DIALOGUE

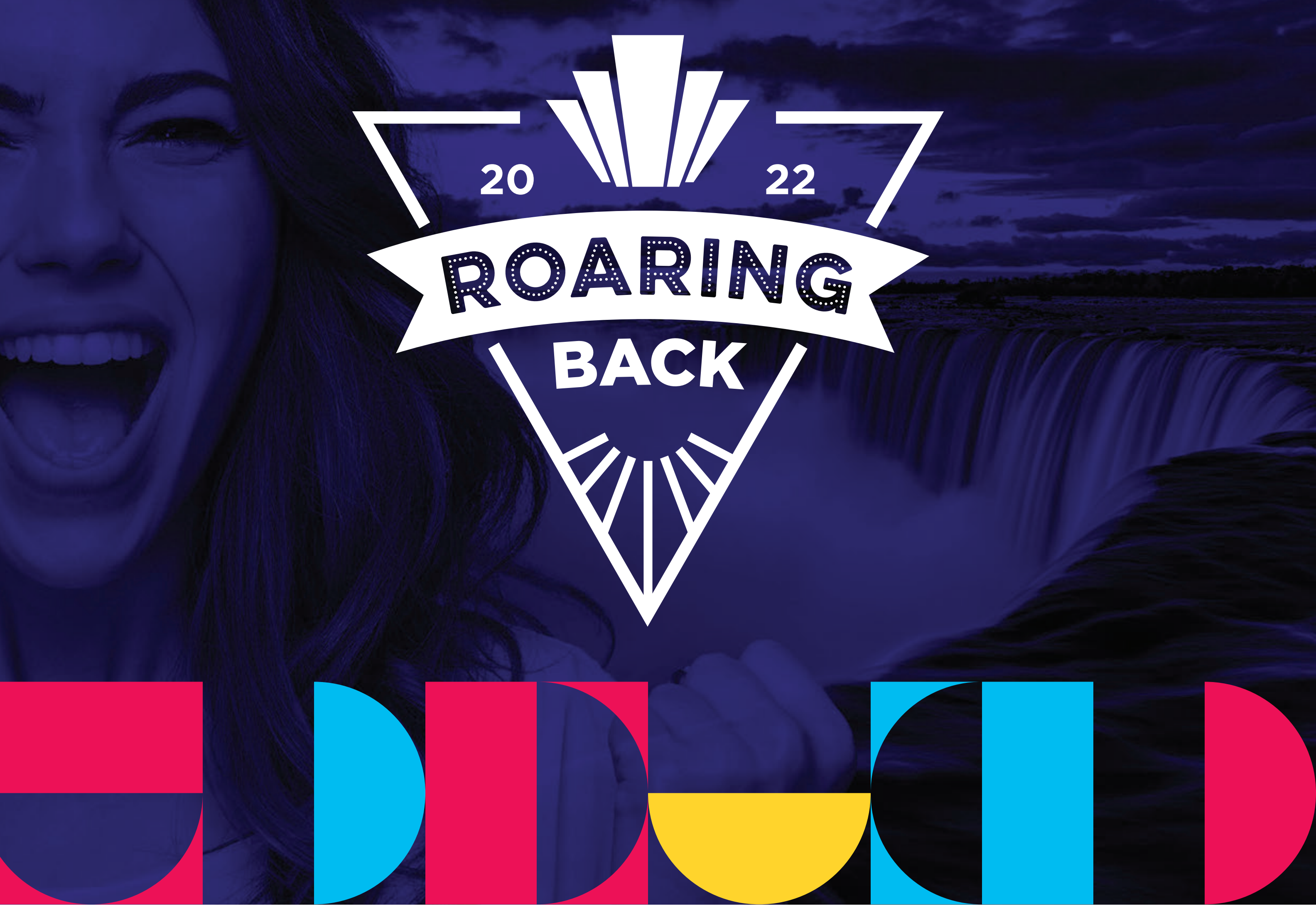
National Payroll Institute | **Volume 44, Issue 2**

Welcome to the National Payroll Institute

Payroll is forward thinking

Payroll is strategic

NATIONAL PAYROLL INSTITUTE



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This communication provides general information about selected issues concerning payroll legislative and compliance issues and/or employment and taxation laws. It is current as of March 2022. It is not legal advice and should not be relied upon as a substitute for review of your specific situation with legal counsel. Every effort has been made to provide accurate information; however, we advise you to seek legal counsel and advice (from a qualified lawyer) regarding your specific situation. Legal obligations will vary according to the facts and circumstances, as well as the jurisdiction.

NATIONAL PAYROLL INSTITUTE

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COLUMNS

A **New** Chapter

What we have achieved over the past four decades has been nothing short of amazing:

- We have established ourselves as the voice of payroll to key policy decision makers, which was the impetus to create the association in the first place. Now government comes to us to ensure the legislative changes it is proposing through payroll will work.
- We have created a necessary annual professional development program so you are on top of the myriad changes that happen year in and year out. This program proved especially essential during the last two years of the pandemic to ensure compliance.
- We have established an initial proficiency requirement in the form of unique designations that set the gold standard for those individuals who take their profession seriously and those organizations that make the delivery of accurate and timely payroll an essential employee benefit.
- We have created the community that binds all of us together. We learn from each other, mentor each other, build lifelong relationships with one another and have fun together.

However, we have yet to reach our fullest potential. While those already within our sphere of influence understand the vital role payroll plays, others view it as insular, automated, inhuman—or just don't even see it at all.

It's time for us to change that, expand our reach and elevate our profession to its rightful position—the profession that makes over $1 trillion of wages and benefits happen each year to fuel the economy. And the profession that ensures the government gets its cut of over $364 billion in statutory remittances, which pays for the valuable programs and services Canadians want and expect.

This new chapter begins with our new name: the National Payroll Institute. This sets us apart as a centre of specialized expertise and knowledge—a world leader in payroll. It represents the undeniable value that a smooth, effective payroll system offers to employees, employers and government. And it symbolizes the dedicated people who pull it all together.

As for what the National Payroll Institute brings directly to you, our members, it represents an ongoing commitment to the knowledge you need, the confidence you require and the voice you expect. As a stronger community, we will shape payroll's future together.

The time is now to turn the page to a new chapter. Get ready because it will be a great ride. Welcome to the National Payroll Institute. ■

Peter Tzanetakis
The National Payroll Institute

Chair's Message

Future Ready

Like many of you, my career in payroll started off as a very process-driven, manual role. At that time, the profession was mostly seen as tactical and administratively heavy. However, over the decades, as technology improved and processes became automated, we refocused our tasks on analytics and forecasting, and realized our value and potential.

The Canadian Payroll Association realized it as well and worked tirelessly to elevate the profession. We have moved from being a back-office job to being a recognized profession with ties to the legislative compliance and strategic goals of our organizations. Our knowledge and expertise is key to our organizations' short- and long-term viability.

During the pandemic, for instance, when my department was approached about possible layoffs of seasonal staff, my team and I provided data-driven recommendations: how many staff, from which areas, how it would impact them through their collective bargaining agreements if it exceeded the thresholds for recalls. Then we had to work through interim amendments of the agreements and implement the changes into our systems. It seemed that every single decision or change impacted payroll in some way, shape or form. Being considered an expert and having the knowledge and skills to back it up was the key to managing successfully.

What became clear is that, while we are proud to be members of the Association, we are collectively so much more than that. We offer specialized knowledge and vital expertise. We provide knowledge that businesses need to run smoothly and workers depend on for financial wellness. We are really an institute, the National Payroll Institute.

The decision to change our name was not one made lightly by the Board of Directors. We worked closely with the senior management team to consider what the organization stands for and what the future looks like. We had several back-and-forth discussions and nitpicked every word. As long-serving members ourselves, you can imagine how passionate we were about this change—it had to be just right.

We, as a Board, are extremely proud of where we have landed. This brand change holds a different, more executive-level and professional feel for all of us. We are leaders of business transformation. As the National Payroll Institute, we are positioned to create a future that benefits us all. ■

Sherisse Mason

Sherisse Mason, CPM
The City of Toronto

Q&A

The following are some of the most common questions we received through the National Payroll Institute's *Payroll InfoLine*™

Q Are employer-paid life insurance premiums for retired employees subject to health tax levies?

A Currently, employers are required to pay health-related or educational payroll taxes in the following jurisdictions:

- British Columbia: Employer Health Tax (EHT)
- Manitoba: Health and Post Secondary Education Tax (HAPSET)
- Newfoundland and Labrador: Health and Post Secondary Education Tax (HAPSET)
- Ontario: Employer Health Tax (EHT)
- Quebec: Health Services Fund (HSF)

Generally, these taxes are payable on remuneration reported in Box 14 of the T4 and / or Box A of the RL 1. For example, all payments, benefits or allowances required under sections 5, 6 or 7 of the *Income Tax Act* must be included as income from employment.

As confirmed by the above jurisdictions, employer-paid premiums to a group life insurance plan for retired employees generate a taxable benefit and are reported on a T4A under Code 119 if the amount is greater than $50. As retired employees are not active employees of the organization, employer-paid premiums to a group life insurance plan are subject to health-related or educational payroll taxes in all of the above jurisdictions, except Newfoundland and Labrador.

Q If employees choose to show evidence of a negative COVID-19 test, they must take the test during non-work hours and are responsible for any costs associated with testing, unless otherwise agreed to by the employer. If we decide to reimburse the employee for the cost of taking the vaccine test, would the Canada Revenue Agency (CRA) view this as a taxable benefit?

A Where the results of a COVID-19 test are mainly for an employer, the reimbursement by the employer of an amount paid by the employee for the testing would not result in a taxable benefit to the employee. This is the case here, as it is unlikely and unintended that the employee would be enriched or considered to have received an economic advantage when the employer makes such a reimbursement.

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Q An employee resigned from their position and they had taken more vacation than they had earned. May we collect the vacation overpayment from their final pay? What if there is not enough to cover the amount owing?

A Many organizations adopt a policy or collective agreement granting employees vacation entitlement before the vacation is earned. If, upon separation, the employee's vacation accrual is overdrawn, the **gross** amount of the overdrawn vacation is owed to the employer. However, an employer cannot withhold any vacation overpayment from that employee's final earnings unless express consent to do so was obtained from the employee or unless permitted by legislation.

Employers must have express consent to the deduction from the employee's final wages in all jurisdictions except under the *Canada Labour Code* and in the following provinces: Alberta, Newfoundland and Labrador, Nova Scotia (provided the deduction does not take the employee's wages below minimum wage), and Prince Edward Island. Express consent can be obtained in the form of a written agreement between the employer and employee stating that vacation paid in advance will be deducted from final wages, or in the form of a company policy to that effect that has been signed by the employee prior to the employer advancing vacation.

Where final wages are not sufficient to cover the amount of the overpaid vacation, the employee will owe any remaining gross amount to the employer. If the employee does not repay the employer, the amount of overpayment and all deductions withheld on it must be included on their T4/RL-1 slip.

Even if the employee repays the gross amount (in the same year or in a different year), both the CRA and Revenu Québec require the employer to include the amount of the total overpayment and all deductions withheld on the employee's T4/RL-1 slip. Employers are not permitted to adjust the year-end slips or the payroll records to reduce the total employment income or source deductions by the amount of the repayment.

After the employee has repaid the gross amount, they will be able to claim a credit on their income tax return in the year of repayment.

- Per the CRA, the employer is to provide the employee with a letter confirming the tax year in which the overpayment was included in their income, as well as the date, reason and amount of repayment received.
- Per Revenu Québec, the employer is to include the repaid amount under code A-3 on the RL-1 slip in the year of repayment.

Q **We have an employee who was terminated and will receive a lump-sum retiring allowance or severance. The employee has elected to have the entire payment go towards their individual Registered Retirement Savings Plan (RRSP). What statutory deductions are applicable and where on the T4 slip should the RRSP amount transferred be reported? Also, can we apply their bonus and vacation payments towards their RRSP?**

A Employees can elect to transfer part or all of their retiring allowance or severance to their individual RRSPs. Payments can include the employee's salary, wages, bonuses, vacation paid as lump-sum, other special payments and irregular payments. The following conditions must be met in order for the amount being transferred to be free from income tax at source:

- C/QPP contributions and EI/QPIP premiums are withheld from the gross payment (if applicable), up to the annual maximum;
- The payment is paid directly to the employee's RRSP account (payment cannot be given to the employee to deposit themselves); and
- The employer has reasonable grounds to believe the employee has sufficient RRSP contribution room to deduct the contribution from their taxable income.

Normally, retiring allowance or severance payments are not subject to C/QPP contributions or EI/QPIP deductions, but they are subject to income tax, using the lump-sum method. However, if the amount is transferred into an employee's individual RRSP and all the conditions are met, the retiring allowance or severance payment is not subject to C/QPP, EI/QPIP or income tax.

Reporting requirements

- T4 reporting: Code 66 for eligible amounts and Code 67 for non-eligible amounts. Not included in Box 14.
- RL-1 reporting: Box O, Code RJ

The eligible retiring allowance portion will not affect the employee's contribution room, whereas the non-eligible portion may be transferred to either the employee's own RRSP or a spousal RRSP, provided the employee has sufficient contribution room.

For the second part of your question, bonus and vacation lump-sum payments that are eligible to be transferred directly into an employee's individual RRSP account are not exempt from C/QPP contributions or EI/QPIP premiums.

Reporting requirements

- T4 reporting: Box 14
- RL-1 reporting: Box A

Q **An employee who was off work due to Illness has not returned to work. The employer laid off the employee temporarily due to a shortage of work. Is the employer required to issue an amended Record of Employment (ROE) to change the Reason Code in Block 16?**

A The employer should not amend the original ROE issued with Code D – *Illness or injury* unless the employer is paying additional money. If there is additional money being paid, the ROE has to be amended to include the payment. However, the reason code will remain unchanged. The reason code is only changed if it was incorrectly selected at the time the original ROE was issued.

The employer must also give the employee a copy of the temporary layoff notice. Then, once the employee has exhausted their EI sick benefits, they can communicate to Service Canada regarding regular EI benefits because of their layoff. ■

NATIONAL
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Welcome to the National Payroll Institute

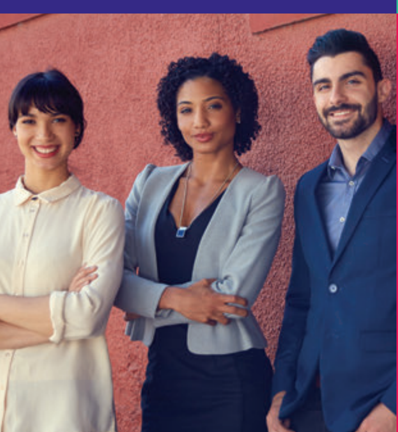
Historically, payroll has had a perception problem. It is invisible. It is spreadsheets and cheques, not people. It is not a career.

Let's work together to change that. We are building our brand so it reflects what the profession actually is.

Payroll is forward thinking

Payroll is strategic

Payroll is $364 billion in statutory remittances



Payroll is multifaceted

Payroll is designation

Payroll is InfoLine

Payroll is the integration of data and insight

Payroll is understanding 200+ regulatory requirements

Payroll is education and training

Payroll is $1.059 trillion in wages

Payroll is events and conferences

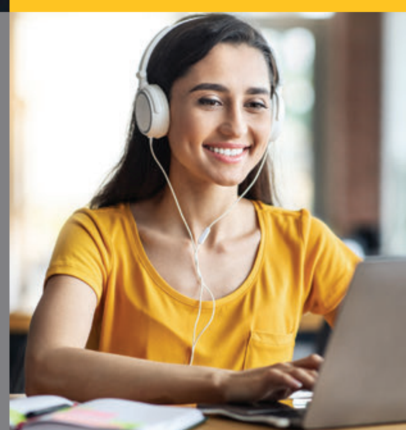
Payroll is thousands of new members each year

Payroll is government partnership

Payroll is part of virtually every business in Canada

Payroll is mitigating risk

Payroll is empowerment



After more than 40 years, the Canadian Payroll Association is changing its name.

Following an extensive process, a new era for payroll in Canada has begun with the introduction of the National Payroll Institute.

The change does not mean that we are abandoning our past. It is an evolution, not a new beginning. We are evolving to meet the needs of our members and the payroll function today and tomorrow. We are evolving because the time is now for payroll to be rightfully recognized as being at the heart of business and vital to business wellness.

We are also setting ourselves apart. We are reframing the profession and showing payroll professionals across the country in a new light. Employees, businesses and government depend on us for specialized expertise, and we deliver. We provide knowledge that businesses need to run smoothly and workers depend on for financial wellness. We provide strategic insights that make legislation more efficient.

We are the National Payroll Institute.

National

We represent every Canadian, every region, celebrating cultural differences and the common threads that bind us together.

Payroll is a national concern that impacts every community in Canada.

Payroll

A profession that requires specialized training and knowledge to support the success of every business.

A vital business function.

The right of every working Canadian.

Institute

A centre of specialized expertise and knowledge.

A leader – the avant-garde.

Where individuals come together for learning and common purpose.

At the **Heart of Business**

The role payroll plays—as a critical business function, as an advisor on business health, as a major economic contributor—positions the National Payroll Institute as an essential ally of payroll professionals, organizations and governments across Canada.

Payroll is critical to the long-term health of every organization, the financial wellness of workers and the strength of our economy—all of whom rely on our members to ensure the timely and accurate annual payment of $1.059 trillion in wages and taxable benefits, and $364 billion in statutory remittances.

With a future-forward focus, the National Payroll Institute continues to invest in new products, services, research and advocacy initiatives to help Canada's 1.5 million employers reduce risk and increase productivity, work alongside governments to shape legislation, and support a profession that transforms business all over Canada every day.

Our new name represents our commitment to continuing to do work that matters. We will remain strategic, connected and community driven at every opportunity. And we will provide the tools, expertise and leadership needed to position payroll at the heart of business.

The National Payroll Institute is the perfect platform for building what's next for payroll. Welcome to the start of something new. ■

Inside the National Payroll Institute's **New Brand**

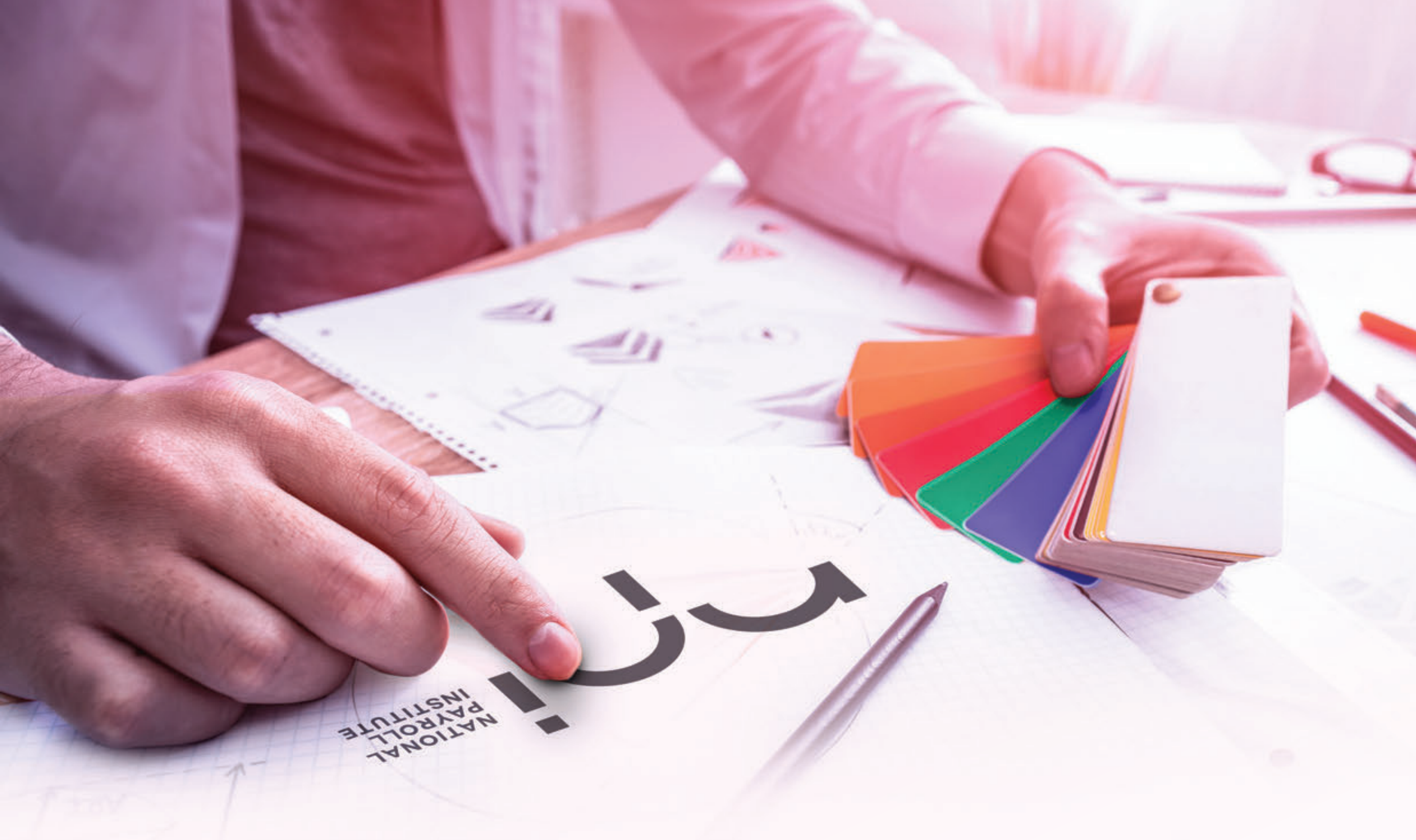
After more than four decades of successful education, advocacy and community building, the Canadian Payroll Association was at a crossroads. Payroll wasn't the same as when the Association was founded in 1978. Today, payroll is a career of choice, designation is a prerequisite and professionals are recognized as essential to business continuity. Today, our members comprise a community of highly trained experts who are at the heart of business.

At the same time, there are tidal forces that we need to respond to in a more comprehensive way. Technology like AI and blockchain, the changing nature of work, government innovations like ePayroll and, of course, ever-changing legislation are all pushing payroll to adapt and evolve more than ever before.

As *the* association for the payroll profession in Canada, it was essential that we evolve as well to help our members meet these challenges and thrive into the future.

To illuminate and build upon this reality, we have become the National Payroll Institute. This change marks a significant evolution in our organization's direction, philosophy and position as a world leader in payroll.

"Deciding to rebrand is never an easy decision for any organization," explains Peter Tzanetakis, President of the Institute. "Some do it because their brand is outdated or stale, while others need to push ahead in a totally new direction. When the Board of Directors determined we should rebrand, the decision was based on the desire to move to a new chapter in the evolution of our organization and our profession, but not necessarily rewrite the book. The main reason for this new chapter is to take advantage of the opportunities ahead of us while setting ourselves apart as a core business function and a rigorous profession."



"The process that led to this decision was thorough, thoughtful and based in strategy," continues Sherisse Mason, Chair of the Institute. "What became clear throughout that process was that while we were proud to be members of the Association, we were collectively so much more than 'just' an association. We offer specialized and vital expertise. We provide knowledge that businesses need to run smoothly and workers depend on for financial wellness. We are the National Payroll Institute—and proudly so."

The **Process**

The entire rebranding process spanned more than a year and was a truly collaborative one. It started with environmental and member research, but it really took shape through member interviews and workshops with the Board of Directors.

"As a Board, we saw the need to take bigger steps to bring the payroll profession to the next level," explains Carolyn Lesyshen, Vice-Chair of the Institute. "So once we had started the conversation, we realized we needed to start our journey upwards now, towards the future growth of our members and this profession."

We considered dozens of different naming options, but what really pointed us in the direction of "National Payroll Institute" was aligning our brand strategy with the consensus that payroll is vital to business wellness. That frame elevated the payroll profession and required that we elevate our brand beyond being a group of professionals, beyond an "association." We needed to emphasize the traits—expertise and professionalism—that bring our members together. We are not just a group of professionals; we are a group of expert professionals. We are truly an institute.

"This new brand represents our current state and future growth," says Lynne Harkness, a Board Director of the Institute. "It states that we are the professional body that will responsibly guide the evolution of payroll and be a trusted source of skills, knowledge and support to the profession. It positions us as a significant force."

Vital to **Business Success**

The National Payroll Institute has a history of innovation—we were the first to deliver professional development programs for payroll professionals, to proactively work with government on payroll-related legislative issues, to offer designations to recognize a commitment to payroll excellence and to compile significant real-world financial data on Canadians through our surveys. We've been able to do this because of our core focus on providing the tools, resources and guidance that will help payroll professionals, employers and government work better.

"Payroll is no longer the back-office function it was once considered to be," says Mark Betcher, Treasurer of the Institute. "Today's payroll professionals are about more than numbers. They are strategic, critical thinkers and vital to their organizations' success. They look to the future and the impacts that changes could have to employees' financial wellness. This is the next step in our evolution, further elevating payroll as an exciting profession and a fulfilling lifelong career."

The new brand reflects both what has changed and the change we want to encourage in the years to come. The role payroll plays—as a critical business function, as an advisor on business health, as contributor to organizational culture—uniquely positions the profession as vital to business wellness. We reduce stress, increase productivity and help businesses run smoothly.

Now more than ever, we are focused on the value we bring to our members, businesses and key stakeholder groups.

Our **Brand Pillars**

Economic contribution

Payroll represents over one trillion dollars in Canadian wages and taxable benefits. We play a critical role in mitigating risk for all businesses, ensuring efficient legislation and representing Payroll as a trusted government partner.

Expertise

We are the centre for payroll knowledge, research and training. From our unique designations to our Payroll InfoLine and compliance resources, we provide the tools and expertise needed to position payroll at the heart of every business.

Community

We are a community of payroll professionals dedicated to advancing the profession. We foster lasting and meaningful connections through our industry-leading events, advocacy initiatives and shared experiences that together move us forward as a profession and as the people that make payroll happen.

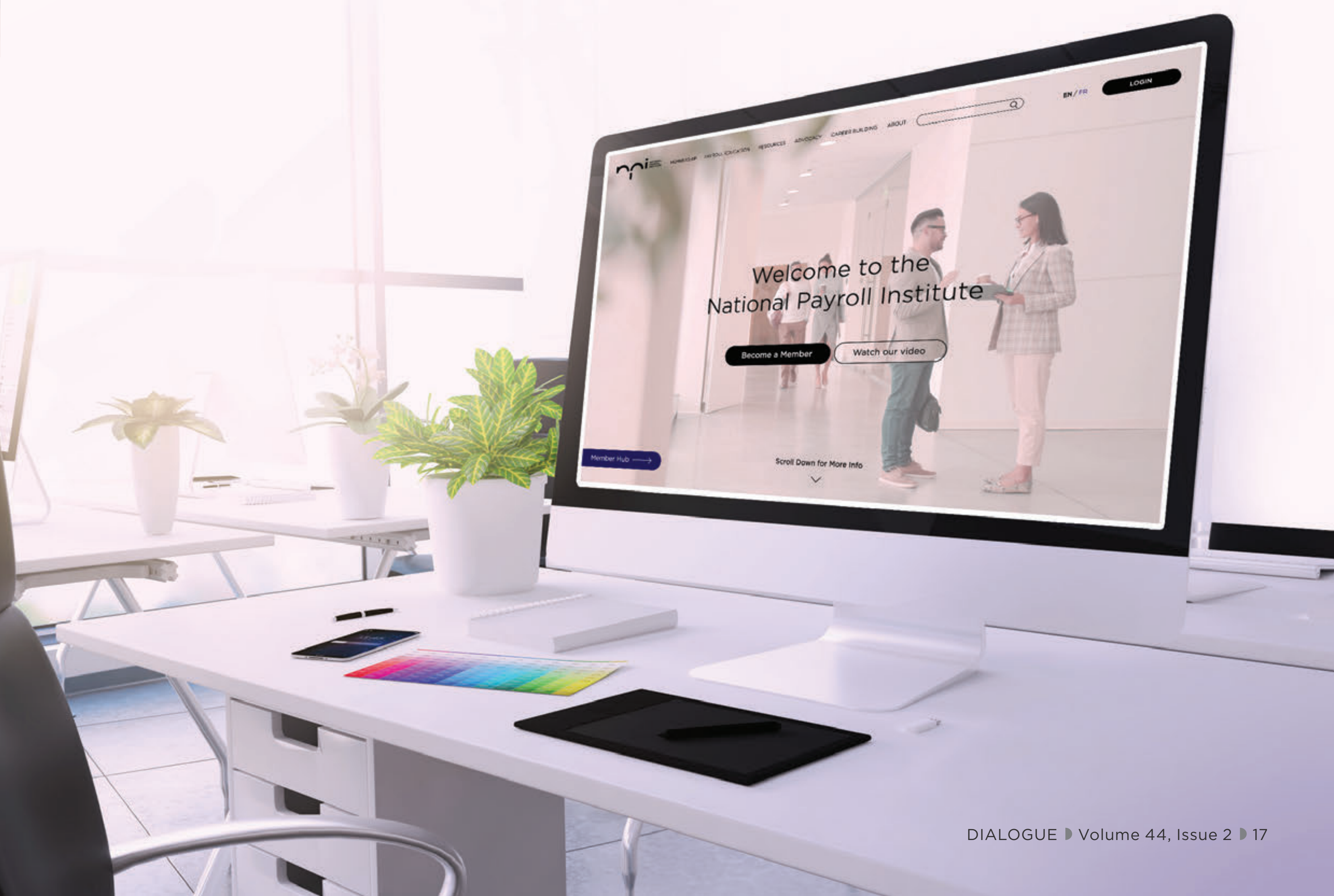
Our **New Logo**

The new logo design is drawn from initialism of the new name and represents the bridging of our past, present and future as we look to elevate payroll, not only as an association, but as a critical function at the heart of every business.

"With a new era upon us, we will enhance our value to you so that you can access the knowledge you need, when you need it, in the format you prefer," explains Tzanetakis. "The Institute will be there every step of the way throughout your entire career journey supporting you with new and exciting resources, whether you are just starting out or looking to land that senior role to propel your career to new heights. No longer will people 'stumble' into payroll. It will be a conscious choice as a rewarding career."

Our new brand is designed to inspire people and organizations alike to think differently about payroll. We're aiming to help payroll professionals be leaders, embrace new challenges and transform business all over Canada. And that's just the beginning.

"Payroll is where strategic insights start," says Mason. "I am proud of all that we have accomplished these past 40+ years. Now, as the National Payroll Institute, we will be more valuable than ever for our members and every employer across the country. Payroll has made significant advances in recent years, and we are here to accelerate that success." ■



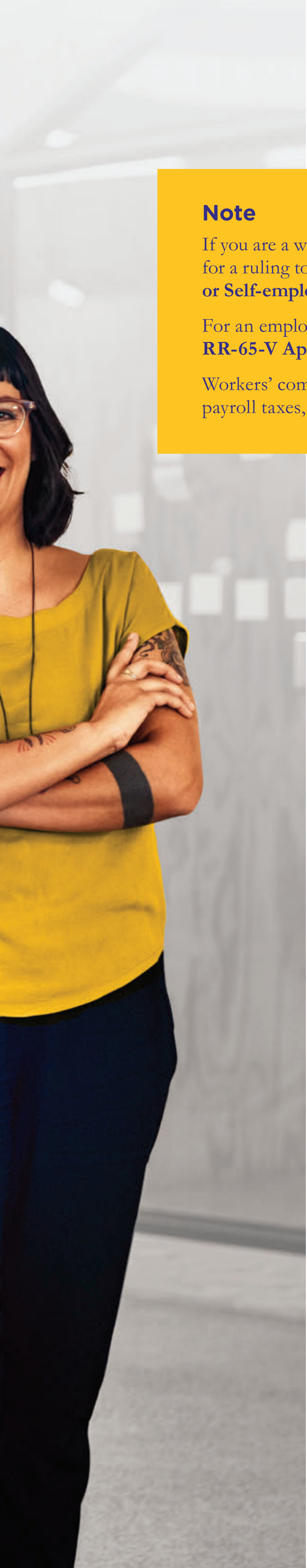
Employee or **Self-Employed:** What's the Difference?

By Laura Angelo, CPM,
Payroll Compliance Advisor
at the National Payroll Institute

One of the more complex payroll issues is determining whether a worker is an employee or a self-employed individual. Increasingly more organizations are choosing to contract out for service rather than hire, so it is essential for you to ensure compliance in this area. Although the differences can sometimes appear insignificant, incorrectly assessing the relationship can result in costly repercussions for your employer and the individual.

Employment status directly affects whether an employer must withhold, remit and report statutory withholdings from an individual's earnings. It also affects an individual's entitlement to employment insurance (EI) benefits and how they are treated under other legislation such as the *Canada Pension Plan*, *An Act Respecting the Québec Pension Plan* and the *Income Tax Act*.

It is not up to the individual you are hiring to determine whether an employee-employer relationship exists. Rather, the facts of the working relationship as a whole determine one's employment status.



Note

If you are a worker or a payer who is not sure of the worker's employment status, you can ask the CRA for a ruling to determine the status by filling form **CPT- Request for a CPP/EI Ruling - Employee or Self-employed?**

For an employer in Quebec, a ruling may be requested from Revenu Québec by completing form **RR-65-V Application for Determination of Status as an Employee or a Self-employed Person**.

Workers' compensation, labour and employment standards, employer health taxes, jurisdictional payroll taxes, and other requirements may employ different criteria to determine subjectability.

Contract *of* Service

A contract ***of*** service is an arrangement whereby an individual (an employee) agrees to work full-time, part-time or casually for an employer for a specified or indeterminate period. That employee may be paid a salary, an hourly rate, commission, piecework or some other form of remuneration. In addition, the employment relationship may be permanent or temporary. The employer establishes a job description and the requirements of the role and evaluates the employee's job performance.

The employer is responsible for deducting Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) contributions, EI and Quebec Parental Insurance Plan (QPIP) premiums, and income tax, as applicable, from remuneration or other amounts paid to employees. The employer must remit these deductions along with its share of CPP contributions and EI premiums to the Canada Revenue Agency (CRA), and QPP contributions and QPIP premiums to Revenu Québec. An employer who fails to do so must pay both the employer's and the employee's share of any contributions and premiums owing, plus penalties and interest.

Contract *for* Service

A contract ***for*** service is an agreement whereby one party agrees to perform specific work stipulated in a contract for another party. This individual is usually required to produce a given result within a set period of time, and the payer is not typically involved in the performance of the work and therefore has no control over it. A person who carries out a contract for service may be considered a contract worker, self-employed person or independent contractor.

As a rule, an employee derives work income principally from the work they carry out for a single employer. In contrast, a self-employed individual provides services to several clients.

Distinguishing a Contract *of* Service from a Contract *for* Service Outside Quebec

The CRA takes a two-step approach to determine if an individual is engaged as an employee or a self-employed individual.

Step 1 › Intent: The CRA will ask if the two parties intended to enter into an employee–employer relationship or business relationship. They will require a copy of the contract or statement from both parties regarding their intentions as part of the audit examination.

Step 2 › Elements of the Relationship: The following chart summarizes the criteria the CRA uses to distinguish a contract of service from a contract for service.

Factor	Employee	Self-Employed
Control	◗ The relationship is one of subordination. ◗ The payer can direct, scrutinize and effectively control many elements of how the work is performed. ◗ The payer can control both the results of the work and the method used to do the work. ◗ The payer can determine what jobs the worker will do. ◗ The worker may receive training or direction from the payer on how to do the work.	◗ The work is done independently and without anyone overseeing how the job is being done. ◗ The worker is usually free to work when and for whom they choose and may provide their services to different payers at the same time. ◗ The worker can accept or refuse work from the payer. ◗ The working relationship between the payer and the worker does not present a degree of continuity, loyalty, security, subordination or integration.
Ownership of tools and equipment	◗ Payer supplies most of the tools and equipment. ◗ The worker supplies the tools and equipment, and the payer reimburses the worker for their use.	◗ The worker provides the tools and equipment required ◗ The worker is responsible for the cost of repairs, insurance and maintenance; and retains the right over the use of these assets.
Subcontracting work or hiring assistants	◗ The worker cannot directly hire helpers or assistants.	◗ The worker does not have to perform the service personally; they can hire another party to complete the work.
Financial risk	◗ The worker is not usually responsible for any operating expenses. ◗ The worker is not financially liable if they do not fulfill the obligations of the contract.	◗ The worker is financially liable if they do not fulfill the obligations of the contract. ◗ The worker does not receive any protection or benefits from the payer.
Responsibility for investment and management	◗ The worker has no capital investment in the payer's business. ◗ The worker does not have a business presence.	◗ The worker has capital investment, manages their staff, can hire and pay individuals to help perform the work, and has established a business presence.
Opportunity for profit	◗ The worker is not in a position to realize a business profit or loss.	◗ The worker is compensated by a flat fee and can move onto the next contract if the work is completed early.

When the CRA examines whether a person is an employee or a self-employed individual in the province of Quebec, they look at the relationship between the worker and the payer using a three-step approach. Please see CRA Guide RC4110 for details in this scenario.

Further Resources

- National Payroll Institute: **Employee or Self-Employed Payroll Best Practices Guidelines**
- Canada Revenue Agency: **RC4110 Employee or Self-employed?**
- Revenu Québec: **IN-301-V Employee or Self-Employed Person?**

Distinguishing a Contract *of* Service from a Contract *for* Service Within Quebec

Under the Civil Code of Quebec

- An employee has a contract of employment, by which they undertake, for a limited period to do work for remuneration, under the direction or control of an employer; and
- A self-employed person is free to choose the means of carrying out the contract. No relationship of subordination exists between them and the client in respect of such performance.

Step 1 ❱ Intent: Both parties' intentions should be well documented in the independent contractor agreement. Without the establishment of clear intentions, payers could be faced with significant fines and penalties should a government agency determine that the worker should have been treated as an employee.

Step 2 ❱ Elements of the Relationship: The following chart summarizes the six criteria used by RQ to distinguish a contract of service from a contract for service.

Factor	Employee	Self-Employed
Subordination in the performance of work – This is the *most important* criterion and may be the crucial factor in determining whether a worker is an employee or is self-employed.	• The relationship is one of subordination. • The payer can direct, scrutinize and effectively control many elements of how the work is performed. • The payer can control both the results of the work and the method used to do the work. • The payer can determine what jobs the worker will do. • The worker may receive training or direction from the payer on how to do the work.	• The work is done independently and without anyone overseeing how the job is being done. • The worker is usually free to work when and for whom they choose and may provide their services to different payers simultaneously. • The worker can accept or refuse work from the payer. • The working relationship between the payer and the worker does not present a degree of continuity, loyalty, security, subordination or integration.
Ownership of tools and equipment	• The payer supplies most of the tools and equipment. • The worker supplies the tools and equipment, and the payer reimburses the worker for their use.	• The worker provides the tools and equipment required. • The worker is responsible for the cost of repairs, insurance and maintenance; and retains the right over the use of these assets.
Integration of the tasks carried out by the worker	• Tasks carried out by the worker form an integral part of the activities of the employer's business. • The worker derives work income principally from their work for a single employer.	• The services the worker provides to a business are not activities that the business normally engages in. • The worker provides services to a number of clients.
Financial liability	• The worker is not usually responsible for any operating expenses. • The worker is not financially liable if they do not fulfill the obligations of the contract.	• The worker is financially liable if they do not fulfill the obligations of the contract. • The worker may make a profit or incur a loss and is responsible for operating costs
Specific result of the work	• The relationship continues after the completion of specific tasks. • The worker has entered into an agreement to work for a defined period of time.	• The worker is free to determine the method used to achieve the results. • Once the specific task provided for in the contract is completed, the business relationship ends
Agreement between the parties regarding their relationship	• The payer pays the contribution to CNESST on wages paid to the worker. • The worker is eligible to participate in the payer's group insurance plan. • The worker is entitled to payment of severance pay.	• The worker has personal coverage under CNESST. • The worker is not provided employee benefits. • The worker does not receive any protection or benefits from the payer.

Learning Through Change: One Member's Career Journey

Anna Lising, PCP
Pay Specialist
Groupe CH

Payroll is an essential business function in all organizations, appealing to those with a passion for learning and who thrive on challenge and change. It is the ideal profession for ambitious individuals like Anna Lising, PCP.

DIALOGUE spoke to her about her career, her motivations and her lifelong commitment to learning.

Can you tell me a bit about your career path and what led you to the role you're in today?

Anna: I started my payroll career in my early twenties, shortly after graduating from CEGEP in Montreal, when I was hired for an entry-level position at Groupe Dynamite, a global fashion retailer. The role was good, and I gained the basic knowledge and experience in the field.

After returning from maternity leave, I found myself wanting to advance but I did not see that possibility at Groupe Dynamite, so I decided to make a move. It was quite nerve wracking to change employment right after starting a family, but professional growth is very important to me and my next position at Goodfood, one of the biggest Canadian meal kit delivery services, was exactly the kind of experience I was looking for. I was able to learn a lot in very little time and I was even trusted to make decisions on behalf of the payroll department.

Although the two years I spent there were professionally fulfilling, it could be a hectic environment and my work–life balance was lacking. So, in the middle of the pandemic, I decided to move again, and landed in my current role as Pay Specialist at Groupe CH, Quebec's premier sports and entertainment organization, which I love.

I'm glad to have changed roles as much as I did early in my career because now I know what I need and want my professional life to be.

◗ How did you develop this adaptability and comfort with change?

Anna: I am originally from the Philippines. We moved to Canada when I was 12 years old. I would say that moving to a different country, being exposed to a completely new culture, being away from most of my family and having to learn a whole new language (French) helped shape the person that I am today. I learned how to adapt to changing environments and stay optimistic through challenges. I also developed a strong work ethic and desire to seize all opportunities that come my way.

◗ What has been one of the highlights of your career thus far?

Anna: A definite highlight would be the time I spent at Goodfood. Working for a start-up gave me many opportunities to learn on the go, step up to challenges and deliver results. In my two-plus years with them, our payroll team was tasked with implementing a new payroll/ HRIS software. Although it was not a perfect implementation, I am grateful to have that experience. Only through experience do we really learn.

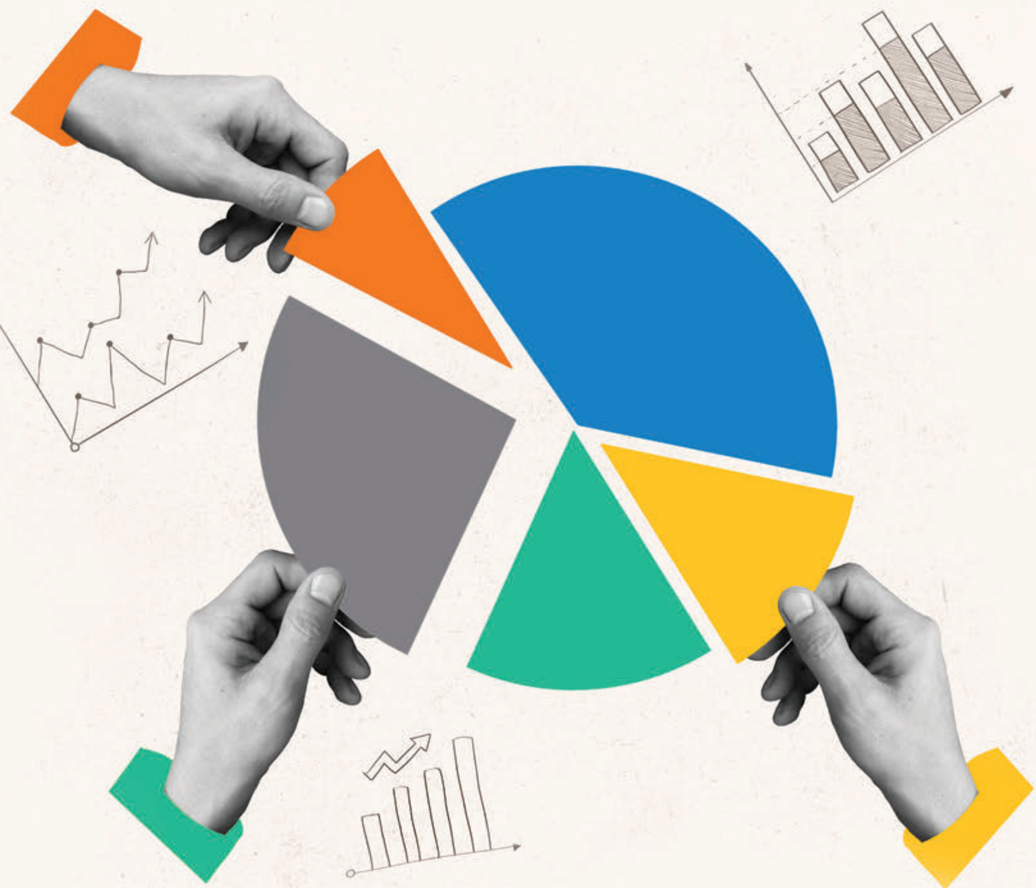
I also completed my Payroll Compliance Practitioner (PCP) designation during that time, which is the best investment I've made for my career and something I am deeply proud of. And the fact that I was able to complete it while performing in an extremely demanding role and raising a family shows that anything is achievable if you are determined.

◗ What advice would you like to leave with your fellow payroll professionals?

Anna: Because we take such pride in what we do and we understand the seriousness of our responsibilities, we tend to be extremely hard on ourselves (speaking from experience). Just do your best and accept that mistakes may happen. Learn from them and keep going.

Also, there is no limit to learning and bettering yourself. It does not matter if it is completing a certificate, taking a class or attending a seminar, what's important is the value that new knowledge brings. ■

"I learned how to adapt to changing environments and stay optimistic through challenges."



The Value Research Adds to Our Work

Research is one of the National Payroll Institute's strategic priorities. It will ensure we remain at the forefront of what is happening in the world of payroll and beyond. All our work—designation programs, member services, government advocacy and more—relies on evidence-based information and insights to inform decisions, and elevate the organization and the payroll profession. This led to the creation of our Research Department in May 2021.

DIALOGUE spoke with Laurence Fourchet, Manager of Research, to find out more.

Payroll is a broad and fast-evolving field. How do you decide which issues are the most important to focus on right now?

Laurence: We began by conducting an audit to identify the key research needs of our organization in 2022 and beyond. Our senior management team played a critical role in determining the research needs and prioritization. Based on our key strategic objectives, we listed the decisions and actions they will be facing where research could make a significant difference in the process, and determined who the key users would be, what they would use the insights for and when the research would be required. Then we proceeded to identify the most important projects for the coming year to support the Institute's achievement of its strategic plan and increase value to our members.

Although priorities may change, we have a clear picture of where to assign resources and when to start the work.

Can you describe some of the projects you are working on?

Laurence: Three of our high-priority projects for 2022 are as follows:

1. **Future of payroll education and skills:** The world of payroll is transforming and payroll professionals need to be prepared for the business landscape of tomorrow. Supporting member career growth with effective education and professional development is a priority for the National Payroll Institute. To do so, we need to collect insights into the payroll market and answer two key questions:
   - What knowledge and skills will tomorrow's payroll professionals need to thrive and provide value to their organizations?
   - How can we help our members develop the required knowledge and skills to advance their careers?
2. **Optimization of our member and stakeholder feedback strategy:** Continuous feedback is critical to inform our strategic objectives, build strong and enduring relationships, and enhance the member experience. Member and stakeholder feedback ensures the work we do, and the support we offer, meets their expectations, solves their problems and fulfills their needs. A more robust member and stakeholder feedback strategy will provide the data and confidence we need to make the right decisions and move in the right direction.
3. **Continuous monitoring of the environment:** As a thought-leading organization, it is critical we stay up to date on changes and trends impacting our industry. To this end, we perform continuous scans of internal and external data sources to uncover insights. What new technologies, market and workforce shifts, and economic and legislative changes are occurring that could affect our industry? This ongoing monitoring allows us to detect potential opportunities, threats, trends and weaknesses that can impact our current and future strategies.

One of the Institute's priorities is effective legislation, regulation and administration of payroll. How does your research support these advocacy goals?

Laurence: The Institute has been involved in a growing number of initiatives designed to raise awareness among government representatives of the critical issues impacting payroll professionals. Our research helps guide the development of informed recommendations to policy makers. Effectively, this means collecting and analyzing high-quality qualitative and quantitative data from a variety of sources and sectors relevant to payroll. Often, staying informed about important industry trends implies looking beyond provincial and national borders.

For instance, when the "right to disconnect" issue was first raised in Ontario, we launched a research project to better understand what the legislation would entail and what the implications might be for payroll professionals. We targeted jurisdictions that had introduced the right to disconnect, such as France, which was the first European country to introduce this right as law. Collecting and distilling quality evidence from research and real-life experience enabled us to make recommendations to provincial government representatives and guide the development of prescribed regulations.

Another good example is employee benefits. Our members have identified taxable benefits as a key pain point, and we actively advocate for taxable benefit simplification and harmonization. To further support our advocacy efforts on issues related to benefits, we will soon launch an in-depth research project to gain a better understanding of the types of employer-provided benefits offered in other countries and how the taxation of employee benefits in Canada compares to that of other jurisdictions. Ultimately, these findings will help us identify opportunities for simplification.

Solid recommendations and decision-making in these and other areas require our leadership team to be as informed as possible. Performing meaningful research helps us analyze all possible outcomes and take the best actions possible. ■

THE RIGHT TO DISCONNECT COMES TO ONTARIO

***By Laurence Fourchet**, Manager of Research, National Payroll Institute*

With the accelerated growth of digital and mobile technologies, some employers may expect their employees to stay connected outside of working hours. Or some workers may feel they cannot ignore after-hours messages.

To ensure labour laws keep pace with technological advancements, the Ontario government passed **Bill 27, Working for Workers Act, 2021**, on December 2, 2021, which includes an obligation for employers with 25 or more staff members to have a written policy for disconnecting from work in place by June 2, 2022. Ontario is the first province to legislate a "Right to Disconnect" in Canada.

As employers in Ontario prepare to meet the policy deadline, many questions remain to be answered: What should the policy include? To whom will it apply? How will it be enforced? To provide some initial guidance, let's consider what France's experience has been with similar legislation.

The Right to Disconnect in France

In 1996, France enacted the right to disconnect to protect employees from being penalized for not checking and answering emails, phone calls and texts after hours (evenings, weekends, vacations, etc.), as French policymakers considered it a health and safety concern. (See section L2242-17 of France's ***Code du travail***.)

The right to disconnect applies to all employees, specifically executives and management staff, itinerant or non-sedentary employees, as well as teleworking employees. It is primarily designed to protect knowledge workers who, unlike a mechanic or plumber for instance, may have very little separation of their home and workplace, and are more likely to have a smartphone that they can consult every day and at any time.

The French law does not specify what procedures employers must implement, and there is no standard or minimum requirement. This means that it is up to each organization (employees and employers) to determine the arrangements that best suit their needs and business operations. There is, however, the obligation for employers to enter into collective bargaining with unions to try to agree on processes governing off-hours connection.

To comply, some organizations prohibit their staff from responding to communications after a certain time of day, while others set up IT systems that block the transmission of emails outside working hours. However, such solutions may be problematic for companies with small workforces, that hire night-time staff or that operate in different time zones.

More Countries Recognize This Right

Other jurisdictions are following in France's footsteps. Several other countries in the European Union passed legislation providing a framework for the right to disconnect (Belgium, Italy and Spain), while others have adopted specific measures as part of a telework law (Czech Republic, Lithuania and Poland). Portugal introduced legislation that employers have the duty to refrain from contacting workers during their rest period, except in situations of force majeure, and Ireland brought in a code of practice on the right to disconnect for all workers, where complaints can be brought to a workplace dispute board. In Germany, while there is no legal right, several multinationals have policies in place.

The right to disconnect may soon become the norm in Europe. In January 2021, the European Parliament passed a resolution in favour of the right, calling on the European Commission to draw up a directive on the issue.

> *"Blanket rules would not take into account the unique circumstances of each organization."*

No One-Size-Fits-All Policy

Whether the right to disconnect is established in a code of conduct or enforced by law, there are certain practical challenges that employers must face. A one-size-fits-all policy, especially with measures such as blocking access to email accounts after working hours, may be detrimental, as it does not take into consideration the flexibility that some employees may want or need. It may also prevent organizations from building a more diverse workforce, as they may not be able to meet the needs and expectations of different groups. In addition, blanket rules would not take into account the unique circumstances of each organization, such as the types of workers, business activities and office locations.

While we wait for specific guidance from the government, employers with 25 or more employees in Ontario may wish to start considering what a "Disconnect from Work" policy will look like for their organization. This would also be good practice for employers in other Canadian jurisdictions if this trend catches on like it has in Europe. ■

Fostering a **Positive Workplace Culture:** Exploring the Six Key Elements

***By Johanna Van Bilsen**, Learning & Development Specialist at MaxPeople*

In a time when many employees can easily feel disengaged and disconnected from company culture, it is more important than ever for employers and leaders to truly understand how to foster a strong workplace culture that is meaningful and resonates with their people.

Workplace culture is the character and personality of your organization. It's the combination of values, traditions, beliefs, interactions and attitudes that influence the behaviour of its members at all levels. A positive corporate culture is one that not only engages and motivates employees, but also boosts a company's bottom line.

Here are six key elements of workplace culture.

1. **A strong vision statement** that is authentic to the work being done. This helps orient employees, clients and suppliers to the purpose and direction of the organization, while inspiring trust and engagement.

2. **Values** are the guidelines that establish the necessary behaviours and mindset needed to make the vision a reality. Weave values into performance management evaluations, provide feedback on how to live the values, tie values to recognition measures, ensure visibility of values in your organization and incorporate values into common language used by all staff.

3. **Practices, procedures and policies** are how the vision and values are ingrained in and supported by everyday life. They ensure everyone is working from the same playbook. Assess practices, procedures and policies through an equitable lens to ensure they are fair for everyone and are not underpinned by discrimination or inequality.

4. **The organization's history** tells the company's journey and reinforces the workplace culture. In order to know where the company will go, it is important to know where it came from, who helped get it off the ground and why, and key milestones that led to where we are today. Do your people know the key events of your organization's history?

5. **Environment** is the physical aspects of a workplace, both virtual and in person. This has a direct impact on the employees' productivity, health and safety, comfort, concentration, job satisfaction and overall morale. An unsafe or unfavourable workplace environment leads to stress, errors, injuries, distractions and decreased performance.

6. **People** are what bring your culture to life. As Simon Sinek says, "You don't hire for skills, you hire for attitude. You can always teach skills." Ensure you take the time to find the right talent who hold similar values and can add to your workplace culture in a positive way.

Engage People with the Why

At a time of labour shortages, fierce competition for talent and a workforce who are reconsidering their perspective on work–life balance, it is essential to foster a culture that will enable you to retain and attract top talent.

Your employees likely know what your organization does and how it does it, but do they know the "why." Why does the company exist and why should they want to be a part of it? This is the time to reinforce with your people the "WIFM?" (What's in it for me?).

Typically, our minds go to salary first, but is that really what is going to make people stay through thick and thin? While competitive salaries are essential, we know employees are looking beyond pay to find employers that have their wellbeing at heart.

Next, we think of perks and benefits. These are nice to have, but if they are not seen as added value by your people, it will not make a difference in your retention efforts. It is key to select options that help your people achieve their personal and professional life goals. When we support our peoples' ability to achieve their needs and aspirations, they will bring their most focused and productive selves to work in return.

Lastly, we know employees want opportunities to do great work and become more efficient, capable contributors. As employers and leaders, you can benefit from investing in your people's development by creating a rich source of talent internally that can be leveraged as your business and human capital needs evolve. Be sure to utilize a variety of development tools, such as stretch opportunities, cross-functional training, educational funding, coaching, learning portals and mentorship programs.

You and your team can intentionally create an atmosphere where great work can be done if you take the time to consider your workplace culture, and what speaks to your people, your clients and your vision for the organization. ■

*Johanna Van Bilsen is a Learning & Development Specialist at MaxPeople (***maxpeoplehr.com***), an HR consulting firm specializing in HR, Training, Recruitment and Employment Law services.*

For more information, join us for MaxPeople's upcoming webinar, "Creating a Culture of Learning: Three Key Levers," on April 12. Register at: **payroll.ca**

Honour Roll

The National Payroll Institute wishes to recognize and congratulate the professionals who recently achieved the designations of Certified Payroll Manager (CPM), Payroll Compliance Practitioner (PCP) and Professionnel de la paie du Québec (PPQ).

CERTIFIED PAYROLL MANAGER CPM

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Deepali Batra, AB
Michelle Bauza, ON
Nadia Bergen, BC
Paula Box, ON
Michele Brooker, BC
Olawale Dawodu, AB
Patricia DeBellis, ON
Valerie Dunlop, ON
Erin Dyck, SK
Nicole Fairbrother, ON
Jenna Fanjoy, AB
Nimpha Felipe, ON
Jennifer Guzman, ON
Denis Hui, BC
Anita Juricic, AB
Joshua Kantor, BC
Darby Kapler Brown, AB
Rebecca Kayumba, SK
Namhyung Kim, BC
Tanya Ladouceur, AB
Guanghui Lin, BC
Melodie Lindsay, NB
Kevin Loxley, ON
Renée McCullough, AB
Thusy Mohan, ON
Tahereh Mozafar, ON
Yasuyo Nakagawa, AB
Lori Nielsen, AB
May Ng, BC
Amber Parsons, AB
Darwin Paynor, AB
Maria Pinto, ON
Wendy Posteraro, ON
Sri Harmani Prajitno, BC
Shui Qiu, BC
Tamika Quashie, ON
Olga Mykolayivna Saranchuk, ON
Olga Senko, BC
Onica Slater, QC
Mary Solomon, BC
Trevor Sorrell, SK
Mary Spencer, AB
Lin Su, ON
Hiroko Swallow, AB
Cinthya Tasayco, BC
Yu Mei Wang, BC
Erica Warford, NL
Nicola Wood, BC
Fang Yang, ON
Xin Zhang, BC
Yan Hong (Ruby) Zheng, BC
Yanhong Zhu, ON

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Biruk Addis, ON
Irrum Aleem, ON
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Trina Anderson, AB
Justine Andres, MB
Loreta Ano, AB
Saadia Ansari, ON
Warnika Ariyapala, ON
Mandi Arthur, ON
Sagar Ashara, AB
Pejman Ataee, BC
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Dimuthu Balamanage, MB
Marc Balocating, AB
Sarah Bhairo, ON
Jasmine Bhasin, BC
Amanda Bisnauth, ON
Jenny Britten, MI
Esther Omowunmi Bode, BC
Edelyn Caballero-Walker, ON
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Zeyuan Cao, MB
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Ching Kie Chan, ON
Tiffany Chan, ON
Jie Chen, BC
Tao Chen, BC
Caitlin Chin, BC
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Emily Clark, ON
Lynette Clarke, ON
Edwin Co, AB
Olesea Corcescu, AB
Krystel Cruz, ON
Noah Dairo, SK
Richard Daniell, ON
Dipa Dasgupta, AB
Jessica De Los Rios, ON
Charmaine Desai, ON
Amanda DiRado, QC
Jean-Paul Doucette, ON
Zachary Drake, ON
Jennefer Driver, ON
Penny Dufresne, AB
Nicole Dyck, BC
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Hailey Elliott, ON
Candace Ennis, NL
David Ermeta, ON
Sam Esfandiari, BC
Joeylyn Espino, AB
Marlo Fabian, BC
Jianhu Fei, BC
Lei Feng, ON
Candice Fleming, BC

PAYROLL COMPLIANCE PRACTITIONER

PCP

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Teresa Fuller, AB
Lynne Gamache, AB
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Jelissa Queiroga, AB
Rahmawati Rahmawati, ON
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Tabitha Reed, ON
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Bindhu Teka Vedu, ON
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Anna Rivest, QC