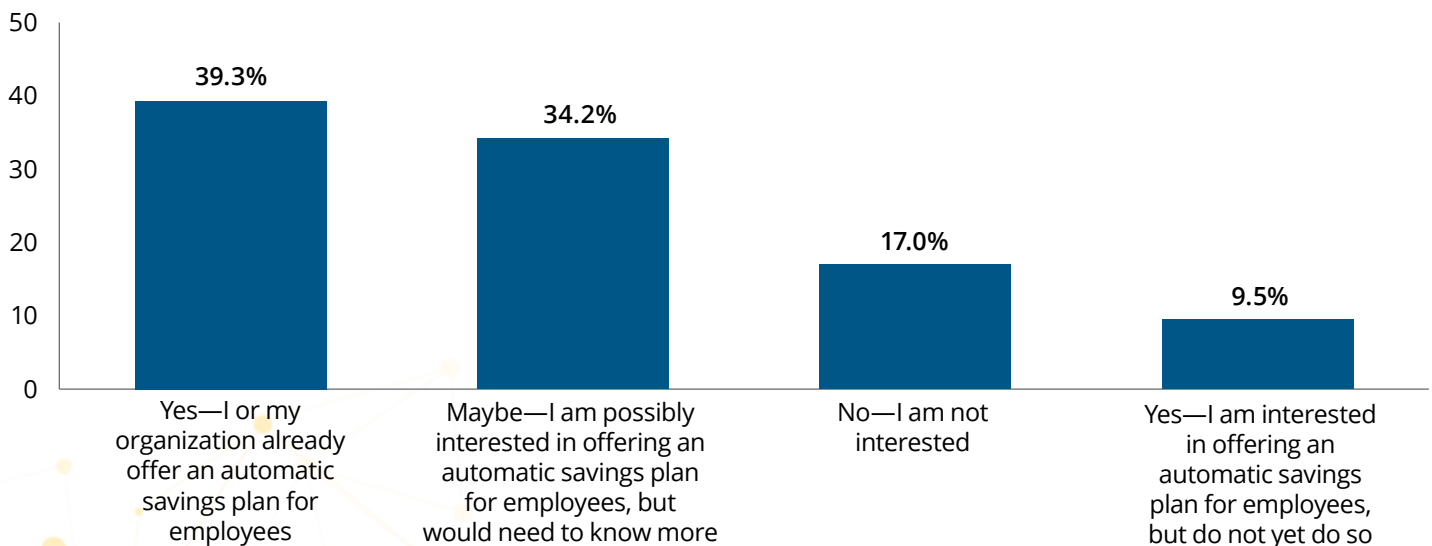
Overall, these trends indicate that payroll now represents a critical operational and compliance risk area. Organizations that do not modernize processes, strengthen governance, and build workforce and technology resilience are at an increased risk of exposure to errors, security incidents, regulatory penalties, and service disruptions.

2.5 Emerging trends

Employee experience. Employee experience has long influenced payroll operations; but it is now emerging as a central driver of technological and procedural transformation. Organizations increasingly view payroll as a critical touchpoint for trust and engagement, not just a compliance function. Self-service capabilities for payroll-related actions and inquiries are giving employees greater control and visibility over their data, enabling them to access pay information and manage personal data independently. Paperless payroll has become the norm, with 88 percent of employees using direct deposit as of 2022 (Payments Canada).

Beyond transactional efficiency, interview research reveals that payroll teams are increasingly expected to support employee financial well-being by providing education, transparency, and tools that help employees understand their pay. As per *Figure 5*, just over one third of survey respondents indicated that their organization offers an automatic savings plan to employees, and approximately

Figure 5. Level of interest in offering automatic savings plans to employees





10 percent of those that do not already offer one of these plans are interested in exploring the option. This highlights the desire for organizations to keep employee experience at the forefront of payroll operations.

Alternative payment methods. Alternative payment methods are used in various jurisdictions globally and are receiving some attention in Canada; however, adoption remains cautious and uneven. Options such as earned wage access (also known as on-demand pay) and payroll cards (prepaid debit cards used to pay wages electronically instead of paper cheques or direct deposit) are available through a growing number of providers, to support employee flexibility and financial well-being, yet most Canadian organizations report limited readiness to implement them. Survey results indicate that the majority of respondents are not prepared to offer earned wage access, payroll cards, or cryptocurrency-based payroll. This suggests a gap between available market capabilities and organizational readiness. Further, it also reflects differences between Canada and other countries, such as the United States, where alternative payment methods like payroll cards have been in use for years, potentially reflecting differences in banking practices and payroll practices. These findings point to the operational, compliance, and security considerations associated with supporting these models.

Interviews reinforce this cautious stance, citing regulatory hurdles, data security risks, and the need for robust governance as key barriers. Payroll industry experts view flexible pay options as a way to support employee financial management and enhance aspects

of the employee experience in the United States, particularly when used for essentials such as rent, fuel, and bills. EWA may help improve financial outcomes by reducing certain banking fees and interest payments (Davis, 2025). Implementation of these tools must be accompanied by clear policies, effective controls, and close collaboration across HR, finance, and IT. As these options mature, success hinges on balancing benefits with risks like over-indebtedness or data vulnerabilities, alongside regulatory clarity.

Managing trends. Payroll is increasingly in the spotlight, and trends are emerging quickly. It is essential payroll professionals and organizational leaders stay current so they can meet employee expectations and manage compliance effectively. There are many avenues which can be used to stay current, including formal learning opportunities (i.e. courses, webinars, etc.), networking and industry events, receiving updates and reading about payroll, and more. *Figure 6* shows how survey respondents prefer to stay informed about emerging trends and technologies, with most relying on professional associations, such as the National Payroll Institute.

When asked which trends are expected to most impact their role as a payroll professional, respondents indicated adoption of new payroll technologies and automation, and changes in government regulations and compliance requirements as being top of mind (*Figure 7*). This suggests that payroll professionals anticipate a future defined by rapid technological advancement and heightened regulatory complexity—both of which indicate a need for sustained upskilling,



Figure 6. Preferred method of staying informed about payroll trends

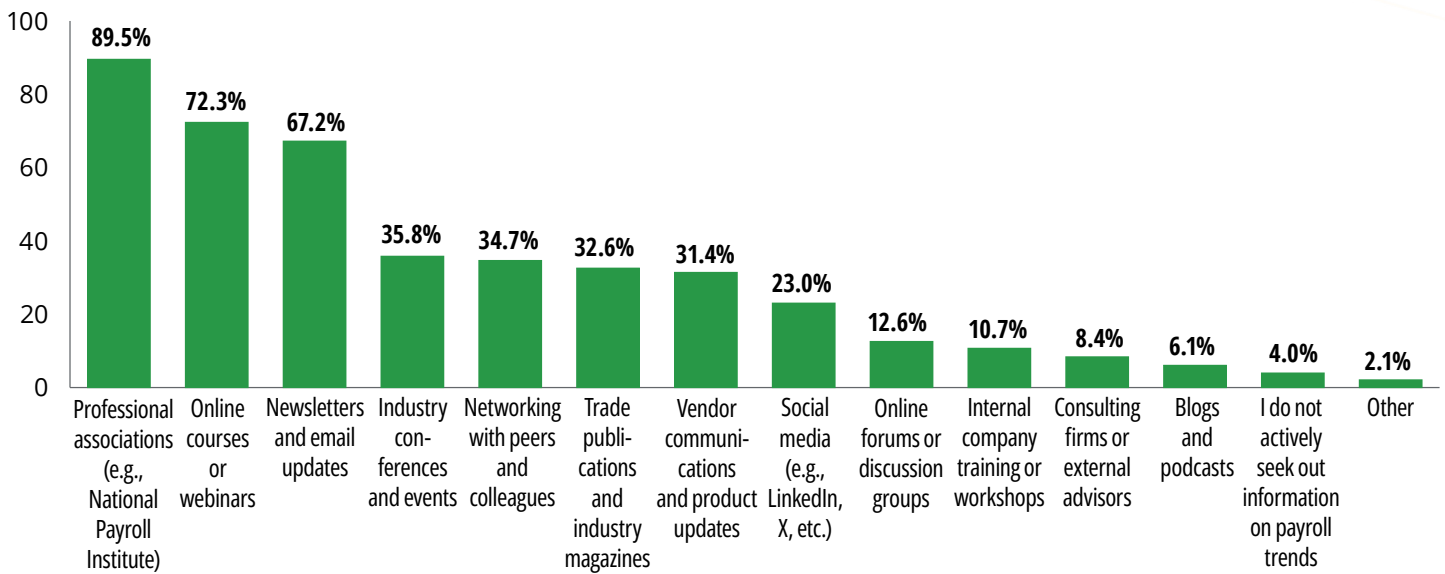
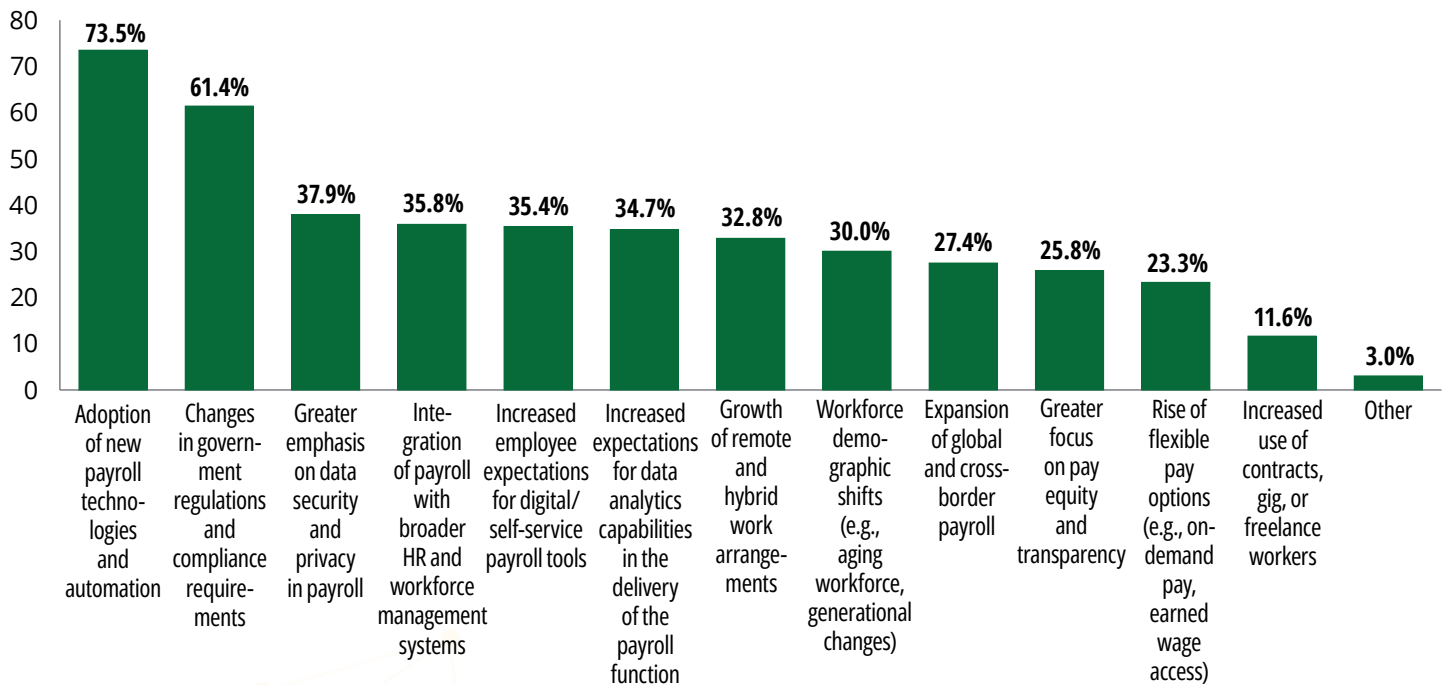


Figure 7. Anticipated impacting factors to the role of a payroll professional





stronger governance frameworks, and increased collaborating with HR, finance, and IT. It is important to be aware of these anticipated trends, as this will enable organizations and professionals to better prepare for what is coming. Additionally, understanding upcoming trends ensures education and can be designed to equip new payroll professionals with the skills needed for the future.

While most professionals recognize that emerging trends will bring meaningful changes to their work, the specific implications of these trends are not always well understood. AI is widely discussed but often misunderstood within the payroll community. Despite the high volume of discourse surrounding AI's potential, many perceive it as being more advanced or more deeply embedded in payroll operations than it currently is. In reality, the research suggests AI's present role remains relatively targeted: it appears primarily as a built-in functionality with addition options for add-on functionality within payroll software, where it supports tasks, such as identifying discrepancies, detecting potential errors, and streamlining activities that were traditionally manual. Thus far, based on information shared during focus groups and interviews with payroll professionals and payroll industry experts, small and mid-sized organizations are farther ahead in their journey to adopt AI in payroll. Some of these organizations are beginning to draft policies regarding AI and experiment with new ways to incorporate AI into their payroll operations. This advanced adoption of AI and automation in small and mid-sized is likely a result of the higher levels of agility that are present in smaller organizations

when compared to large. As a result, while AI is beginning to influence payroll, its current contribution overall is incremental rather than transformational—highlighting the need for clearer education, realistic expectations, and guidance on its practical applications.





3 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.

3.1 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.

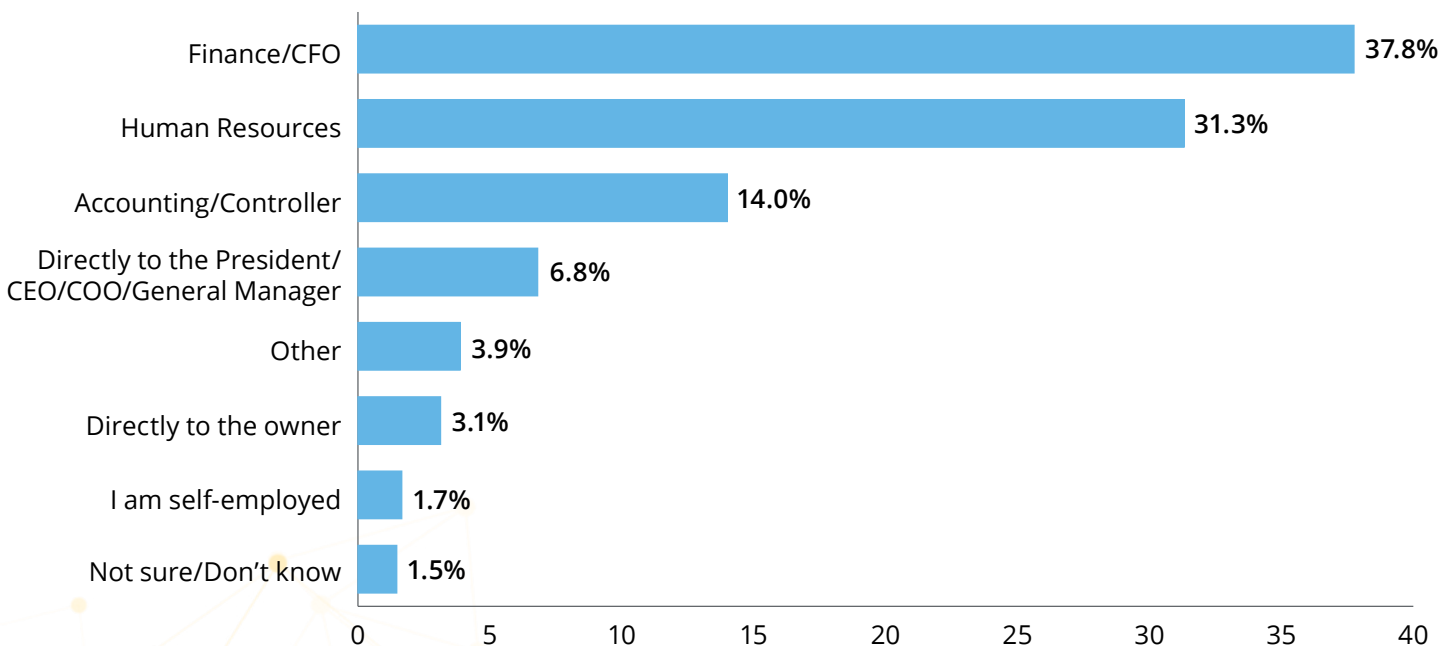
3.2 Structure of payroll within an organization

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

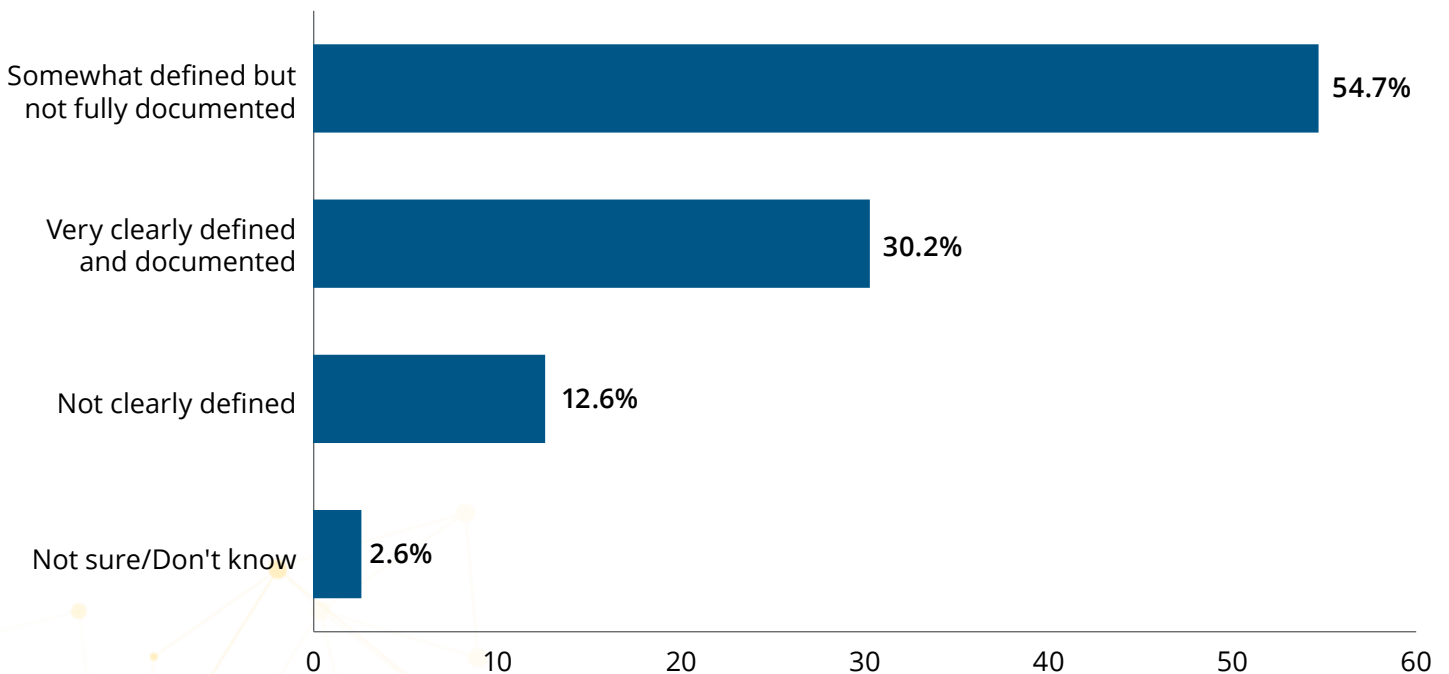
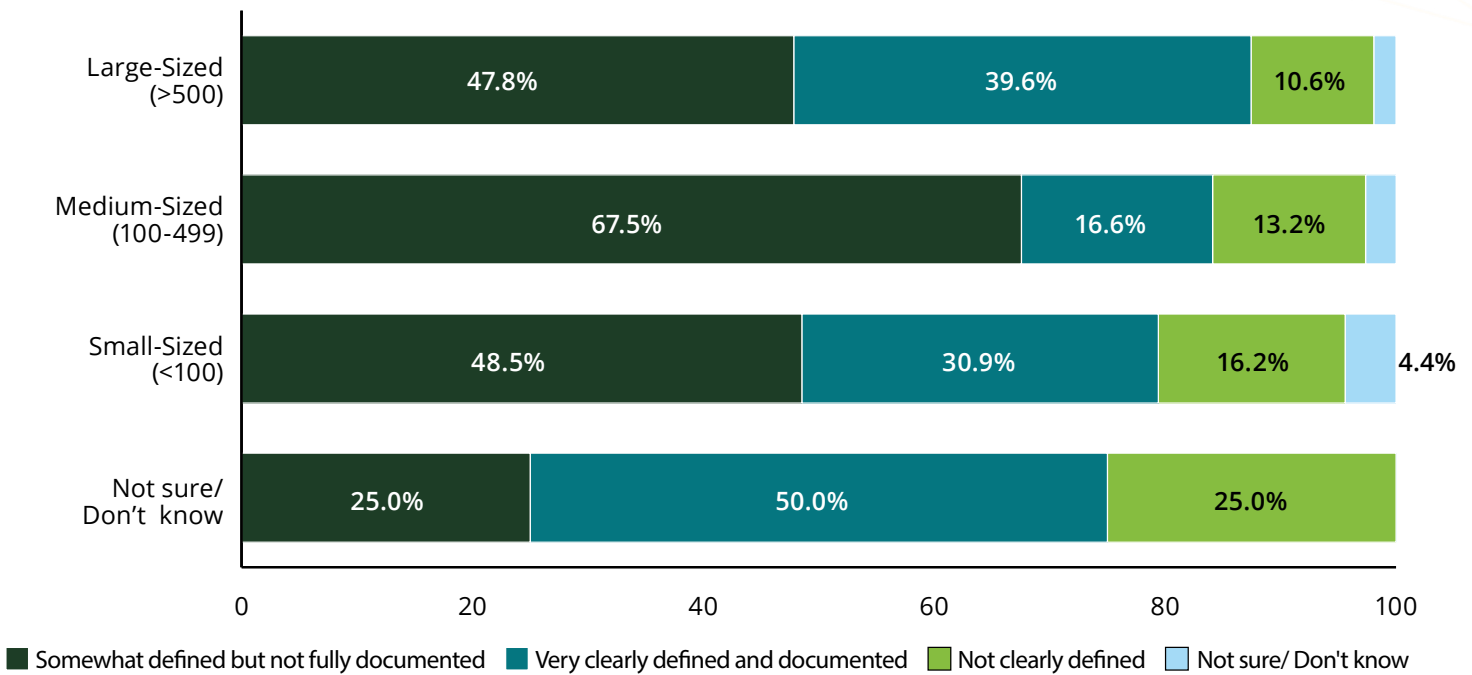




Figure 10. Level of clarity and documentation of payroll operating models by organization size



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.

3.3 Payroll delivery models

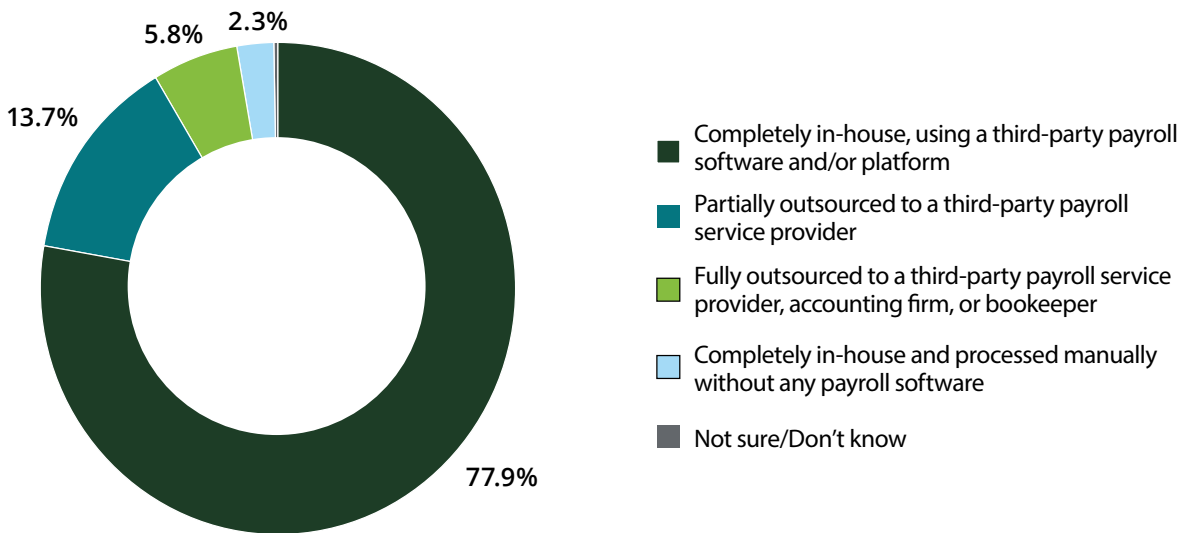
Organizations face a critical choice between managing payroll technology in-house or leveraging external providers. Insourced models offer greater control, customization, and data security, but require significant investment

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



3.4 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.

3.5 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.).

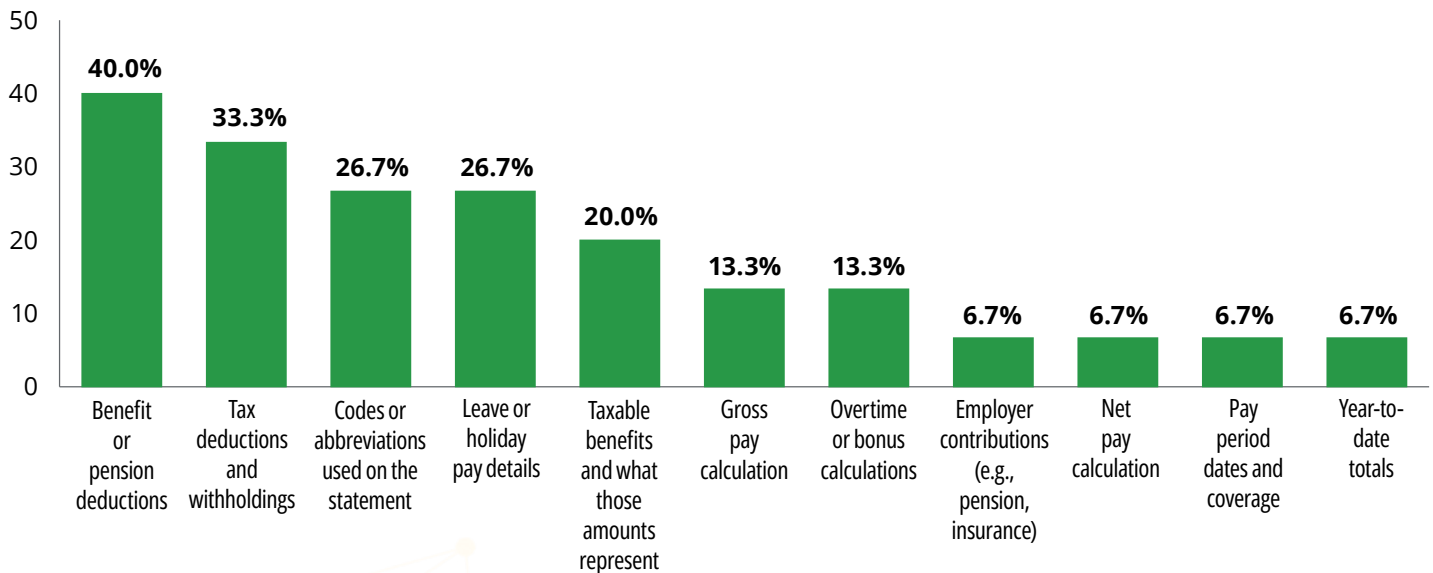


The use of the self-service tool enhances the employee experience through empowerment, enabling self-service data-ownership and issue resolution through information that’s available at their fingertips, without having to make the effort of contacting someone within the organization or waiting for the 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

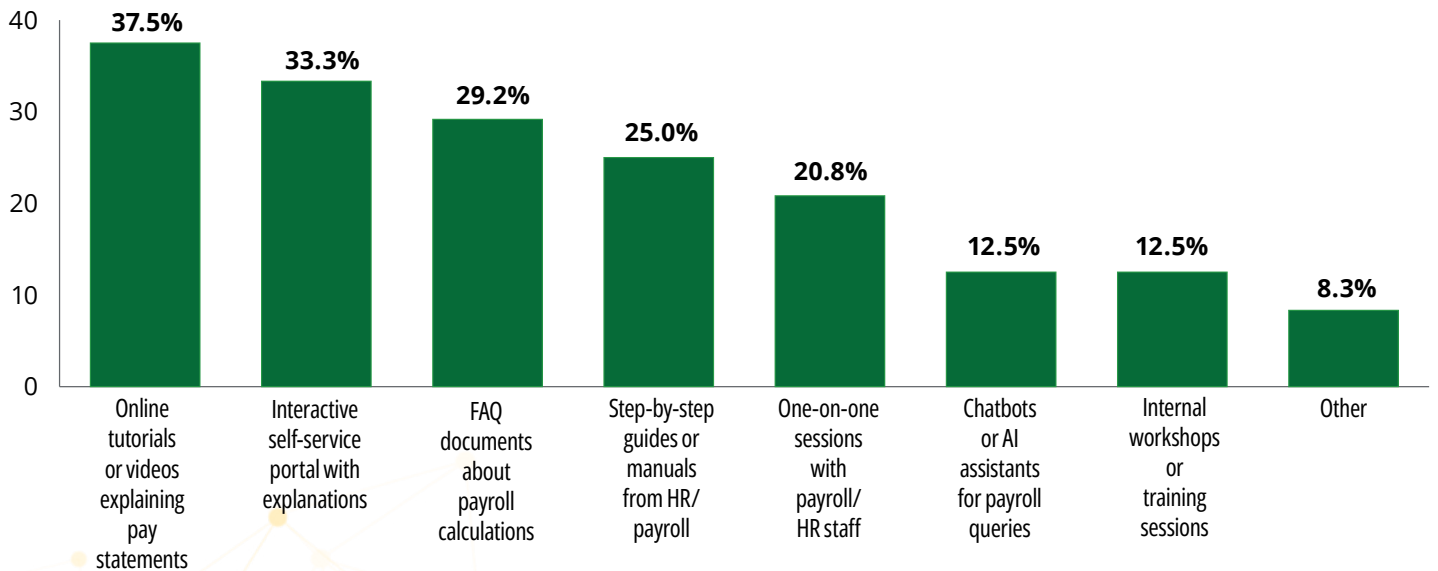
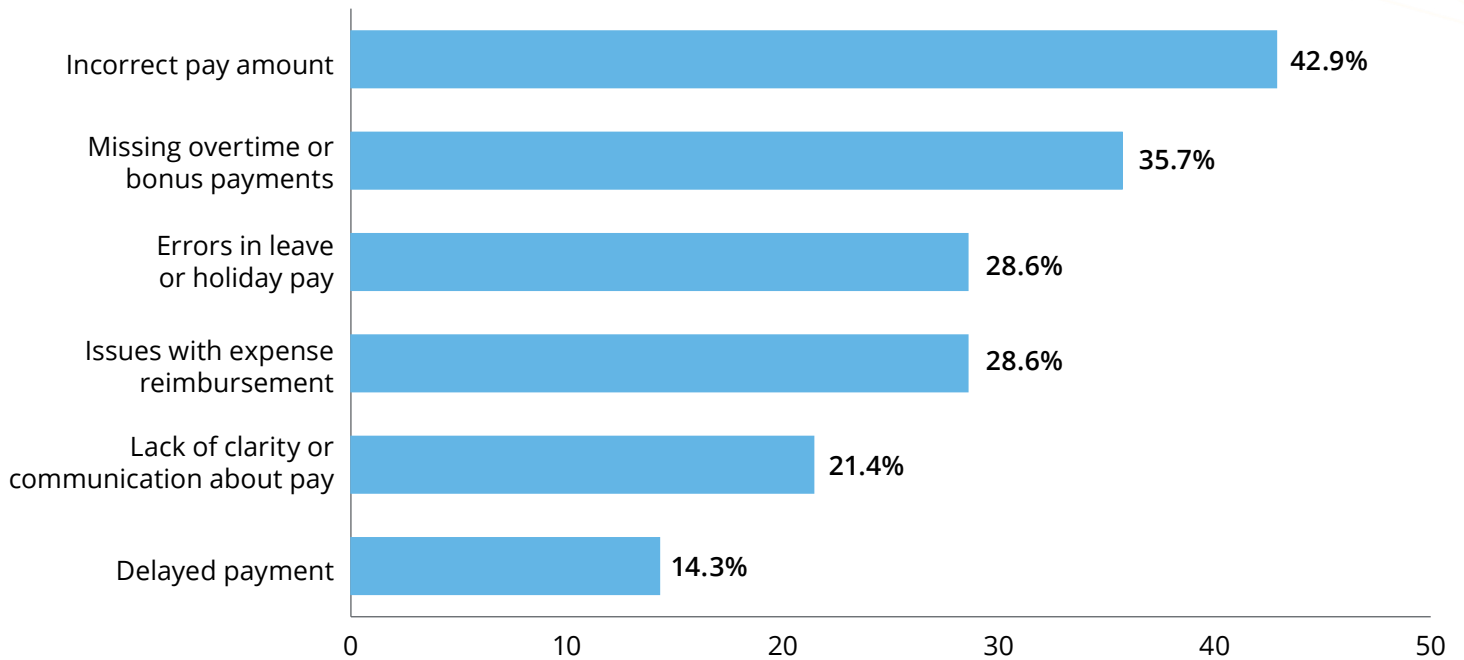




Figure 14. Common reasons for pay issues experienced by employees



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.





4 The payroll professional

Behind every pay cheque is a payroll professional—a role that blends precision accuracy resilience, compliance, and people-centric service. In Canada, these professionals form the backbone of organizational trust, ensuring employees are paid accurately and on time while navigating a complex web of federal and provincial regulations. But payroll today is far more than crunching numbers. It is a dynamic function that touches finance, HR, and technology, requiring professionals to balance operational detail with strategic insight.

Who is the payroll professional today, and how must this role evolve to keep pace with an ever-changing landscape? Today's payroll professional is often seen as a meticulous problem-solver, balancing compliance with operational efficiency. They manage complex calculations, ensure timely remittances, and serve as a critical link between employees and the organization through their role of providing a transparent pay experience to employees. But the demands placed on this role are shifting rapidly. As technology automates routine tasks and organizations place greater emphasis on the employee experience, payroll professionals are expected to move beyond transactional work and contribute to strategic initiatives within the function and the broader organization, through their ability to leverage data for insights, support workforce planning, and drive process innovation. The role is further elevated by taking on the expectation of being advisors and promoters of financial wellness, by supporting things like employer-based savings plans, pension, and benefits, for

The Bottom Line



Executive: A growing talent gap threatens payroll sustainability; succession planning and upskilling are now business risks.

Payroll professional: The role is shifting from transactional execution to strategic advisory, requiring new skills and recognition.

Technology: Tools that reduce manual work are essential to freeing capacity for higher-value, insight-driven activities.

the employee group of the organization. This evolution requires not only technical expertise but also adaptability, communication skills, and a forward-thinking mindset to meet the challenges of a digital, employee-centric future.

4.1 Understanding the payroll professional

Who is the payroll professional? Understanding the payroll professional is valuable, as it helps identify current strengths and gaps, anticipate future workforce needs, and inform strategies that support payroll professionals in an evolving industry. Drawing on survey responses from payroll professionals across the country, the following sections describe the key attributes that make up the typical payroll persona, including demographics, experience, education, and day-to-day responsibilities.



Demographic overview. If you have ever engaged with your organization’s payroll department, you may have observed a department mostly made up of women. Survey responses support this theory, indicating that Canada’s payroll workforce is predominantly female, with approximately 90 percent of respondents identifying this way; about nine percent are male; and the remaining one percent are either non-binary or prefer not to say (*Figure 15*).

The age range of payroll professionals varies; however, one thing is clear from the survey results: payroll professionals are nearing the end of their working careers. Just over two-thirds of payroll professional respondents are over the age of 45 (*Figure 16*) and approximately one-third have been practicing payroll for more than 20 years (*Figure 17*). While this aging population of payroll professionals is comprised of extensive experience, and often unparalleled depth of institutional knowledge, it sheds a

light on a previously unspoken risk around the future of payroll—sustainability and succession planning. As these professionals transition toward retirement, a significant capability gap will emerge within their organizations and across the broader workforce. Some of this gap can be filled with the help of technology, such as automation and AI, but there will still be historical and contextual knowledge required for validation efforts, and important work left to be done that will require a human touch, such as engaging with employees regarding inquiries on such a personal and sensitive topic as their pay or managing relationships between the payroll function and other parts of the business.

To prepare for these challenges, organizations must begin to consider their targeted approach to succession planning within the payroll domain. Payroll functions must ensure processes are documented, and standard operating procedures (SOPs) are formalized. Leading

Figure 15. Self-identified gender of payroll professionals

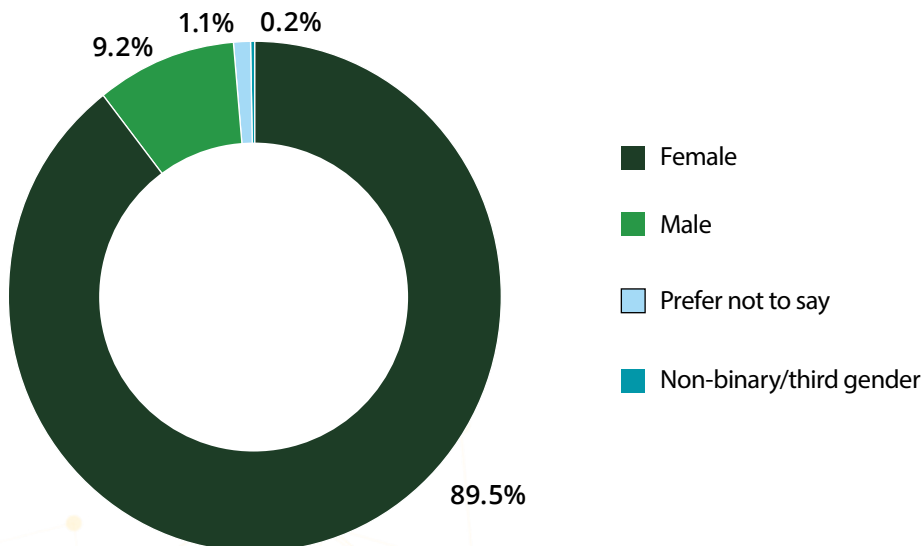
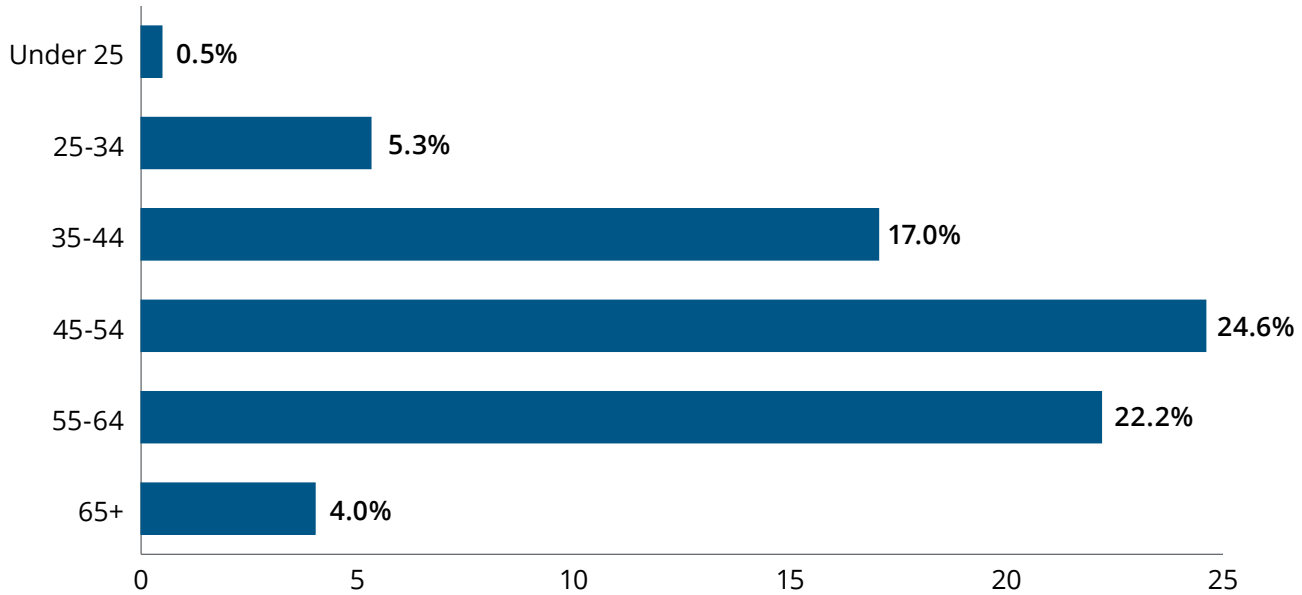




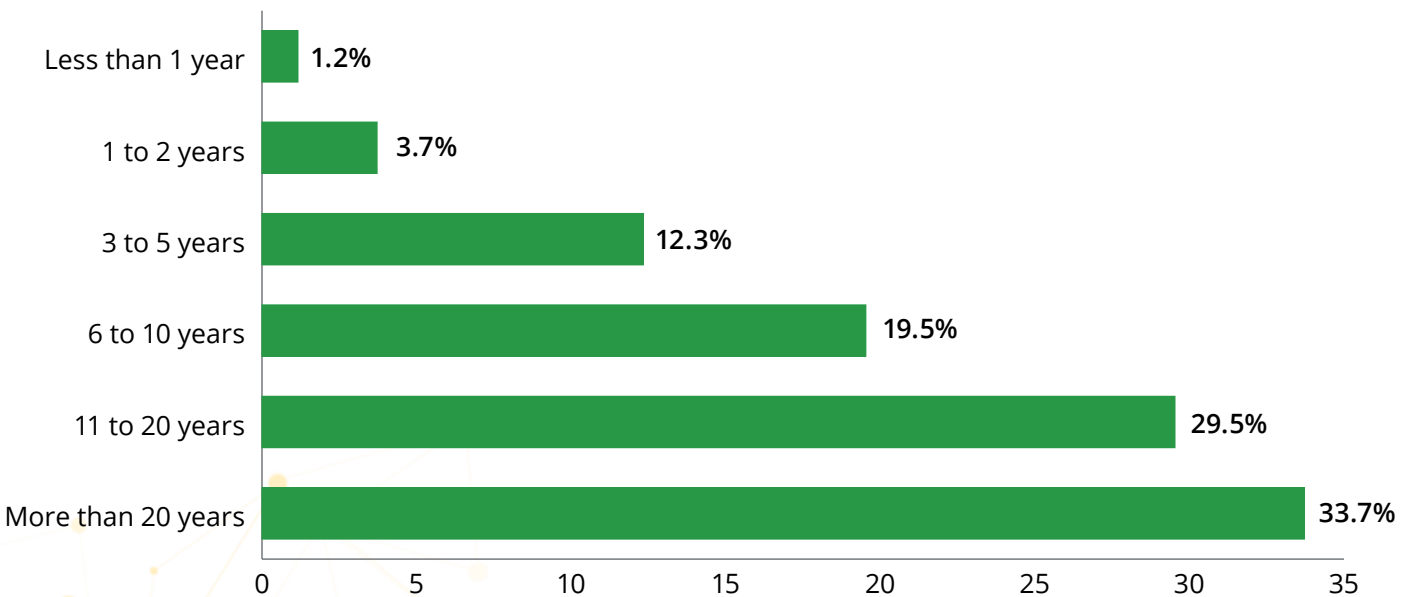
Figure 16. Age range of payroll professionals



practice emphasizes prioritizing knowledge transfer efforts to ensure sufficient coverage exists in the case of an emergency or departure from the organization. Through focus group discussions, some payroll professionals shared that cross-training with other business areas

such as HR has been an effective method for enabling succession planning. Taking the time to future-proof the payroll function through succession planning enables organizations to prepare for the challenges to come as the workforce ages out and as emergencies arise.

Figure 17. Time spent in the payroll profession





Payroll professionals report high levels of formal education, with 86 percent of respondents having completed some form of post-secondary education, including CÉGEP in Québec. While not always payroll-specific, this education reflects a workforce with broad analytical and communication skills that support adaptability, effective use of technology, and an expanded role beyond transactional processing.

Further, 60 percent of payroll professional respondents indicated that they are either Candidate Members (individual members who are in the process of becoming designated) or Professional Members (individual members who are designated as Payroll Compliance Professionals [PCP] or Payroll Leadership Professionals [PLP]) with the National Payroll Institute. Designations within the Institute expose and educate professionals on in-depth payroll operational and compliance knowledge, organizational behaviour and people management skills, as well as accounting and finance fundamentals relevant to payroll. These designations provide payroll professionals with a strong technical and service-oriented foundation, enabling them to navigate complex regulatory requirements, interpret legislation, respond effectively to audits, and more, all while effectively managing payroll departments and providing leadership to teams. This educational profile positions payroll professionals to lead and manage increasing payroll complexity while remaining highly capable of acquiring new knowledge and skills to keep pace with evolving payroll demands and legislative changes.

Day in the life. Many people outside the payroll field often underestimate or overlook the breadth and complexity of responsibilities that payroll professionals manage. Payroll goes beyond the scope of processing payroll, encompassing compliance with complex legislation, managing employee data, reconciliations, benefits administration, vendor relationships, and ensuring accurate reporting, serving as a critical link between finance and human resources.

When looking at a typical day in the life of a payroll professional, there is a balance of accuracy, compliance, and problem-solving. There is often a portion of time spent reviewing time and attendance data to ensure accuracy before processing payroll runs. Throughout the day, they respond to employee inquiries about pay, benefits, and deductions, while monitoring legislative updates to maintain compliance with federal and provincial regulations. They collaborate with HR and/or labour relations and finance teams to reconcile discrepancies, prepare reports for management, and ensure remittances to government agencies are completed on time—payroll professionals working in unionized environments experience even deeper knowledge responsibilities as they must understand how to apply Collective Bargaining Agreement (CBA) terms to the payroll they run. Beyond these tasks, payroll professionals frequently troubleshoot system issues, implement process improvements, and stay current with evolving tax laws and technology. Their role demands meticulous attention to detail and adaptability, as even minor errors can have significant financial and legal implications.



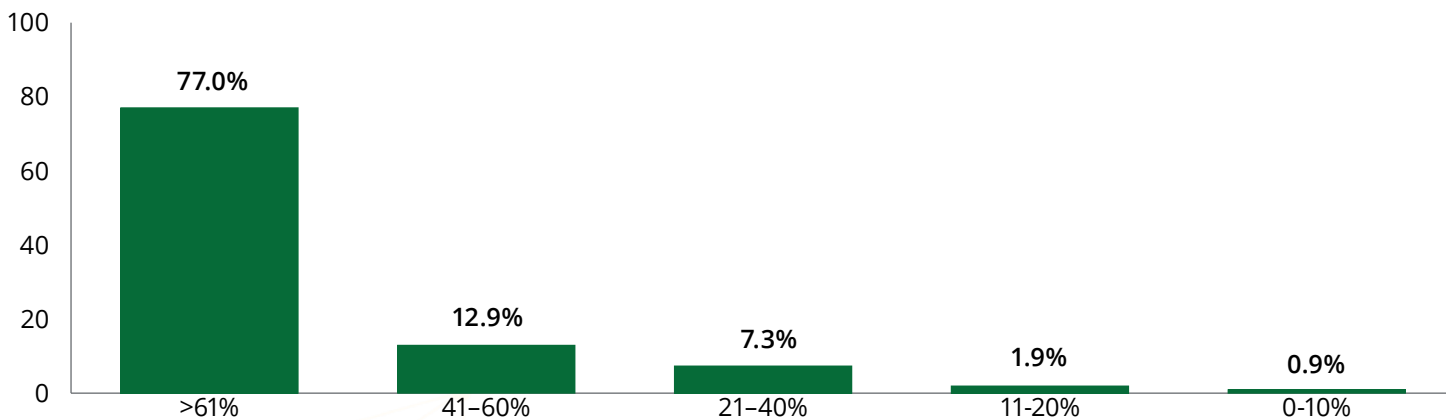
It is important to note that the day-to-day activities and responsibilities of a payroll professional vary depending on the size of the organization, the nature of the payroll function, the industry, and where the payroll function reports within the organization. It is not uncommon for smaller organizations' payroll function to be comprised of one or two people who operate the payroll function entirely on their own, and who may have a split role between HR, finance, management, or may be the organization's owner/CEO.

In such cases, the payroll professional typically manages the full spectrum of payroll responsibilities end-to-end, including uploading and validating time data, processing payroll calculations, submitting remittances, preparing year-end tax slips and reporting, and responding to all employee inquiries. They often juggle payroll alongside broader administrative duties, such as onboarding new hires, managing benefits enrollment and reconciliation, maintaining employee data,

and addressing basic HR or financial reporting needs. With limited internal support and fewer layers of review, these individuals must rely heavily on their own judgement, stay current with legislative changes, and maintain rigorous attention to detail to ensure accuracy and compliance. The role can be demanding, requiring versatility, strong multi-tasking skills, and the ability to quickly switch between strategic decision-making and hands-on transactional work—all of which highlight the unique pressures faced by payroll professionals in smaller organizations.

Today, as shown in *Figure 18*, 77 percent of payroll professional respondents spend more than 60 percent or more of their time completing payroll or payroll related functions. This is a significant portion of the payroll professional population, and accounts for a variety of different roles, including those that are split between payroll and HR or finance which indicates that payroll is receiving a great deal of time and attention within organizations.

Figure 18. Time spent on payroll work





In the survey, payroll professionals were asked which types of tasks they spend their time doing in a workweek. When looking at payroll professionals who do not identify as manager or director levels, they spend an average of about 19 hours a week on transactional and administrative tasks (such as responding to employee inquiries), an average of about 17 hours a week on operational and delivery tasks (such as processing terminations), and an average of about 15 hours a week on strategic tasks (such as analyzing payroll data for workforce planning). Those who did identify as managers or directors spend an average of about 16 hours on transactional and administrative tasks, an average of about 12 hours on operational and delivery tasks, and an average of about 17 hours on strategic tasks.

This hourly breakdown shows that payroll professionals are working well beyond a standard work week. Non-manager and non-director payroll professionals report an average of 51 hours per week, compared to 45 hours for managers and directors, underscoring the operational intensity of frontline payroll roles. While managers and directors devote a greater proportion of their time to strategic activities, they continue to carry a significant administrative workload. By contrast, non-manager and non-director professionals spend the majority of their time on transactional and administrative tasks, contributing to longer overall working hours. This distribution reflects role differences but also highlights the sustained capacity pressures faced by payroll professionals responsible for day-to-day delivery. When assessed by organizational size, we do see some difference where non-manager or director level payroll professionals in large organizations of 500 or

more employees spend more time (31 percent of their time) than the same group in small-to-medium sized organizations of 1-499 employees (28 percent of their time) on strategic tasks and less time on operational and transactional tasks. Similarly, payroll professionals at the manager- or director-level in large organizations also dedicate more of their time to strategic tasks (40 percent) compared to their cohort of smaller organizations (34 percent). These findings are consistent with what was uncovered in research completed in 2020 by PwC and the CPA, which indicated a trend. This difference in ability to spend more time on strategic tasks is likely a result of differences in technologies at different sized organizations, as well as the level of automation adoption. Larger organizations tend to invest more heavily in automation-enabled tools and systems which reduce the burden of administrative- and operational-type tasks and free up time for higher-value strategic work.

4.2 Capabilities and expectations of the modern payroll professional

The role of payroll professionals in Canada has evolved significantly and continues to transform. Payroll responsibilities have expanded well beyond transactional tasks to include advisory functions that influence compliance, efficiency, and overall employee experience. As organizations navigate increasingly complex regulatory environments and adopt advanced payroll technologies, the expectations placed on payroll professionals have grown. Employers are no longer satisfied with candidates who can simply run payroll; they seek individuals who combine formal education, recognized designations and certifications, and relevant experience with a diverse set of technical and interpersonal skills.



Organizations today place high value on payroll professionals who bring both depth of expertise and versatility. Qualifications such as a National Payroll Institute designation, formal education, and industry recognized certifications signal technical competence, while a strong mix of skills—ranging from adaptability and collaboration to strategic thinking through informed decision-making—reflects the evolving nature of the role. Together, these factors illustrate the breadth of skills required in a payroll professional's toolbox to support the function's evolution from a back-office role to a more elevated, strategic contributor.

Typical desired qualifications. An ideal payroll professional combines formal education, recognized designations, and relevant experience to meet the growing demands of the role. Employers typically look for candidates who have completed post-secondary education in business, accounting, or human resources, as these backgrounds provide a strong foundation in financial principles and organizational processes, though these degrees are not the only ones of relevance.

Beyond academic credentials, industry-recognized designations such as the PCP and PLP, offered by the National Payroll Institute, are highly valued. These designations demonstrate expertise in Canadian payroll legislation, compliance requirements, advanced payroll practices, management and leadership, and signal a commitment to professional standards. Experience with payroll systems, tax regulations, and multi-jurisdictional payroll processing is also widely regarded as essential. Together, these qualifications help prepare payroll professionals to meet the demands

and challenges of a career in payroll, enabling the professional to contribute strategically to organizational success.

For employers, a designated payroll professional translates into tangible benefits such as reduced compliance risk by ensuring adherence to complex federal and provincial regulations, minimizing costly errors and penalties. Their advanced knowledge and experience enable more efficient payroll processes, saving time and resources while improving accuracy. Designations like PCP and PLP also signal a commitment to professional development, which fosters trust and reliability within the organization. Ultimately, hiring well-qualified payroll professionals enhances an organization's credibility and contributes to general improvements across the organization through payroll's wide-reaching impact.

Skills profile. It is not enough for payroll professionals to simply process pay accurately and on time. Today's organizations expect payroll experts to bring a blend of technical proficiency, compliance knowledge, and strategic insights. Employers are looking for individuals who can navigate complex legislation, leverage advanced payroll systems, and analyze data to support business decisions. Strong communication skills, adaptability, and a customer-focused mindset are also essential, as payroll professionals increasingly serve as the bridge between HR, finance, and employees. This shift underscores the evolution of payroll from a transactional function to a critical component of organizational success by being more strategic.



According to survey responses, the most common challenge HR professionals report when recruiting payroll professionals is a lack of soft skills, such as communication and teamwork. This highlights a critical gap between technical expertise and interpersonal effectiveness. While payroll proficiency remains essential, organizations increasingly value professionals who can collaborate across functions, communicate complex information clearly, and contribute to a positive workplace culture.

This finding aligns with the National Payroll Institute's Payroll Competency Framework, launched in 2024, which identifies core technical competencies—such as delivering payroll accurately, ensuring compliance, maintaining a service mindset, and partnering strategically with the business—while also emphasizing the growing importance of behavioural competencies, including relationship-building, change management, and effective communication.

Focus group discussions highlighted two key recruitment challenges: difficulty attracting experienced payroll professionals, particularly those with international expertise, and extended onboarding and development timelines for less experienced talent. These challenges can cause inefficiencies for organizations as there is a longer time to fill roles to make a full payroll function.

Feedback from payroll, HR, and consulting experts consistently identified that over the next five years payroll professionals will require a combination of advanced payroll technology and systems expertise, cybersecurity and data privacy awareness, analytical and problem-solving skills, and the ability to adapt to ongoing

Focus group discussions highlighted two key recruitment challenges: difficulty attracting experienced payroll professionals, particularly those with international expertise, and extended onboarding and development timelines for less experienced talent. These challenges can cause inefficiencies for organizations as there is a longer time to fill roles to make a full payroll function.

change. These capabilities underscore the importance of trust, as payroll professionals are responsible for safeguarding highly sensitive employee and organizational data. Together, this blend of technical and interpersonal skills signals a growing expectation for well-rounded payroll professionals who can combine technical proficiency, effective communication, and the flexibility to support a future-ready, employee-centric payroll functions. When considering a shift from transactional to strategic partner as a function, these key skills will be imperative to effectively make that transition and ensure payroll is positioned to inform and shape decisions, rather than solely execute them.





5 Technology

Technology has fundamentally reshaped and revolutionized payroll over the years, shifting it from a largely transactional, back-office function to an enabler of efficiency, compliance, and employee experience. Modern payroll systems now serve as a cornerstone of organizational operations, thanks to rapid advancements in cloud computing, automation, and AI. These innovations, together with emerging tools such as EWA, AI, and blockchain, have streamlined processes, strengthened compliance, and enhanced the employee experience.

5.1 The foundation of modern payroll

One of the most significant changes has been the widespread migration to cloud-based payroll platforms. Unlike traditional on-premise systems, cloud solutions offer scalability, real-time access, and robust security features. They support integration with HR and accounting systems, creating a unified ecosystem for workforce management. Cloud adoption also supports remote work and global payroll operations, which became critical during the pandemic and remains essential in today's distributed workforce environment. For organizations, this shift reduces infrastructure costs, improves agility, and ensures continuous updates to meet evolving compliance requirements.

Payroll transformations, particularly from on-premise to cloud solutions, have seen significant traction in Canada in recent years. When asked if their organization has changed payroll software in the last five years, 39 percent of survey respondents indicated that their organization has undergone a payroll transformation. *Figure 19* indicates that 19

The Bottom Line



Executive: Payroll technology is no longer optional infrastructure—it is a strategic enabler of governance, analytics, and employee trust.

Payroll professional: Modern systems support accuracy and insight but require new competencies to interpret and govern outputs.

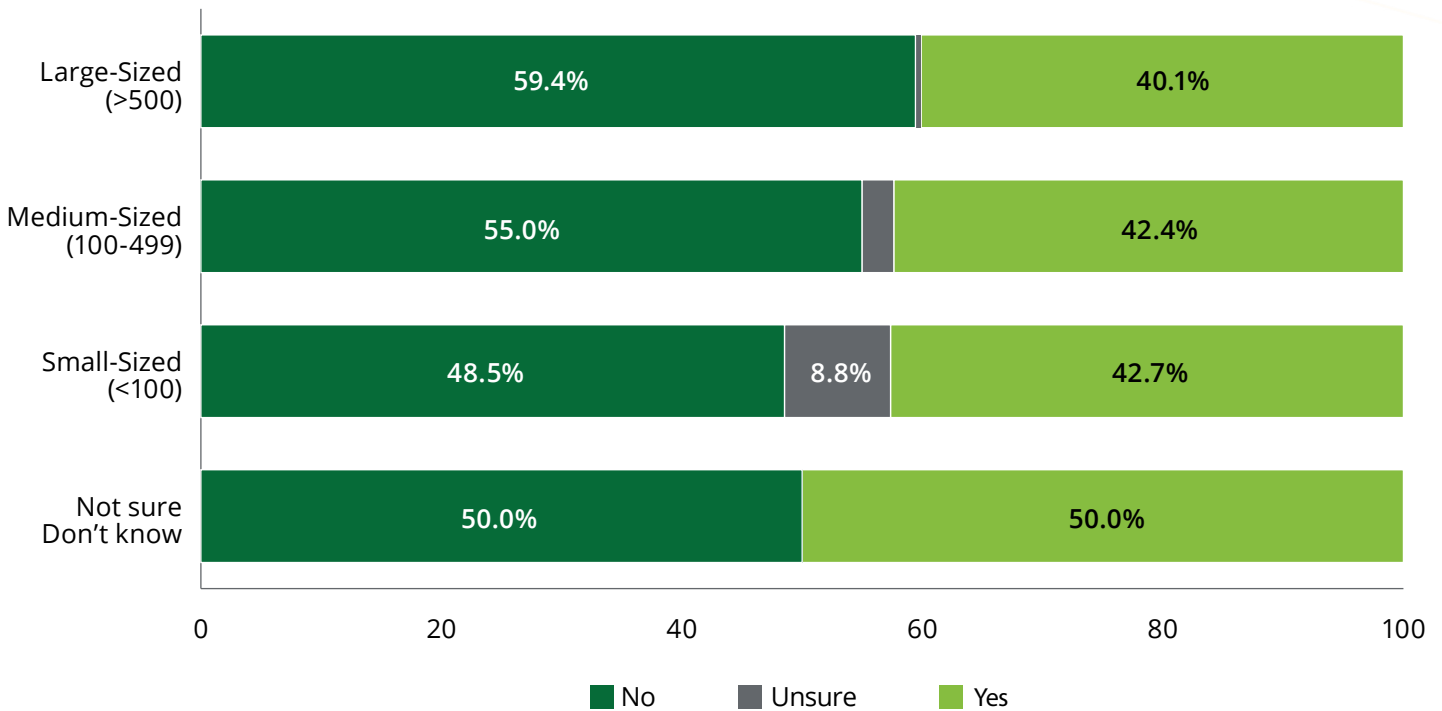
Technology: AI and automation are moving from experimentation to embedded capability, requiring strong controls and data quality.

percent of large organizations, 15 percent of medium organizations, and 7 percent of small organizations have transformed their payroll software in the last 5 years. This indicates that the shift to cloud solutions is widespread, and not necessarily something that is restricted to larger organizations with more resources, as one might assume. Of the respondents who indicated that their organizations have not undergone a payroll technology transformation in the last five years or that weren't sure if they had, 28 percent responded that their organization is planning for a payroll transformation in the next five years. It is clear that the shift to cloud technology is trending in Canada and will likely continue for years to come.

In practice, the decision to transition to cloud-based payroll is rarely driven by a



Figure 19. Payroll software transformations in the last 5 years



single factor, but rather by a convergence of operational, regulatory, and workforce pressures. As payroll environments grow more complex, many organizations find that legacy, on-premise solutions struggle to scale without introducing manual workarounds and heightened risk. Cloud platforms offer a more sustainable operating model by shifting system maintenance, legislative updates, and security enhancements to vendor-managed environments, allowing payroll teams to focus less on system upkeep and more on accuracy, governance, and value-added activities. For organizations already undergoing broader HR or finance transformations, cloud payroll also serves as a foundational enabler, supporting tighter integration, improved data quality, and more timely workforce insights.

5.2 The next frontier

Payroll technology is no longer limited to calculating wages and deductions. ESS portals,

mobile applications, and predictive analytics have become standard practice within most organizations, allowing employees to access pay information and manage personal data, and providing organizations with actionable insights into labour costs and workforce trends. Survey results indicate that financial technology (FinTech) innovations, such as EWA, are beginning to gain traction through interest in Canada, allowing employees to access earned wages prior to their regularly scheduled payday, though adoption remains cautious. These tools enhance employee engagement and help to position payroll as a driver of overall employee experience. Meanwhile, blockchain technology, while well established, remains experimental in payroll contexts. It has the potential to support transparency, auditability, and data integrity through tamper-evident records; however, practical payroll applications remain limited and would require robust governance and human oversight.



Perhaps the most transformative development is the rise of automation and AI in payroll. Automation has streamlined repetitive tasks such as data entry and compliance checks, reducing errors and freeing payroll professionals to focus on strategic initiatives. AI is beginning to play a role in predictive analytics, anomaly detection, and even conversational support for employee inquiries through chatbots. From focus groups with payroll professionals, many of the participants indicated that AI is beginning to be incorporated in their organizations, though these organizations are still working to formalize the use of AI with the appropriate policies.

Sentiments around AI adoption in Canada are mixed, balancing optimism with concerns about job displacement and data privacy. Advances in AI also heighten existing concerns, as many payroll professionals remain cautious about AI driven tools from a privacy and compliance perspective. When polled, practitioners frequently cited uncertainty around whether current AI capabilities provide sufficient safeguards, auditability, and transparency—particularly given their accountability for strict adherence to privacy legislation. Though feelings around AI incorporation into payroll may vary, industry experts predict that AI will become deeply embedded in payroll systems. Future applications may include real-time compliance monitoring, intelligent forecasting of labour costs, and personalized employee experiences through adaptive pay models.

5.3 AI adoption and integration priorities

As organizations plan for the future of payroll, technology adoption typically follows a phased strategic approach. The first priority

is completing the migration to cloud-based platforms, which provide scalability, security and seamless integration with HR and finance systems. Alongside cloud migration, organizations will need to also establish and understand audit rules to enable the automation of these steps. Once these actions have been completed, automating core processes, such as data validation, tax calculations and compliance reporting (e.g., Record of Employments), can significantly reduce errors and administrative burden.

Once these foundational steps are in place, the next phase involves introducing advanced analytics and AI capabilities. These tools enable predictive insights, anomaly detection and real-time compliance monitoring, helping organizations move from reactive to proactive payroll management. Longer-term priorities include expanding employee centric innovations, such as EWA and financial wellness tools, exploring blockchain technology for secure, auditable transactions, and global payroll operations. It is critical to note that while AI can support functions within payroll such as reducing administrative burden, it is not yet at a stage where it can provide payroll compliance guidance or best practices. In these cases, professionals are recommended to contact reliable sources for support.

Throughout the journey described above, maintaining strong data privacy and cybersecurity measures is essential to safeguard sensitive employee information and uphold regulatory compliance. By following this progression, organizations can position payroll as a fully integrated, technology-driven function that supports both operational efficiency and informed strategic decision-making.



6 Benchmarking and measuring success

Measuring organizational performance is a strong, foundational management practice. Comparing these measures across similar organizations to gauge comparative performance within industry is critical to informed decision-making and establishing a strong business case for change. It enables organizational leaders at any level to track progress, measure success, and make informed decisions about resource allocation, process improvements, technology advancements, and other key business-impacting decisions.

To support this process, organizations typically use metrics to assess and track performance over time. A metric is a numerical standard of measurement that enables organizations to measure the value of the time and resources spent on activities. Metrics provide actionable information on the organization's efficiency and effectiveness to help leaders make key decisions and investments. In a payroll context, these metrics might include the number of payroll corrections required in a payroll cycle, or a measure of the time it takes to complete a payroll cycle.

To truly measure performance, organizations typically prioritize a set of metrics that provide quantifiable, specific indicators to evaluate the success of a particular activity or key organizational goal. These applied, strategic metrics are referred to as key performance indicators (KPIs). KPIs are measurable values

The Bottom Line



Executive: Without KPIs and benchmarks, payroll investments cannot be justified or outcomes measured.

Payroll professional: Benchmarking enables payroll to demonstrate value, prioritize improvements, and support business cases.

Technology: Measurement depends on systems that produce reliable, timely, and integrated data.

that indicate how effectively a function is achieving its objectives and provide visibility into operational efficiency and highlight areas that require attention. These KPIs can then be compared to a peer organization to gauge the relative effectiveness or efficiency of the organization. This comparison process is referred to as benchmarking. Benchmarks provide the "what," how an organization compares, but not the "why" behind performance differences or the "how" required to improve them.

6.1 Benchmarking in payroll

The importance of KPIs cannot be overstated. Payroll is a high-stakes, numbers-based function where errors lead to compliance penalties, financial loss, and diminished employee trust. By tracking KPIs, organizations can identify



inefficiencies, reduce risk, and ensure that payroll processes align with broader business goals. Benchmarking against industry standards or peer organizations adds another layer of insight, helping leaders understand whether their payroll performance is competitive and where improvements can deliver the greatest impact for the organization as a whole.

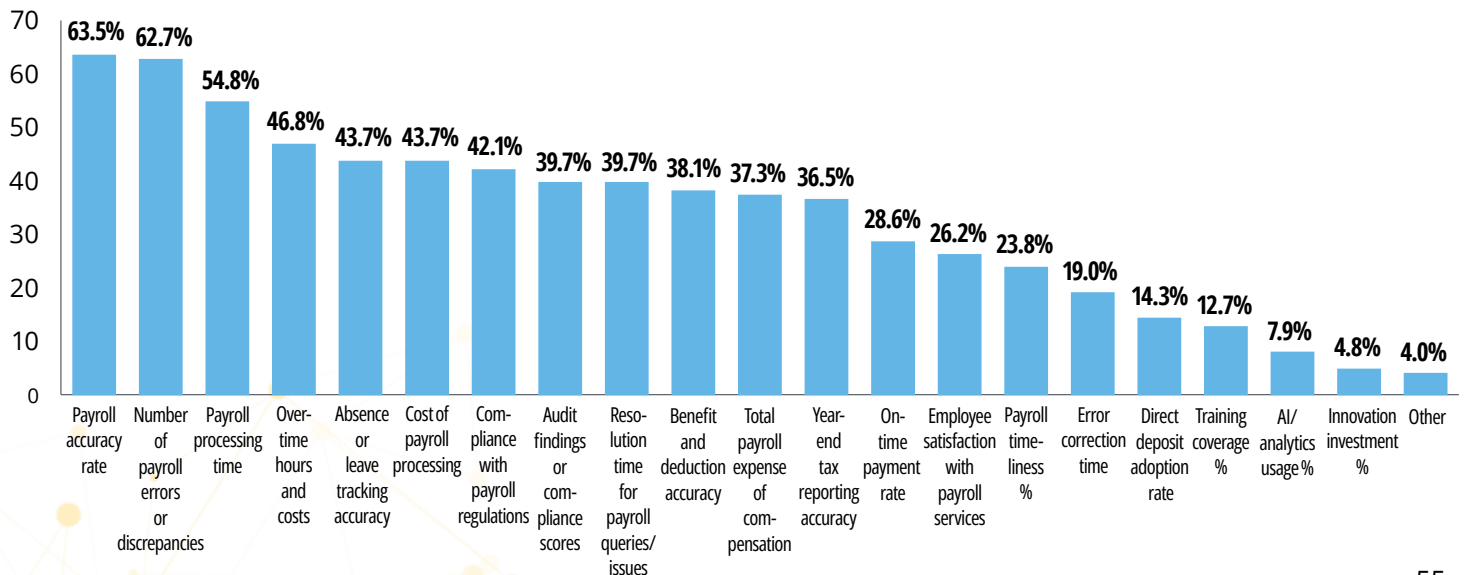
For organizations considering a transformation within payroll it is beneficial to begin measuring KPIs, if not already doing so, particularly for outcomes related to the desired transformation, for example, measuring inquiry resolution time prior to implementing a new shared service tool. By measuring performance prior to the transformation, it will enable the organization to identify key areas that require improvement thereby supporting the business case process for the transformation and identifying areas to focus on for use cases in the transformation. Once the transformation is complete, it is important to continue measuring these KPIs to evaluate the effectiveness of the transformation and to identify any areas that may need further attention.

By tracking KPIs, the payroll function positions itself as a strategic partner for the business, enabling it to make informed, data-driven workforce and financial recommendations that demonstrate impact. In leveraging its position as the employee data “engine” to track meaningful data in the form of KPIs and analytics, payroll can produce valuable insights on organizational performance and workforce trends that inform the rest of the organization. With the rise of analytics capabilities and the tracking of KPIs, the payroll function is more equipped than ever to highlight its role as a strategic partner rather than a transactional function.

6.2 Recommended measurements

Although measuring payroll KPIs is highly beneficial, many organizations either do not track any metrics or track only a limited few. When asked whether their organization monitors payroll-related KPIs, only 21 percent of payroll professionals reported that it does. As shown in *Figure 20* payroll accuracy rate and number of payroll errors are the most commonly tracked metrics among organizations

Figure 20. Commonly tracked KPIs





that measure payroll performance. This limited adoption indicates that KPI measurement within the payroll function remains largely underdeveloped, especially when compared to other business areas.

The KPIs that are most frequently tracked tend to focus on basic operational measures such as on-time payroll processing and payroll accuracy rate. While these are important, they provide only a narrow view of payroll performance. Organizations that stop at these metrics miss opportunities to evaluate broader dimensions such as compliance, cost efficiency, employee experience, and technology effectiveness—all of which are critical to positioning payroll as a strategic partner.

To close the gap, organizations may consider expanding their KPI framework to include measures that reflect both operational excellence and strategic impact. For example, compliance-based KPIs such as number of late remittances or audit findings which help to monitor risk and regulatory adherence; cost and productivity KPIs such as cost per pay statement and payroll full-time equivalent (FTE) to-employee ratio that can provide insight into efficiency and resource allocation; employee experience-related KPIs such as inquiry resolution time and satisfaction scores which demonstrate payroll's role in supporting engagement and trust; number of payroll corrections which enables organizations to identify areas that require further investigation to determine root causes of errors and therefore identify training or configuration needs; and, technology-based KPIs such as automation coverage or system uptime which measure the effectiveness of digital investments and readiness for future transformation.

It is important to consider payroll's unique organizational standpoint as the employee data "catch-all". In tracking KPIs such as the number of time and attendance corrections per pay period, or the number of employee data errors, organizations can identify root causes—often stemming from upstream process gaps or knowledge deficiencies. Once detected by the payroll function, these issues can be addressed through corrective measures such as additional controls, standard operating procedures, and enhanced training and development.

Ultimately, expanding KPI measurement equips payroll leaders with the data needed to make informed recommendations, validate transformation outcomes, and demonstrate payroll's contribution to organizational success.

6.3 Industry benchmarking

Tracking KPIs not only strengthens internal performance management but also enables benchmarking against industry standards. Benchmarking enables organizations to compare their payroll function with peers of similar size, industry, and complexity, identifying where they lead and where improvement is needed. When comparing benchmarks against other organizations, business leaders are able to uncover actionable insights for optimizing processes and justifying investments.

Consistent with a lack of measurement of KPIs, benchmarking is often underutilized despite its value. Many organizations lack visibility into how their payroll performance stacks up against others, which limits their ability to identify gaps or validate transformation outcomes. Commonly benchmarked metrics include payroll full time equivalent (FTE) -to-employee ratio, payroll processing time, payroll errors, and inquiry



resolution time, among others. *Table 2* outlines the recommended metrics to measure and benchmark by the National Payroll Institute, along with how to calculate the measurement.

Payroll FTE-to-employee ratio. The payroll FTE-to-employee ratio measures the number of employees supported per full-time payroll staff member. It is a key indicator of staffing efficiency and process automation. A lower ratio than the recommended benchmark often suggests heavy manual work or limited technology adoption, while a higher ratio typically reflects streamlined processes, effective use of automation, and self-service tools. Organizations can use this metric to assess whether their payroll team size aligns with industry norms and identify opportunities for efficiency gains.

Based on the survey results, the payroll FTE-to-employee ratio for large organizations of 500+ employees is 1:370, while the ratio for medium-sized organizations of 100 to 499 employees is 1:175, and small organizations of 99 or fewer employees is 1:34. When evaluating the payroll operating model, service delivery model, or resourcing, organizations may consider comparing their payroll FTE-to-employee ratio to these noted ratios as it may indicate inefficiencies that need to be addressed or support a case for technical transformation. Further, it may indicate a need for additional resourcing in the payroll department to meet the demand of the employee population base.

Payroll processing time. Payroll processing time refers to the total time required to complete a payroll cycle—from data collection and validation to final payment and reporting. This metric highlights operational efficiency and the impact of technology on cycle speed. Longer processing times may indicate manual dependencies,

fragmented systems, or data quality issues, whereas shorter times often point to automation and integrated platforms. Benchmarking this metric helps organizations evaluate whether their payroll timelines are competitive and where process improvements, technology modifications, or transformations can reduce delays.

Based on survey responses, the typical payroll processing time is three days. When comparing larger organizations to small organizations, the payroll processing time is slightly greater with large organizations having typically having a processing time of three and a half days, mid-sized organizations having a typical processing time of three days, and small organizations having a typical processing time of two days. Additionally, organizations that process payroll outside of the country typically experience longer processing times (four days) than those that process payroll in only within Canada (three days). Organizations that experience a longer processing time than these benchmarks for similar organizations may want to consider conducting further analysis into their payroll function to determine where inefficiencies may be impacting the payroll processing time.

Payroll errors. Payroll is where organizational employee data culminates. It is not unusual to encounter occasional data errors in payroll processing, but frequent, recurring errors are indicative of a systemic issue. Benchmarking the number of payroll errors validates the frequency of errors in payroll calculations, relative to peers. Leading practice typically sees this measurement include errors across deductions or tax filings, often expressed as an error rate percentage (i.e., number of errors divided by the total number of payroll transactions). High error rates indicate compliance risks, potential for financial penalties, and diminished employee



trust. Monitoring this metric provides insight into accuracy, the quality of the payroll and peripheral system configuration, and process controls. Organizations with lower error rates typically have robust validation steps, well-integrated employee data between upstream systems and payroll, automated calculations, and strong governance frameworks. AI is beginning to assist with anomaly and error detection which enables the payroll team to mitigate and resolve issues prior to running payroll, ultimately reducing the number of errors in the payroll cycle.

According to survey results, approximately four percent of organizations run daily off-cycle payments, 35 percent run weekly off-cycle payments, 11 percent run off-cycle payments two-to-three times a week, and three percent run off-cycle payments four-to-six times per week. The rate of off-cycle payments can be an indicator of how often an organization must address payroll errors. Large organizations tend to have a higher rate of off-cycle payments when compared to medium and small organizations, where 27 percent of large organizations indicated that they never run off-cycle payments, while 60 percent of mid-sized organizations and 86 percent of small organizations indicated that they never run off-cycle payments. This difference is likely impacted by the level of automation and possible AI features that would support error detection that tends to be present in large organizations or due to the fact that smaller organizations may tend to make corrections on the next scheduled pay run rather than making off-cycle corrections.

Inquiry resolution time. Organizations are often interested in the inquiry resolution time metric which measures the speed at which employee payroll inquiries are resolved. This metric

indicates the health of the operating model, service delivery model, and the interactions between teams. Longer resolution times may signal unclear pay statements, insufficient self-service capabilities, or limited support resources. Faster resolution times generally indicate that employees can easily access the information they need, and that payroll teams are equipped with tools and knowledge to respond effectively. Benchmarking this metric helps organizations strengthen the employee experience and identify areas where targeted improvements can reduce inquiry volumes.

Survey results indicate that organizations vary widely in how quickly they resolve payroll-related inquiries, with the typical resolution time sitting at one day. No differences emerge in inquiry resolution time when comparing organization sizes. Inquiry resolution speed is often influenced by operational complexity. Organizations that have complex pay policies such as large or complicated CBAs or that manage pay for different provinces (especially Quebec) or countries which have different compliance regulations typically experience longer resolution times due to the increased level of complexity associated with the inquiries. For organizations whose inquiry resolution time exceeds these benchmarks, a closer examination of their support processes, communication channels, or self-service capabilities may reveal opportunities to streamline workflows and enhance the overall employee experience.

Together, these benchmarks provide organizations with a balanced view of payroll performance, helping them identify strengths, uncover improvement opportunities, and align their payroll operations with leading practices across their industry.



Table 2. Commonly measured metrics

| Metric | Description | Formula |
|-----------------------------------|---|--|
| FTE per payroll staff | Measures payroll staffing efficiency by comparing the number of payroll team members to the total number of full-time employees | Total FTE employees ÷ Number of payroll staff |
| Payroll processing time | Time taken to complete one payroll cycle | End time of processing – Start time of processing |
| Payroll error rate | Frequency of payroll errors per cycle | (Number of payroll errors ÷ Total payroll transactions) × 100 |
| Compliance rate | Percentage of payroll filings and remittances completed by statutory deadlines | (On-time filings ÷ Total required filings) × 100 |
| ROEs issued on time | Efficiency in handling interruptions of earnings | (ROEs issued within deadline ÷ Total ROEs required) × 100 |
| Off-cycle payments | What percentage of total pay runs in the year were off-cycle | (Off-cycle pay runs ÷ Total pay runs) × 100 |
| Cost of off-cycle pay run | What is the cost associated with running off cycle payroll (i.e., adjustments or bonus payroll runs) | Total cost includes: Labour + Vendor processing fees |
| Payroll related inquiry volume | The number of payroll related tickets per pay period | Ticket count per pay cycle |
| Time to resolve payroll queries | Average time to resolve employee payroll questions | Total time spent on queries ÷ Number of payroll queries |
| Employee self-service usage | Percentage of employees using ESS | (Number of employees using ESS ÷ Total employees) × 100 |
| Direct deposit rate | Percentage of employees using direct deposit for pay | (Number of employees using direct deposit ÷ Total employees) × 100 |
| Cost of payroll per pay cycle | Administrative cost of running each payroll cycle | Total payroll administration cost ÷ Number of payroll runs |
| Average payroll cost per employee | Payroll cost averaged across all employees | Total payroll cost ÷ Number of employees |
| Level of automation | Measures the proportion of payroll processes that are automated vs. manual (e.g., time & attendance) | (Automated transactions ÷ Total transactions) × 100 |



| | | |
|---|---|--|
| Integration with other systems | How well the payroll system is integrated with other core systems (HRIS, time tracking, benefits, finance) | $(\text{Number of integrated systems} \div \text{Relevant systems}) \times 100$ |
| Security and data protection | Measures how effectively payroll processes comply with data protection standards (e.g., encryption, access controls, privacy laws). | $(\text{Number of security controls implemented} \div \text{Total required security controls}) \times 100$ |
| Payroll system uptime | Reliability of the payroll software system | $(\text{Total available time} - \text{Downtime}) \div \text{Total available time} \times 100$ |
| Payroll transparency | Survey employees asking if they understand how their pay is calculated | Likert scale (1-5) % responding Yes/No |
| Time to pay impact for new employees | Time from hire to first successful payroll cycle | Date of first pay - Hire date |

Source: National Payroll Institute



7 Payroll professionals' key priorities, challenges, and needs

Payroll professionals across Canada are navigating an increasingly complex and high-stakes environment, shaped by technological advancements, heightened compliance expectations, and shifting workforce dynamics. As payroll continues evolving from a transactional function into a strategic organizational contributor, professionals face a growing set of priorities and pressures. Recognizing the most common challenges encountered today, challenges projected to arise in the future, and the underlying causes driving these issues, will better equip organizations to address emerging needs and build resilient, future-ready payroll functions.

7.1 Data security and privacy

Protecting sensitive employee information has become one of the top priorities—and challenges—for payroll professionals. As payroll systems become more integrated with HR, finance, time tracking, and third-party platforms, the volume and sensitivity of data being exchanged continues to grow. This expanded data ecosystem introduces heightened risks related to cyberattacks, privacy breaches, improper access management, and system vulnerabilities. When asked about their biggest concerns are regarding data security and privacy, payroll professionals most commonly cite cyberattacks or hacking risks—particularly when third-party providers are involved or when relying on legacy systems. These concerns persist despite the

The Bottom Line



Executive: Talent shortages, security risks, and continuity gaps make payroll a growing operational risk area.

Payroll professional: Rising complexity and expectations demand stronger tools, clearer governance, and targeted development.

Technology: Security, resilience, and integration are no longer optional features but core requirements.

security expertise and resources that many payroll technology vendors bring to the table, highlighting a key perception gap that influences payroll decision-making. These concerns are further amplified by the introduction of AI-driven tools, which some payroll professionals feel uncertain about from a privacy and compliance standpoint. Many payroll professionals expressed apprehensions when polled about whether AI capabilities have adequate safeguards, auditability, and transparency—especially given their responsibility to ensure strict adherence to privacy laws.

To address these risks and concerns, organizations must prioritize strong cybersecurity frameworks, implement role-



based access controls, and enhance encryption and monitoring. Additionally, organizations can strengthen their payroll operations by investing in data security training that covers both prevention measures and the appropriate actions to take if data is put at risk, helping to minimize the impact of a potential breach. Payroll should be included in broader enterprise security strategies and decision-making, thereby ensuring professionals have the resources and clarity they need to uphold data protection obligations.

7.2 Recruiting and retaining payroll talent

Recruiting experienced payroll professionals continues to be one of the most significant challenges facing organizations today. Survey results indicate that the payroll workforce is aging (*Figure 16*) with many seasoned professionals approaching retirement. Organizations are simultaneously grappling with a limited pipeline of emerging talent and an increasing demand for payroll expertise as operations become more complex. Survey insights reveal that one of the greatest challenges that HR professionals face when recruiting for payroll is finding qualified candidates, either with payroll-specific skills, or soft skills such as communication and teamwork, which complicates the hiring landscape. Beyond skill gaps, the nature of payroll work itself can be challenging with a significant learning curve, deterring new entrants. The role requires precision, resilience under pressure, and deep understanding of compliance regulations—all attributes that typically develop with experience.

Organizations must adopt targeted strategies to address these challenges, such as building strong succession plans, investing in formal and informal mentorship opportunities and internal training programs, and partnering with educational institutions, such as colleges and universities, and the National Payroll Institute to develop a talent pipeline and create clearer pathways into the profession. Further, modernizing payroll technology creates efficiency that allows payroll professionals to move into more fulfilling, insight-driven, strategic work, ultimately supporting employee retention.

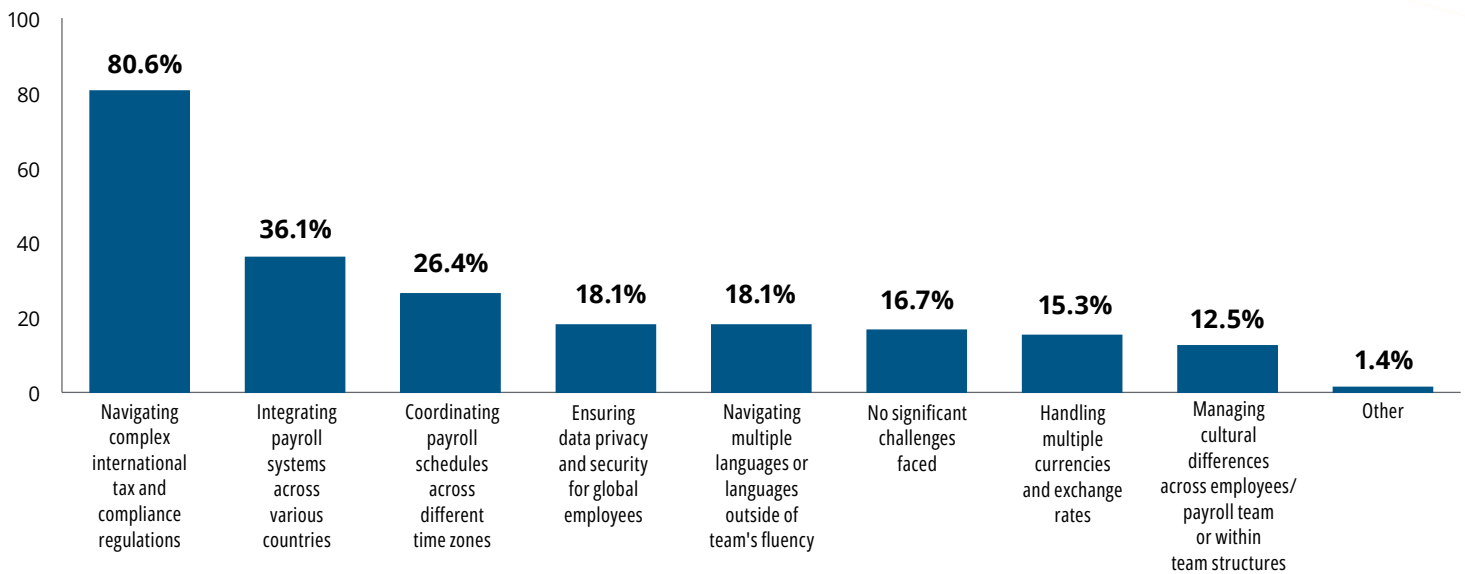
7.3 Complexities of globalization and multi-jurisdictional pay

As Canadian organizations expand their footprint across provinces, territories, and international jurisdictions, their payroll becomes increasingly complex. Professionals must navigate the respective jurisdictional tax laws, labour standards, statutory remittances, reporting formats, and employment classifications. Cross-border payroll adds challenges around exchange rates, global mobility requirements, expatriate taxation, and ensuring accuracy across multiple regulatory environments.

Payroll professional survey respondents who process pay for countries outside of Canada (predominantly the United States, among others) cited navigating complex international tax and compliance regulations, and integrating payroll systems across various countries as some of the most common challenges associated with processing pay in multiple countries (*Figure 21*). In addition to these technical challenges, many respondents noted difficulties working across multiple languages—



Figure 21. Common challenges associated with processing payroll in multiple countries



particularly those beyond the team's fluency—as well as managing cultural differences among employees, within payroll teams, and across broader team structures.

All of these complexities increase the risk of compliance errors, not to mention potential impacts to employee experience in the different countries and require payroll professionals to stay up to date with evolving legislation across multiple geographies. For organizations operating in multiple provinces or territories, particularly those with Quebec-specific requirements, regulatory differences can lead to longer processing times and more specialized inquiry resolution needs. A key priority for payroll professionals is securing improved tools, better integration between global systems, and clearer guidance from payroll technology vendors on localized compliance functionality. Organizations can support this by centralizing tax knowledge, investing in payroll platforms that support multi-jurisdictional requirements, and ensuring payroll

has access to legal and compliance resources when interpreting complex cross-border rules.

7.4 The changing workforce: new expectations, new challenges

The nature of work in Canada is evolving rapidly, and payroll professionals are feeling the effects. The rise of remote and hybrid work has introduced tax residency challenges, jurisdictional compliance considerations, and shifting expectations around pay transparency and digital access. At the same time, the growing use of contract workers have added new layers of complexity in classification, record-keeping, and pay structures.

Payroll teams are also managing generational change within the workforce. Newer workers often have different learning styles and technology expectations, relying more heavily on self-service tools, real-time information, and digital accessibility. Meanwhile, the aging payroll workforce creates a knowledge-transfer risk;



many professionals hold decades of institutional knowledge that is difficult to replace. These trends highlight the urgent need for mentorship programs, structured knowledge-transfer processes, and training models tailored to both seasoned professionals and new entrants. Payroll is also increasingly expected to play a role in enhancing employee financial literacy, especially among younger workers who rely heavily on payroll to understand deductions and other components of their pay statements.

7.5 Business continuity and disaster preparedness

Despite payroll's critical role in organizational stability, many organizations lack comprehensive business continuity and disaster recovery plans specific to payroll. Based on responses to the survey, many payroll professionals have concerns around major disruptions such as cyberattacks, however interruptions can be caused by a number of other things as well—natural disasters, system outages, or sudden staffing shortages, for example. Any of these interruptions can have immediate and widespread consequences ranging from missed paydays to compliance failures and significant reputational damage. Although many survey respondents recognize the possibility and risk of these scenarios, many feel that they remain underprepared to handle them.

Payroll professionals and experts emphasize the need for clear continuity strategies, including documented processes, cross-trained staff, backup systems, and coordinated response plans across payroll, HR, IT, and finance. Regular testing of continuity protocols, including mock disaster scenarios, can help ensure readiness. As reliance on technology increases, so does the need for

robust vendor contingency planning and stronger governance around system availability and incident response. Ensuring uninterrupted payroll operations is not only a business imperative—it is essential to maintaining employee trust during disruptive events.

7.6 Moving forward to build a resilient, future-ready payroll function

As payroll continues to evolve, organizations must adopt a forward-looking approach that strengthens governance, modernizes operating models, and prepares teams for increasing complexity. A resilient payroll function begins with establishing a strong operating model that facilitates clear decision-making structures, well defined processes, and documented roles and responsibilities. Cross-training, mentorship, and structured succession planning help address talent shortages and ensure that institutional knowledge is not lost as the payroll workforce ages, a sentiment which was reinforced by focus group discussions. At the same time, building contemporary competencies, such as data literacy, system configuration awareness, cybersecurity fundamentals, and strong communication, positions payroll professionals to meet future demands confidently.

Technology modernization is another cornerstone of future-readiness. Cloud-based systems enable greater scalability, integration, and stability, while automation and AI reduce manual effort and support more consistent, error-resistant processes. Rather than attempting to adopt advanced capabilities all at once, organizations benefit from a phased approach where they first stabilize foundational systems before layering in automation and introducing AI tools and capabilities, all the



while maintaining appropriate controls and human oversight. Reliable and accurate data underpins all of these improvements, reinforcing the need for strong data-quality practices and close alignment with upstream functions such as HR and time and attendance.

Payroll resilience also depends on readiness for broader business and workforce changes. As organizations expand across provinces and borders, the need for clear jurisdictional guidance and compliance oversight becomes increasingly pressing. Likewise, shifting workforce expectations, such as remote work, newer generations entering the workforce, and the growth of non-traditional employment models, require payroll processes that are flexible, transparent, and employee centric. Enhancing employee pay literacy, simplifying pay statements, and strengthening self-service tools all contribute to improved experience and reduced inquiry volumes. Ensuring that payroll

has a voice in organizational planning enables the function to anticipate and respond to these shifts proactively.

Finally, business continuity remains a foundational element of a resilient payroll function. Given payroll's criticality, organizations must be prepared for disruptors ranging from cyberattacks to system outages or sudden staffing shortages. Establishing and routinely testing continuity plans—including alternate workflows, documented backup procedures, and coordinated response frameworks—helps ensure ongoing operations, even under pressure. These efforts, paired with a thoughtful KPI framework and regular performance monitoring, reinforce payroll's ability to demonstrate value, support decision-making, and continue operating reliably as expectations and risks evolve.





8 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.

8.1 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.

8.2 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.

8.3 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.

8.4 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.





9 The future of the payroll landscape

As payroll in Canada continues its rapid evolution, the next decade is expected to usher in transformative changes across technology, governance, workforce expectations, and regulatory oversight. Organizations will be increasingly challenged to modernize their payroll environments—not only to ensure compliance, but to respond to new employee expectations, global workforce models, and emerging digital capabilities. Drawing from insights gathered through interviews with global Deloitte payroll leaders, industry literature, and survey findings, several key trends are expected to shape the future of payroll in Canada.

9.1 Anticipated trends to reshape payroll in Canada

Expansion of on-demand pay and other flexible pay models. EWA, long established in the United States and several European markets, is gaining momentum globally and is increasingly recognized as a retention tool that supports employee financial wellness. While Canadian adoption remains cautious (though interest is beginning to grow), largely due to concerns around regulatory clarity, data security, and operational readiness, international adoption patterns strongly suggest that demand for flexible pay will grow. Market signals demonstrate that the infrastructure for real-time disbursement already exists in Canada, and organizations may soon face competitive pressure to offer more flexible pay models.

The Bottom Line



Executive: Payroll is approaching an inflection point where technology, governance, and skills must evolve together.

Payroll professional: Future relevance depends on data literacy, technology fluency, and advisory capability.

Technology: AI-enabled, real-time, and integrated payroll ecosystems will define leading practice.

Acceleration toward real time payroll reporting. Over the coming years, real-time access to payroll data would enable the Federal Government to improve speed and accuracy in delivering government services and benefits, such as employment insurance benefits and future wage subsidies, to Canadians through access to more accurate and up-to-date employment data (Canada Revenue Agency, n.d.).

This signals a future in which payroll reporting is increasingly automated, centralized and integrated into government systems, mirroring digital models seen in the United Kingdom, Ireland, Australia, France, Norway, Brazil, and other jurisdictions.



AI and intelligent automation becoming foundational. AI is expected to become embedded across every stage of the payroll lifecycle. While organizations today rely primarily on automation to reduce manual effort, the next generation of payroll systems will integrate AI to perform critical tasks, such as anomaly detection and variance analysis, certain automated compliance updates (with human intervention as needed), data cleansing (“data healing”), intelligent ESS interactions (agentic chatbots), and real-time cost forecasting and modelling (already offered by select payroll technology vendors globally).

Survey insights show that AI adoption in Canadian payroll is still limited, with many professionals expressing uncertainty about data privacy, cybersecurity, and the reliability of AI-enabled processes. Nevertheless, global adoption patterns point to AI becoming one of the most influential drivers of efficiency, accuracy, and proactive risk management in the payroll of the future.

Increasing regulatory complexity and governance requirements. As global payroll governance models evolve, Canada is likely to feel the effects. European-style pay transparency directives are increasingly shaping regulatory discussions across North America. Some Canadian provinces (British Columbia, Newfoundland & Labrador, Prince Edward Island, Nova Scotia, and Ontario) already have various pay transparency laws and regulations. These advances within Canada, combined with global compliance pressures, such as European Union’s pay transparency laws, are also early indicators of the type of regulatory tightening that may reach Canada in the years ahead.

Globalization, multi-jurisdictional workforces, and cross-border complexity. As remote work, distributed teams, and cross-border employment become more common, Canadian organizations will increasingly face the same challenges reported in the United States, United Kingdom, Ireland, and Australia, such as multi-currency payroll, mobility-related tax obligations, and data residency and privacy complexities. These trends emphasize the need for more globally capable payroll platforms, stronger compliance guidance, and standardized operating models.

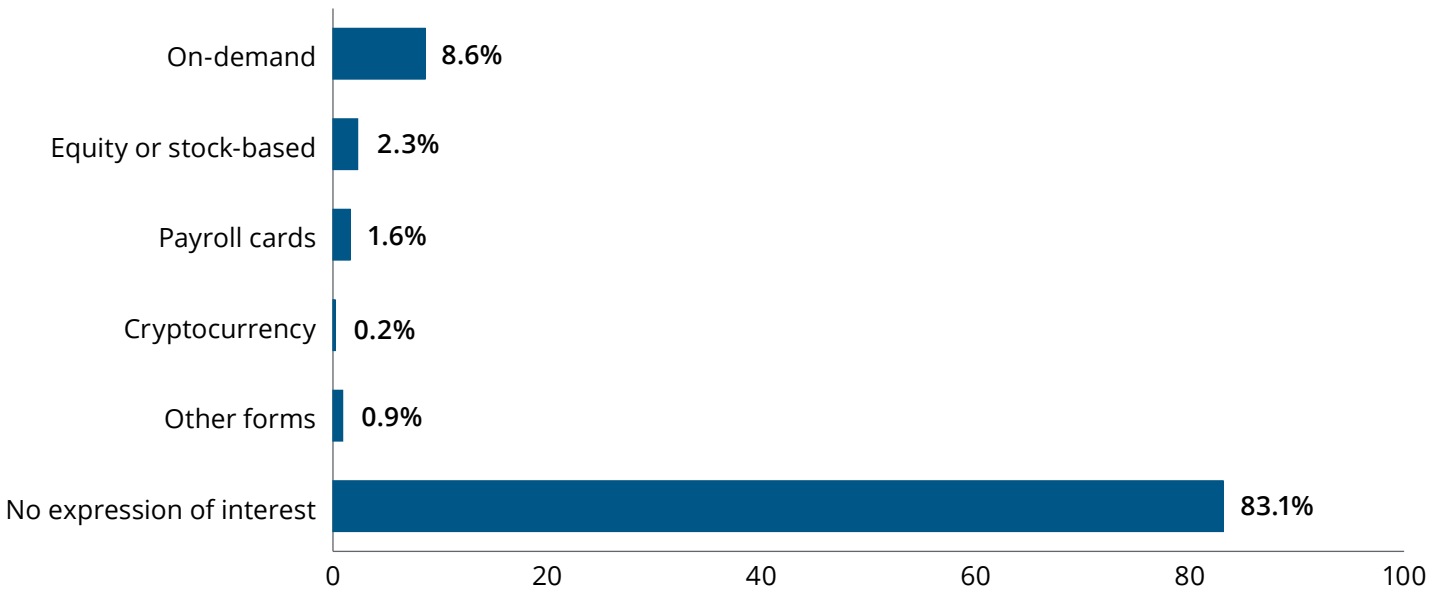
9.2 Organizational preparedness for the future

While leaders increasingly recognize that modernizing payroll is no longer optional, readiness levels across Canadian organizations vary widely. Survey and interview insights point to uneven capability in areas like alternative pay models, AI adoption, business continuity, and core process/technology fundamentals. Closing these gaps requires coordinated





Figure 22. Interest level of employees in alternative pay methods, as reported by payroll professionals



progress across operating model, technology, governance, and skills—supported by a measured, phased roadmap that reduces risk while building confidence.

Alternative pay methods. Survey insights indicate limited current interest in alternative pay methods among Canadian employees, as reported by payroll professionals, with only a small proportion indicating that employees have expressed interest (Figure 22). Findings also suggest that most organizations are neither actively exploring nor prepared to implement these models at this time. While alternative pay methods are gaining traction in other jurisdictions, the Canadian landscape reflects both low reported demand and a corresponding readiness gap. For organizations considering future adoption, considerations include establishing a cross-functional policy approach (payroll, HR, finance, legal), conducting risk assessments (privacy, fraud, remittance timing), and piloting with a narrow

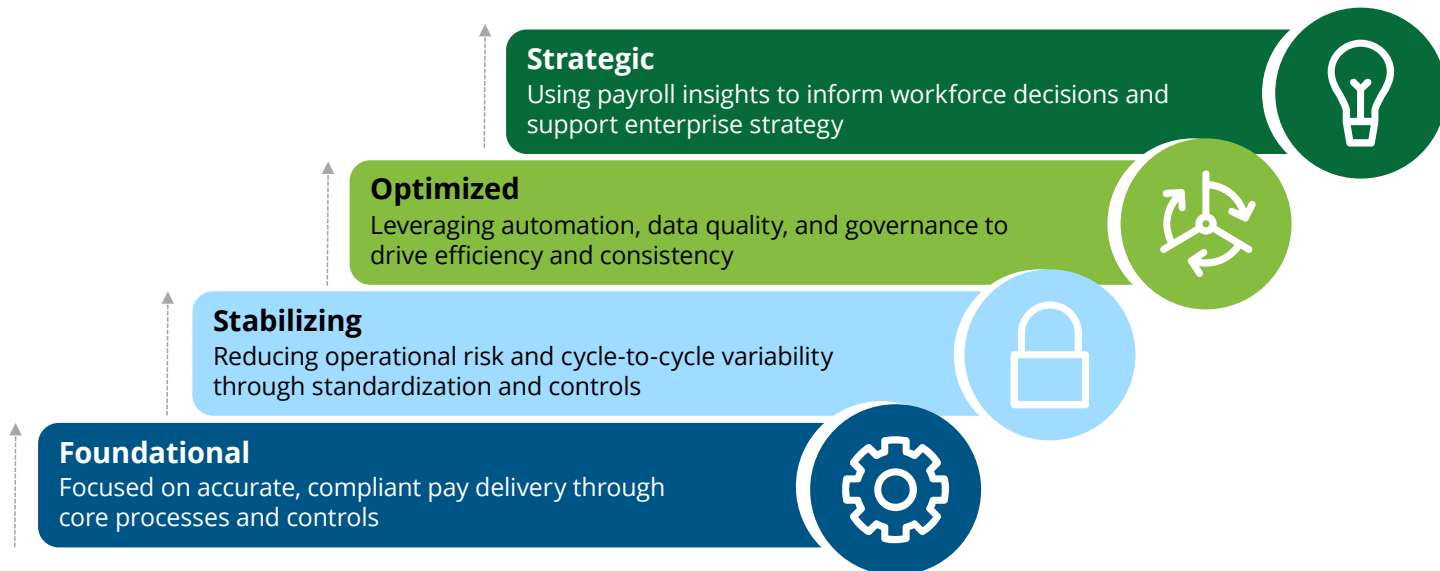
population to validate controls prior to broader implementation.

AI adoption. Automation is expanding, but AI is still early in the payroll lifecycle. Professionals report uncertainty around explainability, data privacy, and the governance needed to supervise AI outputs. Global signals point to rapid maturation (e.g., anomaly detection, data management, guided self-service), but Canadian teams may want to consider implementing clearer use cases and guardrails. A pragmatic approach begins with low-risk pilots (exception flagging, pre-pay variance checks) that use human review and intervention where necessary, paired with an AI control framework (access, audit trails, model validation) and role-based training so teams understand where and how to trust AI.

Business continuity planning. Despite payroll’s criticality, many organizations lack a tested, payroll-specific continuity plan. Payroll



Payroll technology vendor definitions



Canada currently sits mid-pack in payroll maturity, with strong compliance rigor but lagging in digitalization, cloud adoption, employee experience focused pay practices, and AI-enabled payroll.

professionals acknowledge threats—from cyber incidents to outages and sudden staffing gaps—but remain underprepared to run when conditions are less than ideal. Readiness steps include preparing runbooks for regular payroll runs and off-cycle scenarios cross-training team members so that they can cover in case of absences, establishing vendor failover and contact trees, and running tabletop exercises (e.g., ransomware, year-end disruption, etc.) to validate recovery time and communication protocols in practice.

Governance and global complexity.

As organizations expand across provinces and international borders, payroll teams must navigate divergent employment standards, tax regimes, and reporting expectations. Readiness improves when governance is explicit with documented roles for legislation monitoring and configuration changes; jurisdictional

playbooks (e.g., Quebec-specific rules, cross-border tax obligations, etc.); and a standing forum across payroll/HR/finance/legal to review risks, releases, and provider updates. Selecting globally capable platforms and aligning providers to common Service Level Agreements or controls reduces variability and strengthens audit readiness.

9.3 The future skills payroll professionals will need

As the payroll landscape becomes increasingly digital, data-driven, and interconnected with broader organizational systems, the skills required of payroll professionals are expected to expand significantly. While foundational payroll knowledge will remain essential, future success will depend on the ability to work confidently with advanced technology, navigate complex compliance environment, and collaborate effectively across functions.



Interview, survey responses, and global insights consistently highlight that the payroll professional of tomorrow will need a blend of technical fluency, analytical capability, and strong interpersonal competencies to meet the evolving expectations of employers and employees.

Technological proficiency will be central to this evolution. As automation, AI, and cloud-based systems continue to reshape payroll operations, professionals will need to understand not only how to use these tools but how they function and how to interpret their outputs. This includes navigating system configurations, monitoring automation workflows, validating AI-generated insights, and understanding cybersecurity fundamentals to safeguard sensitive employee data. The rise of predictive analytics and real-time payroll capabilities will also require payroll professionals to become more comfortable working with data—identifying trends, analyzing anomalies, and transitioning insights into actionable recommendations for business leaders. These skills reflect a shift from reactive processing to proactive, insight-driven support.

At the same time, payroll professionals will need to strengthen their capabilities in areas tied to governance, compliance, and risk. As regulations grow more complex, with the increase in cross-border employment, remote work arrangements, and digital reporting requirements, professionals must be adept at applying legislative changes, ensuring accurate interpretation, and advising on their implications. Globalization will demand greater fluency in multi-jurisdictional payroll, international taxation, and the integration of global payroll systems. The growing emphasis on pay transparency and employee financial wellness initiatives will introduce additional areas where payroll expertise will play a central role.

Beyond technical knowledge, future payroll roles will require elevated interpersonal and strategic skills. Communication will be critical, as payroll professionals increasingly act as translators of complex pay information to employees, advisors to HR and finance partners, and contributors to strategic projects. Collaboration will play a larger role as payroll continues to intersect with technology teams, legal advisors, and workforce planners. Change management capabilities will



also be essential, particularly as organizations undergo technology transformations or adopt new models such as EWA, centralized shared services, or global operating frameworks. These skills help ensure payroll professionals can guide stakeholders through change, maintain accuracy during transitions, and maximize adoption of new tools and processes.

Developing these skills will require a coordinated approach to training and learning. Formal education pathways, such as National Payroll Institute designations, targeted coursework, and micro-learning modules, will continue to play an important role in building core competencies. However, hands-on practice will be equally important, including opportunities to test systems in sandbox environments, participate in pilot programs for emerging technologies, or shadow colleagues during complex year-end or cross-border processes. Mentorship and knowledge transfer will be essential as the aging payroll workforce transitions into retirement, ensuring that institutional knowledge is effectively passed to the next generation. Cross-functional exposure, such as temporary rotations through HR or finance, can deepen operational understanding and strengthen collaboration skills. Scenario-based learning using case studies, simulated audits, or mock data-privacy incidents can also prepare payroll professionals to navigate high-stakes situations with confidence.

Together, these emerging skills represent a meaningful expansion of payroll's role within organizations. As payroll becomes more technologically sophisticated and more strategically connected to business operations, the professionals who support it must evolve

as well. Those who build technical fluency, strengthen advisory capabilities, and embrace continuous learning will be well-positioned to thrive in the payroll landscape of the future—one defined by innovation, integration, and elevated expectations.

9.4 A payroll function ready for transformation

Across all indicators—technology, compliance, workforce expectations, and global influence—the future of payroll in Canada is poised for substantial transformation. Organizations that proactively embrace emerging technologies, strengthen governance, and invest in skill-building will be best positioned to navigate the changes ahead. At the same time, payroll professionals who develop analytical, technical, advisory, and communication capabilities will be best equipped to elevate their impact and contribute to stronger, more resilient business outcomes.






10 Conclusion

The findings of this research illustrate a payroll landscape in Canada that is evolving with purpose and momentum. While the payroll function has long served as the backbone of organizational compliance and employee trust, it is now stepping into a broader role—one shaped by expanding regulatory expectations, rapid technological advancement, shifting workforce dynamics, and an increasing focus on employee experience. Across the country, payroll teams are navigating this transformation with dedication and resilience, even as many face legacy systems, resource constraints, and growing complexity in their daily work. The optimism reflected in survey responses, interviews, and industry insights highlights not only the progress achieved to date, but the significant opportunities that lie ahead.

As this report shows, payroll is at a pivotal moment. Organizations are adopting cloud-based systems, exploring automation and AI, and striving to build stronger governance frameworks. Payroll professionals are preparing for a future that demands new skills in data analytics, technology fluency, communication, and strategic problem-solving. At the same time, critical challenges remain, such as talent shortages, increasing compliance complexity, inconsistent KPI measurement, and uneven preparedness for emerging trends such as on-demand pay, real time payroll reporting,

The Bottom Line 

Executive: Payroll is strategically critical; organizations that invest deliberately will gain resilience, insight, and trust.

Payroll professional: The profession is evolving rapidly and requires sustained investment in capability and recognition.

Technology: Modern payroll systems are the backbone of future-ready payroll functions.

and globalized workforce models. These findings underscore that while the function is advancing, intentional investment and collaboration will be essential to fully unlock payroll's strategic potential.

Industry stakeholders, including employers, government partners, technology providers, and professional bodies, each have a role to play in shaping the future of payroll. Organizations must prioritize modernization through technology, governance, and operating model enhancements, while



supporting the upskilling and career development of their payroll teams. Technology providers should continue building tools that are intuitive, secure, and grounded in payroll realities, ensuring that innovation translates to measurable value.

The path ahead is one of collaboration, innovation, and continuous learning. As payroll becomes increasingly integrated, digitized,

and employee-centric, this research reinforces that now is the time for leaders to act—to modernize systems, elevate the profession, and ensure that payroll is equipped not only to meet the demands of today, but to thrive in the future. By working together across the industry, stakeholders can build a payroll ecosystem that is resilient, data-driven, strategically aligned, and prepared to support Canada’s workforce for decades to come.





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 | | |



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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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