Real Time Payroll Reporting Guiding Principles 2026

NATIONAL PAYROLL INSTITUTE

Background (from The ePayroll project - Canada.ca)

The ePayroll project is a Government of Canada initiative to modernize how employers send payroll, employment, and demographic information to government departments and agencies.

Currently, employers send payroll information to the government at a particular time, such as when they issue a T4 slip, or a Record of Employment for employment insurance. Employers often provide the same information to multiple government departments and agencies.

The goal of ePayroll is to reduce the administrative burden for Canadian employers and streamline the delivery of government benefits and services.

In its 2025 Budget, the federal government announced the next two-year phase to develop a Real Time Payroll Reporting framework, and more recently Quebec's 2026 budget stated that its *paie électronique* project, its version of *Real Time Payroll Reporting*, has changed status from "under study" to "in planning." Considering these announcements to move the initiative forward, the National Payroll Institute has updated its guiding principles to support discussions between the Institute −a trusted advisor to government − and its members with the federal government and Revenu Québec. These principles are important to explore key issues surrounding the implementation of Real Time Payroll Reporting (RTPR) in Canada.

1. **Align and coordinate a unified government approach**
   The Federal and Quebec governments must present a unified approach to limit the potential for unnecessary administrative burden that could arise due to lack of alignment. The federal and Quebec governments should collaborate closely with each other to align the approach. In addition, the federal government should ensure there is one voice across all its departments. This will create a consistent direction and avoid burdening employers with duplicated processes.

2. **Government must engage key sector leaders**
   Employers, key employer associations, Payroll Service and Software Providers (PSSP) − including the National Payroll Institute − must be active partners in designing Real Time Payroll Reporting. Operational realities should shape all design choices to ensure solutions are practical, affordable, and minimally disruptive.

   PSSPs already manage half of all payroll data submitted to government and possess deep expertise in managing the employer–government interface across organizations of all sizes. This experience positions them as essential partners in designing and operating a modernized real-time reporting system.

3. **Leverage Existing Private Sector Technology Model to Limit Disruption**
   Individual employer payroll systems already use a common coding language (e.g. T4 XML). RTPR that leverages existing PSSP technologies would eliminate the need for government to reformat natural payroll data (payroll, and certain HR data currently used for payroll purposes) to meet the differing logic of current government forms, for example, the Record of Employment, Requests for Payroll Information, T4, and RL-1. This approach would improve data quality and integrity by reducing errors caused by misinterpreting today's reporting requirements.

4. **Real Time Payroll Reporting must benefit employers and workers**
   Processes should be designed so that analysis and interpretation are performed by subject-matter experts. When government and employers have access to the same data, it should be the government—not employers—that interprets employment information for program administration (e.g. for Employment Insurance reporting). This shift would reduce errors, shorten processing times, and help workers receive benefits more quickly through faster and more reliable eligibility determinations.

5. **Ensure the initiative remains focused on reducing employer burden through streamlined reporting**
   RTPR must not create new administrative, financial, or compliance burdens for employers or their PSSPs. RTPR must focus on a tell-us-once approach (i.e., a single transmission of data each pay period), and should simplify employer processes, not increase their complexity. RTPR is strictly a data reporting initiative, not aimed at affecting existing payroll frequency, pay dates, or payroll remittance deadlines. Although accelerating payroll remittances was evaluated in other jurisdictions that implemented RTPR, this was deemed a non-starter and eliminated from consideration. Accelerating the frequency of remittances to coincide with the frequency of payroll data reporting would compromise the business model of PSSPs and jeopardize their ability to support the initiative and Canadian businesses. Accelerated remittances will also negatively affect the cash flow of small businesses that are currently afforded a longer remittance window.

6. **The government should acknowledge employer transition and operational costs upfront**
   The government should acknowledge employer transition and operational costs at the outset, in addition to its own project expenses. These costs include developing and training staff on new processes, as well as fees for vendors that provide the software and services required for ongoing operations. Some of these expenses could be offset through reduced employer compliance obligations, such as eliminating Records of Employment, T4s, and RL-1s.

   Employer transitional costs and PSSP development costs will also need to be clearly quantified and partially offset through existing mechanisms—such as tax credits or accelerated write-offs—or through new measures.

7. **Build and sustain public buy-in**
   A transparent program design and review process is essential to building support, clearly communicating project benefits, and addressing identified challenges. A stakeholder-inclusive approach will strengthen the initiative's overall effectiveness. By proactively recognizing challenges and responding to stakeholder concerns, the federal government can help secure broader public buy-in.

8. **Pilot first, then roll out through phased implementation**
   The scope of this initiative—and its potential impact on the broader Canadian economy—requires a carefully phased pilot and implementation plan with realistic timelines. This approach will allow employers and PSSPs to adopt changes gradually and cost-effectively. A phased rollout will also enable the government to identify early successes and leverage those employers and sectors best positioned to advance quickly.

9. **Effective Timeline Delivery of Solution and Implementation**
   Canada's RTPR initiative has lingered in study mode for more than two decades, but the case for moving forward has never been clearer. Employers, governments, and employees are all operating in a digital economy that expects real-time information, not paper-era delays. Revenu Québec has already advanced their *paie électronique* project into the planning phase, signalling that the status quo is no longer sustainable. Other countries have already implemented RTPR. Ireland did so in as little as 18 months, delivering major gains in accuracy, compliance, and administrative efficiency. It should also be noted that in Australia, RTPR prevented overpayments of COVID-era government support payments. For Canada, continuing to wait means falling further behind global standards, maintaining unnecessary burdens on employers, and missing out on the economic and service improvements that modern payroll data infrastructure can unlock.

   If the federal government doesn't commit to a phased rollout of RTPR by 2028, following the current two-year study, the payroll industry and employers risk becoming fatigued and disengaged, jeopardizing the momentum and collaboration needed to make Real Time Payroll Reporting a success.