NEW HIRE ESSENTIALS CHECKLIST

Resource



The **Declaration** *for* **Payroll**

BROUGHT TO YOU BY

NATIONAL PAYROLL INSTITUTE

HIRING EMPLOYEES



ONCE YOUR BUSINESS IS UP AND RUNNING, YOU MIGHT SOON NEED SUPPORT AND BEGIN HIRING EMPLOYEES.

Although you might think that recruitment and selection do not typically fall within payroll's domain, it is important for business owners to know and understand the process, especially in organizations where you do not have dedicated resources for Payroll and Human Resources.

Ultimately, establishing best practices in the recruitment and hiring process can save time, money and potential lawsuits.

Throughout the recruitment and selection process — from establishing the role to onboarding the new hire — there are several vital payroll considerations.

RESOURCE: NEW HIRE ESSENTIALS CHECKLIST

Use this mini-checklist to identify if you are making important payroll considerations throughout each step of hiring and onboarding new employees.

ADAPTED FROM THE COMPLETE NEW HIRE CHECKLIST		
STEP	**PAYROLL CONSIDERATIONS**	**WHY THIS MATTERS**
THE HIRING PROCESS	Determination of worker status: Working conditions examined to determine if the new worker will be an employee or self-employed worker. ☐ ✓ Check the box	Correctly establishing the relationship between a business and a worker is essential. Incorrectly assessing a worker's status can lead to costly repercussions and potential penalties for the business and the worker. The National Payroll Institute's member resource **Employee or Self-Employed Payroll Best Practices Guideline** provides a comprehensive overview of how to make this determination. You can also consult our **free paper** on the subject.
	Employment contract: Outlines the pay structure with basic salary rate, overtime rate, commission, bonus, stocks, vacation, statutory holidays, personal days, etc. ☐ ✓ Check the box	Outlining the specifics of an employment contract in an offer letter ensures that employees and employers are on the same page when it comes to pay and benefits.
START DATE AND BEYOND	**Social Insurance Number (SIN):** Necessary to validate employee's SIN in advance of work. If employee holds a temporary 900-series SIN, you will also need to check expiration date and valid working papers to proceed with hiring. ☐ ✓ Check the box	The employee's SIN must be provided to the employer within three days of the new hire date, subject to penalties for non-compliance. Employers should adhere to best practices surrounding the collection, usage, storage and destruction of an individual's SIN to ensure legislative compliance and avoid the risk of identity theft. Members can read more in the National Payroll Institute's **Social Insurance Number Payroll Best Practices Guidelines**.
	TD1/**TP1015.3-V**: Receive employee's completed TD1 (and TP-1015.3-V in Quebec) forms with legal name and SIN for personal tax credits purposes. ☐ ✓ Check the box	The **federal** and **provincial** personal tax credits/source deductions return forms provide the employee's legal name, SIN, date of birth, address and information necessary to determine the employee's income tax withholdings.
	Payroll set-up: Ensure that the employee is set up on payroll under the correct department/cost centre, set up in correct location for employment/labour standards, and is accurately identified by employment status. ☐ ✓ Check the box	Once you find the right employee and decide to hire them, an employer must collect information to set them up on payroll, process their pay and complete the necessary government reporting.
	Deposits and Authorizations: Receive voided cheque(s) and/or authorize electronic pay statements and tax forms. ☐ ✓ Check the box	Use a void cheque to establish direct deposit, and ensure employee has access to vital payroll information. You may need to acquire employee consent on the preferred methods used to deliver pay statements and/or tax forms.

EMPLOYEE HANDBOOK	**Establishing payroll policies**, including but not limited to: hours of work, call-in pay, overtime, summer hours, statutory holidays and vacations, etc. ☐ ✓ Check the box	Employees should receive and acknowledge that they have read and understood your Employee Handbook. In addition to helping orient the new employee to the organization, the handbook also acts as a reference tool on an ongoing basis. For example, if the employee gets called for jury duty, the organization's policy and treatment of jury leave can be easily referenced.
INTEGRATED PAYROLL INTRANET	**Create a payroll intranet or self-service portal:** Useful for maintaining employee records, managing time and attendance, maintaining automobile logs, and providing tax documents. ☐ ✓ Check the box	Adding a payroll intranet, a self-service portal where employees can update and maintain vital payroll information, is an excellent way to provide information to employees, reduce paper burden, and decrease employee inquiries related to payroll.