

Payroll: Getting Started

Payroll has a lot of steps. This handout helps you get started.

Step 1: Determine Employment Terms & Conditions

Employees must be paid, hired, and terminated in accordance with your province's [Employment Standards](#).

This includes minimum rates of pay, statutory holiday compensation, and overtime requirements. Employment contracts (which are a great idea) signed by employees do not override these basic rights.

Step 2: Have Your Employee Complete TD1 Employment Forms

TD1 Personal Tax Credit Returns are a mandatory part of payroll.

The good news is that they help you gather basic payroll information from your employee such as date of birth, legal name, SIN, and mailing address along with their tax credit information.

Access the federal and provincial versions of these forms [here](#). A quick tip: you'll need both!

Step 3: Pick a Pay Period

Under most employment standards, an employee needs to be paid at least twice a month (if they have worked) and the pay period cannot be longer than 16 days.

Pay period options include weekly, biweekly (every two weeks), and semi-monthly (i.e. 1st/15th of each month).

When picking a pay period rotation, determine what is most convenient and viable for you and your business.

Step 4: Sign up for a CRA Payroll Account

1. Gather your **personal information**: name, social insurance, date of birth, and the postal code filed on your last personal income tax return.
2. Gather your **business information**: legal name, business number (if you already have one), mailing address, names and SIN of all owners, incorporation documents if applicable, and a description of your major business activities along with your year-end date. Then consider your payroll details:
 - The date employees will receive their first wages (if known)
 - The months you anticipate payroll to be applicable (for a seasonal workforce)
 - Your preferred pay period type (i.e. weekly, biweekly, semi-monthly)
 - Your estimated number of employees
 - Your payroll service provider name (if any)
3. Then sign up for a CRA payroll account via:
 - a. **Business Registration Online (BRO)**: <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/registering-your-business/bro-register.html>
 - b. Or **Call the CRA**: [1-800-959-5525](tel:1-800-959-5525). Anticipate some time on hold 😊.

How do you know you've registered correctly? You'll receive a payroll number which is a nine-digit code that has RP0001 at the end. For example, 1234 56789 RP0001.

We hope this handout was helpful! Don't forget to check out all our payroll videos and handouts 😊.