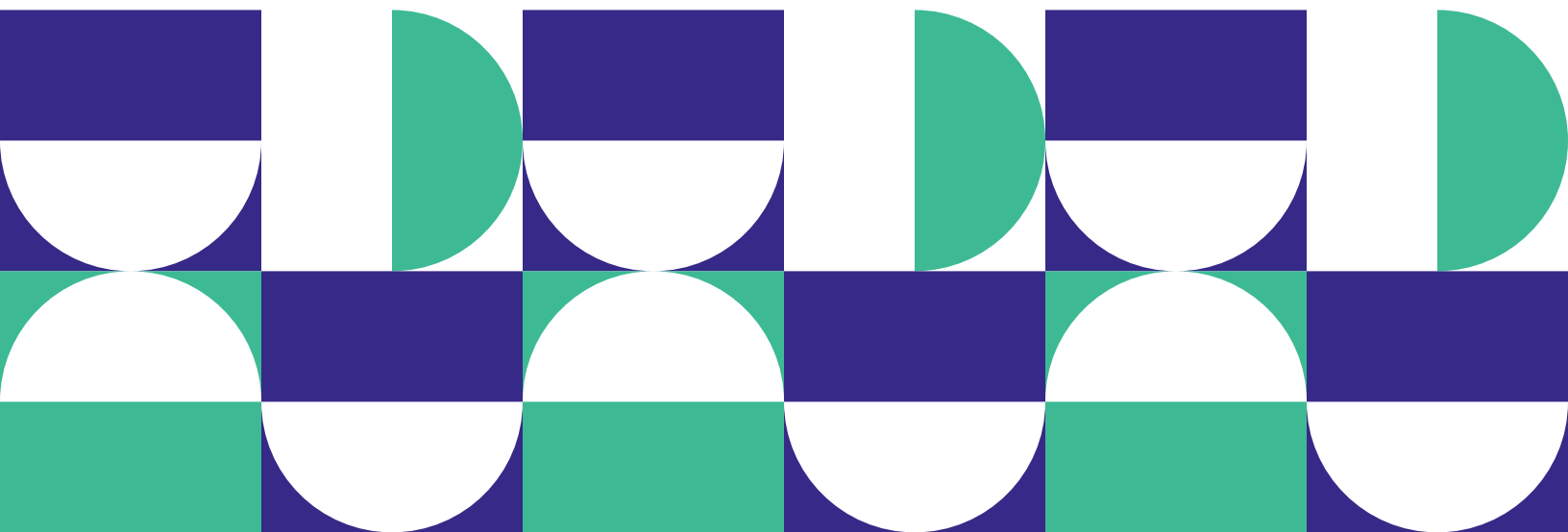
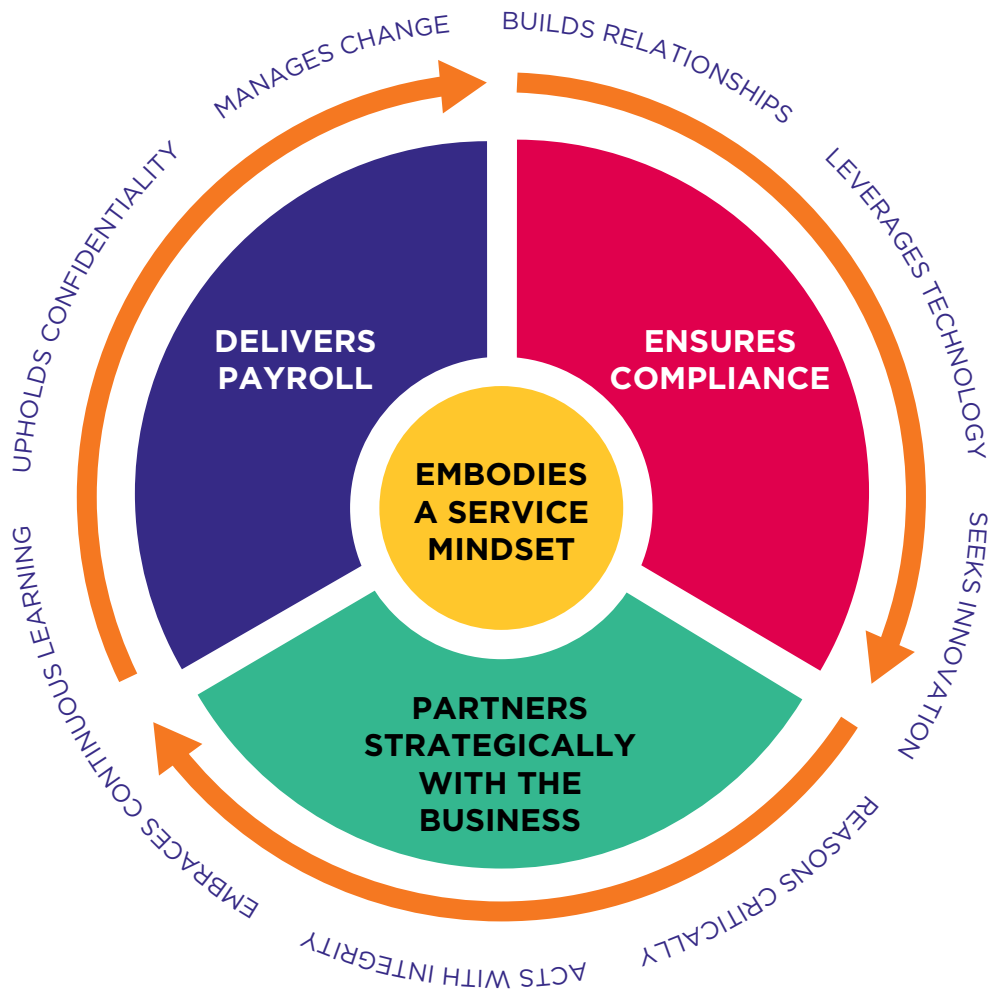


A COMPETENCY FRAMEWORK FOR PAYROLL PROFESSIONALS



THE PAYROLL PROFESSIONAL COMPETENCY FRAMEWORK



DELIVERS PAYROLL

Executes payroll accurately and on time.

ENSURES COMPLIANCE

Accountable for payroll regulatory and business compliance.

EMBODIES A SERVICE MINDSET

Fosters a customer-centric approach, continuously seeking an improved service offering.

PARTNERS STRATEGICALLY WITH THE BUSINESS

Supports the achievement of business objectives as a trusted and respected partner and advisor.

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- Delivers payroll
- Ensures compliance
- Embodies a service mindset
- Partners strategically with the business

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INTRODUCTION

PURPOSE

The National Payroll Institute has developed *A Competency Framework for Payroll Professionals* to:

- Support professional development and career advancement, enabling payroll professionals to be future-ready.
- Promote payroll excellence within organizations by outlining the key competencies required to keep pace with changing dynamics within the profession.
- Offer a standard for optimum performance within the profession, establishing a common language and setting clear expectations for performance excellence.
- Advance the payroll profession, bringing recognition to the value that payroll professionals bring to organizations by outlining the diverse range of skills payroll professionals require.
- Provide a foundation for professional payroll designations.

KEY COMPETENCY TERMINOLOGY DEFINED

What is a competency? A grouping of interrelated knowledge, skills, and behaviours required to perform effectively within a given area.

What is a competency framework? A collection of competencies related to a particular profession, organized in a meaningful way.

What is the difference between functional and behavioural competencies?

- **Functional competencies** (aka core competencies) are task-oriented, focusing on skills, responsibilities, and expertise relating to a particular functional area or domain. They focus on *what* competent performers do to be successful within a particular area of expertise.
- **Behaviour competencies** describe skills or behaviours broadly. They can be universal and relevant across many different roles and functional areas, depending on the context in which they are exemplified. An example of a behavioural competency is conflict resolution.

OUR APPROACH

A Competency Framework for Payroll Professionals:

- **Uses primarily functional competencies to clearly define performance** as it relates to the payroll profession. Select **behavioural competencies encircle the competency wheel** and highlight key universally recognized skills that payroll professionals use to meet the functional competencies.
- **Is targeted, yet role autonomous.** It is recognized that the role of the payroll professional differs greatly (e.g., across positions, organizations, industries).
 - The competency framework is **not intended to be an exhaustive list** of what payroll professionals do. For example:
 - Those accountable for international payroll would require additional competencies relating to global payroll practices.
 - Payroll professionals in leadership roles would require leadership competencies similar to anyone in a leadership role.
 - There **is no attempt to delineate between different levels of proficiency or specialties.** While it is recognized that, due to factors such as job specialization, technology, and vendor outsourcing, many payroll professionals do not directly perform all of the competencies, the payroll department is accountable for ensuring the competencies are met. For example, a vendor may be responsible for implementing system configurations to ensure compliance with a new regulation; this does not negate accountability for the payroll professional to ensure that the resulting configuration functions correctly in compliance with the legislation.

USING THIS COMPETENCY FRAMEWORK

A Competency Framework for Payroll Professionals can be used:

- By payroll professionals and those considering a career in payroll to:
 - Gain role clarity for career planning.
 - Self-assess performance; identifying strengths and clearly defining areas of opportunity to target for professional development.
 - Prepare for payroll designation(s).
 - Highlight personal skills and experience to differentiate themselves within the marketplace.

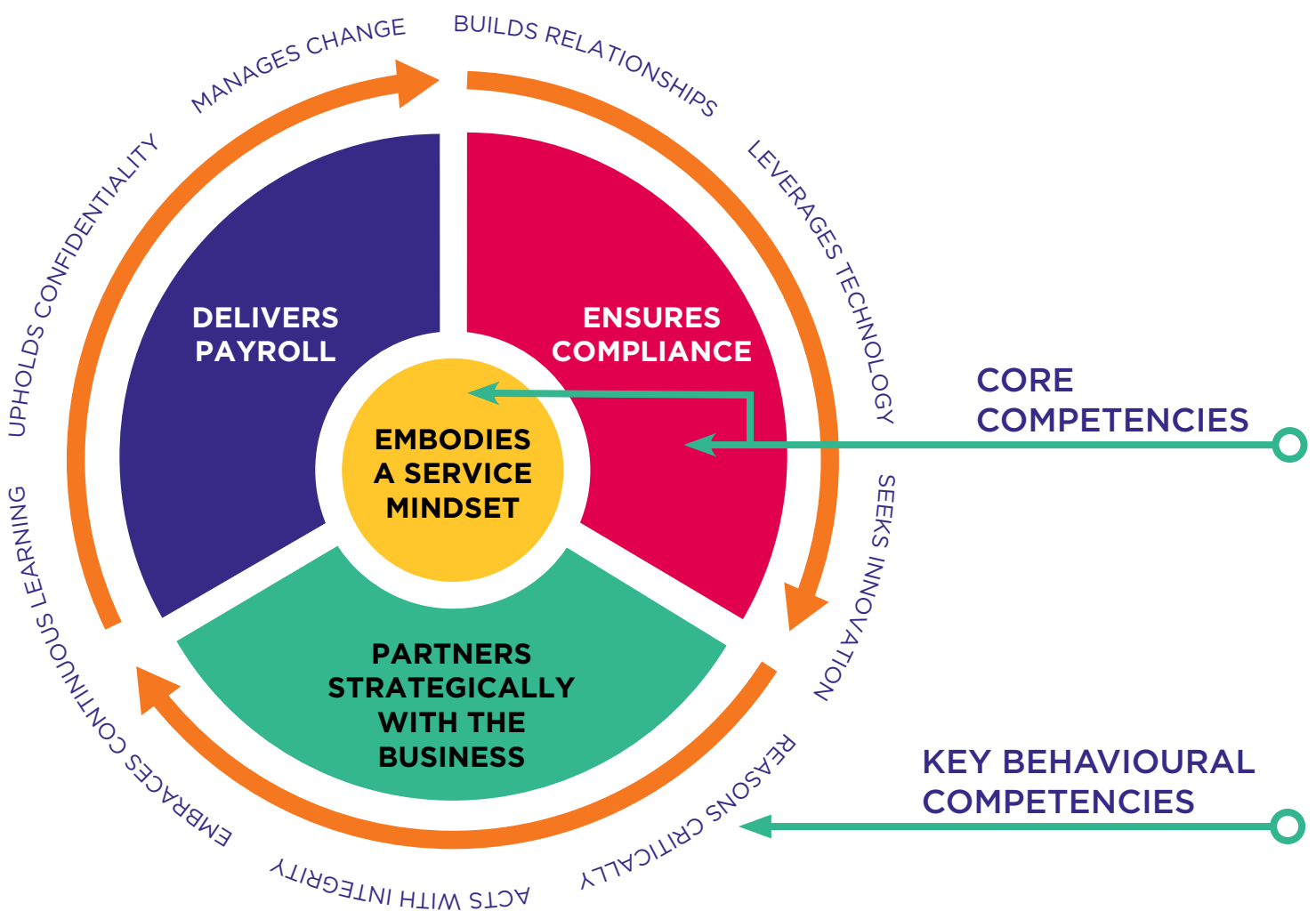
- By payroll managers/directors to:
 - Define performance expectations for individuals and positions, to structure teams for optimum department performance.
 - Support performance coaching.

- By other stakeholders to:
 - Target skills for recruitment to develop a talent pool.
 - Define the value of payroll (to regulatory bodies, policymakers, post-secondary institutions, leadership levels of organizations, etc.).

OVERALL STRUCTURE

The competency framework is comprised of four core competencies (functional competencies): *Delivers payroll*, *Ensures compliance*, *Embodies a service mindset*, and *Partners strategically with the business*.

Embodies a service mindset is positioned at the core to highlight the central importance of client experience to payroll professionals.



CORE COMPETENCY STRUCTURE



DELIVERS PAYROLL

Delivering payroll accurately and on time is crucial for keeping employees engaged and strengthening the organization's brand, while also ensuring sound financial management.

Each core competency section begins with a description of the importance of this core competency.

DELIVERS PAYROLL

1. Compiles, validates, and maintains payroll-related data. Processes changes and adjustments.
2. Processes payroll accurately and on time.
3. Proactively manages year-end activities.

Core competencies are made up of several sub-competencies.

SUB-COMPETENCIES AND SUPPORTING PRACTICES

1. **Compiles, validates, and maintains payroll-related data. Processes changes and adjustments.**
 - 1.1 Reviews and processes incoming transactions and requests such as new hires and terminations. Confirms that appropriate approvals and/or documents are obtained before processing transactions in the payroll system.
 - 1.2 Assesses, reports, and reconciles taxable benefits and allowances, as per federal and provincial legislation.
 - 1.3 Manages employee benefits and pension contributions, if applicable, including new enrolments, general changes, and terminations. Completes, verifies, and processes required forms and documentation.
2. **Processes payroll accurately and on time.**

The sub-competencies (numbered 1, 2, etc.) are further divided into supporting practices (1.1, 1.2, etc.).

AN OVERVIEW: CORE COMPETENCIES AND THEIR SUB-COMPETENCIES



DELIVERS PAYROLL

1. Compiles, validates, and maintains payroll-related data. Processes changes and adjustments.
2. Processes payroll accurately and on time.
3. Proactively manages year-end activities.

ENSURES COMPLIANCE

1. Stays current with the payroll legislative landscape.
2. Ensures internal policies, procedures, and collective agreements adhere to payroll-related legislation and regulations.
3. Implements, maintains, and enforces organizational payroll processes.
4. Verifies payroll to ensure integrity of payroll information, calculations, documentation, and reporting.

EMBODIES A SERVICE MINDSET

1. Responds with professionalism, efficiency, and sensitivity to inquiries and requests on all aspects of payroll, pension, benefit deductions, and external and internal reporting.
2. Proactively communicates and educates employees, departments, and key stakeholders about total compensation and the impact of payroll-related changes.
3. Continuously seeks opportunities to better service the organization. Partners with stakeholders to implement improvements using change management practices.

PARTNERS STRATEGICALLY WITH THE BUSINESS

1. Demonstrates business acumen while engaging with stakeholders.
2. Builds relationships with internal and external stakeholders, establishing alliances.
3. Leverages systems and data to support a greater understanding of business issues.
4. Delivers clear, compelling messages to engage stakeholders and add value.



DELIVERS

PAYROLL

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- 1.3** Manages employee benefits and pension contributions, if applicable, including new enrolments, general changes, and terminations. Completes, verifies, and processes required forms and documentation.

2. Processes payroll accurately and on time.

- 2.1** Verifies the accuracy of all employment income for the applicable pay period or off-cycle payments.
- 2.2** Applies statutory federal, provincial, and applicable employee deductions.
- 2.3** Audits and reconciles payroll entries in payroll registers.
- 2.4** Leverages technology to process payroll.
- 2.5** Reconciles and remits statutory deductions to applicable government agencies (e.g., Canada Revenue Agency and Revenu Québec).
- 2.6** Maintains accurate tracking of paid leave, updating accruals processed through the payroll system.
- 2.7** Produces required regulatory forms and reports (such as Records of Employment).
- 2.8** Collaborates cross-functionally to ensure the integrity of payroll-related data, such as General Ledger coding.

3. Proactively manages year-end activities.

- 3.1** Determines new requirements for year-end reporting. Partners with internal and/or external stakeholders to ensure required changes are in compliance and tests changes to ensure data integrity.
- 3.2** Identifies and executes required year-end activities including year-end adjustments, balancing, and reconciling annual remittances.
- 3.3** Processes year-end information slips and annual returns and summaries.
- 3.4** Proactively communicates changes and required actions with employees and business units.



ENSURES

COMPLIANCE

Ensuring compliance contributes to the overall success and reputation of the organization by facilitating financial accuracy, operational efficiency, and risk mitigation while fostering employee trust.

SUB-COMPETENCIES AND SUPPORTING PRACTICES

1. Stays current with the payroll legislative landscape.

- 1.1** Actively monitors new and emerging changes to legislation and/or regulations.
- 1.2** Investigates and assesses the organizational impact of proposed changes, sourcing external input as needed. Identifies any required action.
- 1.3** Proactively communicates changes with senior stakeholders, explaining the impacts and providing recommended action.

2. Ensures internal policies, procedures, and collective agreements adhere to payroll-related legislation and regulations.

- 2.1** Monitors internal policies, procedures, and collective agreements against payroll-related legislation. Proactively advises business leaders of any potential compliance issues and collaborates towards their resolution.

3. Implements, maintains, and enforces organizational payroll processes.

- 3.1** Develops and documents payroll policies and procedures to support internal and legislative compliance. Ensures roles and responsibilities are documented and communicated.
- 3.2** Establishes effective internal controls to prevent errors and fraud, including segregation of duties, approval processes, reconciliation procedures, and audit trails.
- 3.3** Ensures robust data security measures are in place, such as data encryption protocols, access controls, and backup and recovery processes.

4. Verifies payroll to ensure the integrity of payroll information, calculations, documentation, and reporting.

- 4.1** Performs internal functionality and compliance testing of updates, system upgrades, and changes.
- 4.2** Conducts internal audits to validate both internal and regulatory compliance.
- 4.3** Supports government compliance audits and other third-party external audits to validate internal processes.
- 4.4** Uses audit results to define improvement opportunities.



EMBODIES

A SERVICE

MINDSET

Service excellence is a core function of payroll professionals, demonstrating that employees are respected and valued. In turn, the organization benefits from increased employee engagement and loyalty.

SUB-COMPETENCIES AND SUPPORTING PRACTICES

- 1. Responds with professionalism, efficiency, and sensitivity to inquiries and requests on all aspects of payroll, pension, benefit deductions, and external and internal reporting.**
 - 1.1** Establishes payroll service excellence expectations, including key performance indicators such as response time and issue resolution, in consultation with key stakeholders. Strives to meet or exceed key performance indicators.
 - 1.2** Seeks to understand the underlying need and context before responding to requests. Uses emotional intelligence to understand sensitive issues and respond with integrity. Takes the time to explain complex situations clearly and confirm that the need was met.
 - 1.3** Maintains comprehensive documentation and/or a knowledge base to assist payroll staff in resolving common issues consistently and efficiently.
 - 1.4** Maintains a centralized service request record to track payroll service inquiries, including the nature of the request, sender, response given and/or action taken, and resolution time.
- 2. Proactively communicates and educates employees, departments, and key stakeholders about total compensation and the impact of payroll-related changes.**
 - 2.1** Collaborates with other departments, such as Human Resources and Accounting, to onboard new employees to their total rewards and educate existing employees to address knowledge gaps.
 - 2.2** Consults with business leaders to share the impact of proposed initiatives and the implications of related legislation, regulations, policies, and collective agreements.
 - 2.3** Uses targeted communication plans to inform the impact of upcoming changes (such as new rates and annual limits for statutory withholdings) to employee compensation.

- 3. Continuously seeks opportunities to better service the organization. Partners with stakeholders to implement improvements using change management practices.**
 - 3.1** Pursues opportunities for continuous learning (e.g., by attending conferences and webinars, participating in Communities of Practice, and engaging in active inter- and intra-industry networking) to maintain compliance knowledge, enhance skills, and remain at the forefront of new technology, vendor offerings, and industry best practices.
 - 3.2** Creates service-level agreements for internal and external stakeholders.
 - 3.3** Actively solicits feedback on service, response, and effectiveness from key stakeholders (such as employees, business leaders, and vendors).
 - 3.4** Critically reviews the service request log to identify reoccurring issues and emerging needs. Partners with other departments to explore targeted issue resolution and service delivery enhancement.
 - 3.5** Collaborates with key stakeholders to implement service improvements, including process and technological improvements.



PARTNERS STRATEGICALLY WITH THE BUSINESS

Payroll professionals support organizational success by providing insights and recommendations that facilitate decision making and assist the business in meeting its strategic objectives.

SUB-COMPETENCIES AND SUPPORTING PRACTICES

1. Demonstrates business acumen when engaging with stakeholders.

- 1.1 Regularly reviews organizational documentation (e.g., strategic plan, collective agreement) and participates in town halls, strategy sessions, and other forums where business objectives are discussed. Recognizes the interdependencies between departments and how they collectively contribute to organizational success.
- 1.2 Undertakes regular reviews of relevant financial documents to gain insights into the organization's financial health and interdepartmental financial dependencies.
- 1.3 Stays informed about the organization's market position, industry trends, emerging technologies, and overall competitive landscape.

2. Builds relationships with internal and external stakeholders, establishing alliances.

- 2.1 Promotes payroll representation at department meetings to share updates, proactively educate on payroll requirements and timelines, and offer support.
- 2.2 Participates in cross-functional teams to gain exposure to different areas of the business, develop a broader understanding of organizational processes, and work collaboratively to facilitate business improvements.
- 2.3 Connects with leadership, key department heads (such as Human Resources and Finance), and individual contributors to gain a deeper understanding of their priorities and challenges. Raises awareness of the business value inherent in the extensive raw data managed by payroll.
- 2.4 Establishes strong partnerships with external stakeholders (e.g., vendors, government services, service providers) to understand their needs and priorities, identify mutual objectives, and establish working practices.
- 2.5 Participates in strategic planning sessions and ensures payroll contributions are aligned with strategic objectives.

3. Leverages systems and data to support a greater understanding of business issues.

- 3.1** Leverages data to provide insights for informed decision-making (such as overtime data for workforce management).
- 3.2** Uses data analytics to predict future outcomes for strategic planning (such as the impact of high overtime on employee productivity).
- 3.3** Demonstrates the impact of payroll initiatives on key business metrics (such as Labour Cost Percentage and Employee Satisfaction).

4. Delivers clear, compelling messages to engage stakeholders and add value.

- 4.1** Exercises judgment in selecting the timing, audience, and medium for stakeholder communications.
- 4.2** Leverages storytelling techniques (including context, action, and result) to create a personal connection, where appropriate. Starts with a strong statement or statistic to capture attention. Uses simple, concise, and impactful language.
- 4.3** Leverages visual aids to simplify the complex, making it accessible and digestible to the intended audience.
- 4.4** Uses discernment in selecting the most appropriate data to support messaging, offering added clarity and/or impact.
- 4.5** Tailors messaging to stakeholder priorities and broader organizational objectives. Communicates the impact of following recommendations and/or the risk of inaction.

KEY BEHAVIOURAL COMPETENCIES DEFINED

These behavioural competencies are recognized skills that payroll professionals leverage to demonstrate the functional competencies.

Acts with integrity: Exemplifies ethical practices. Upholds principles with unwavering honesty and steadfast commitment.

Builds relationships: Fosters connections, trust, and mutual understanding to build collaborative partnerships.

Leverages technology: Harnesses technology to collaborate, perform, and innovate.

Seeks innovation: Embraces new ways of thinking. Focuses on continuous improvement. Uses thoughtful experimentation and creativity to actively pursue new solutions that improve efficiency and meet the changing needs of the organization and its employees.

Reasons critically: Frames problems, analyzes, assesses, and synthesizes information and data logically to support effective problem solving and decision making.

Embraces continuous learning: Actively seeks opportunities to learn formal education, experience, and social learning (such as soliciting feedback, mentorship, and networking). Recognizes the need to adapt to new practices and technology to stay relevant and effective.

Manages change: Demonstrates agility. Shows resilience in overcoming challenges and obstacles. Embraces opportunities and readily adapts to change.

Upholds confidentiality: Safeguards sensitive, private, and confidential information. Uses judgement in data protection and information sharing to ensure legal compliance.