

Payroll: How to Use the CRA Online Payroll Calculator

Using the CRA Payroll Calculator can be daunting. This handout makes it easier.

The CRA online payroll calculator is available here (<https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/payroll-deductions-online-calculator.html>).

1. Review the information, scroll down, and select **I accept**
2. Select **Salary** for most payroll including hourly, piecework, and most commission pay structures.
3. Enter your **employee's name** and your business/**employer name** along with the **province** of employment, and the **pay period frequency**. Then set the **date the employee is paid** as your pay period end date.
4. Enter the total pay due your employee including any statutory holiday (stat) pay and overtime pay in the **Salary or wages income per pay period** box. Review your [employment standard](#) requirements if you need more information on pay requirements.
5. Enter any vacation pay mandated by your province's [employment standards](#) into the vacation pay box.
6. Review the remaining options for extra payroll considerations, most won't apply in basic employment situations. Scroll down and select **Next**.
7. Complete the **TD1 Federal and TD1 Provincial Tax Credit Return** amounts along with any **requested additional tax deductions** according to your employee's choices on their [TD1 forms](#). Most of the time no changes are required. These forms should be completed by your employee when they are first hired and annually every December 31st.
8. Scroll down to the **Canada Pension Plan (CPP)** section. CPP is exempt if your employee is under the age of 18, over the age of 70, or has provided you with an [opt-out election](#) once they've turned 65. Their birthday is available on their [TD1 forms](#). Next, enter the **pensionable earnings** (i.e. total wages) and **CPP contributions** your employee has paid to date based on your previous payroll calculations for them.
9. Scroll down to the **Employment Insurance (EI)** section. EI is exempt in [close family relationships](#) where the employee is receiving unusual treatment. Enter the **insurable earnings** (i.e. total wages) and **EI premiums** your employee has paid to date based on their previous paychecks with you.
10. Scroll down and select **Calculate**.
11. Pay your employee **Net amount** detailed part way down the page.
12. Then select the **View results in PDF** button and provide this to your employee as their pay stub.
13. Finally, select the **View combined results in PDF** button and (please) keep this for your payroll records.

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