Non-Resident Payroll Checklist

Canadian payroll for foreign owned corporations | Open Corporation For $35

1. Before the first pay run

- ☐ Confirm the corporation has a Business Number (BN).
- ☐ Open a CRA Payroll (RP) account against that BN.
- ☐ Appoint an authorized representative if you are outside Canada.
- ☐ Confirm the province each employee will physically work in.

2. Collect from every person paid

- ☐ Social Insurance Number (SIN).
- ☐ Signed federal TD1 and the provincial TD1 for their province.
- ☐ A written contract setting out the role and the terms.
- ☐ Proof of residency status where an exemption will be claimed.

3. Settle the classification

- ☐ Decide employee or independent contractor on how the work is actually controlled.
- ☐ Employees: source deductions and a T4 slip.
- ☐ Contractors: Part XIII withholding and a T4A-NR slip.
- ☐ Record the reasoning in writing before the first payment.

4. Set the deductions

- ☐ Income tax per the TD1 forms and the province of employment.
- ☐ CPP at 5.95% each side on earnings up to $68,700.
- ☐ EI at 1.63%, multiplied by 1.4 for the employer share.
- ☐ Ontario EHT if total Ontario payroll exceeds $490,000.

5. Apply for relief in advance

- [ ] Form RC473 for Non-Resident Employer Certification, if employees are on temporary assignment.
- [ ] Allow four to six weeks and apply before the assignment starts.
- [ ] Social security agreement certificate where the home pension plan continues.
- [ ] Do not apply any exemption until CRA approval is received.

6. Remit on time

- [ ] Confirm your remitter type with the CRA.
- [ ] Regular remitters: within three business days after month-end.
- [ ] Quarterly remitters: within one month after quarter-end.
- [ ] Hold a Canadian bank account so payments are not delayed in transit.

7. Year-end filings

- [ ] T4 slips and T4 Summary for employees.
- [ ] T4A or T4A-NR slips for contractors and non-resident payments, by February 28.
- [ ] Record of Employment when anyone leaves.
- [ ] T2 corporate return within six months of the fiscal year end, even if nil.

Want this handled for you?

Book a free consultation at gondaliyacpa.ca/consultation or email info@gondaliyacpa.ca