

Ontario Payroll Compliance Checklist

For Small Businesses in Ontario

Getting payroll right isn't just about paying your team, it's about staying compliant and protecting your business. This checklist gives you everything you need to stay on track.

Step 1: Get a Business Account Number (BN)

- Register for a [Business Account Number \(BN\)](#) if you have not already
- Gather the [required documentation](#) for payroll account set up
- Register for your [payroll account](#) online
- After registration, you may receive a remittance form; default remitter schedule is monthly unless CRA specifies otherwise

Step 2: Register For Applicable Employer Tax Accounts

Employer Health Tax (EHT)

Across Canada, certain provinces require employers to pay a payroll tax that supports health services. The registration thresholds vary, confirm what applies in your province.

- Determine if you're required to pay [EHT](#)
 - If yes, and your annual payroll is expected to exceed the yearly exemption (currently 1M), you'll need to [apply here](#).
 - If associated with another business, [special conditions apply](#).
- Review [rates and important dates](#) that affect EHT calculations and deadlines

Workers Compensation (WSIB)

All provinces and territories have a workers' compensation board or commission that provides no-fault insurance for employees who are injured on the job.

- Use this [checklist](#) to determine if you are required to register for a WSIB account
- Gather the [business information](#) required for signing up for WSIB online services
- Sign up for a [WSIB online services](#) account

Step 3: Set Up Your Payroll System

- Choose a payroll system to meet your needs (See [Step 4](#) for what it should handle)
- Set your pay schedule: weekly, biweekly, semi-monthly, or monthly
- Sign necessary authorizations required (eg. banking/billing, [ROE SAT](#))
- Have employees complete and return [TD1](#) and [TD1BC](#) forms

Step 4: Calculate Payroll Taxes

Ensure your payroll system can calculate, deduct, and remit the following:

- Federal Income Tax
- Canada Pension Plan (CPP/CPP2) contributions
- Employment Insurance (EI) premiums
- Provincial Employer Taxes (ex. WSIB/EHT)
- Additional deductions such as RRSPs, third-party benefits, etc.

Step 5: Manage Important Payroll Requirements

Statutory Holidays

- Determine applicable Statutory Public Holidays for Ontario
- Review Statutory holiday entitlement requirements for your employees
- Understand Statutory holiday calculations for your employees

Overtime Rules

- Determine how overtime is calculated

Minimum Wage

- Minimum wage rates in Ontario are \$16.20 per hour for students and \$17.20 per hour for general wages.
- Understand the roles and industries with ESA exemptions and special rules

Vacation Pay

- Understand the different definitions of vacation pay and vacation time
- Determine which wages to include in vacationable earnings
- Determine how to calculate vacation pay based on length of employment

Termination Notice

- Determine eligibility for termination notice or pay in lieu
 - Note: Severance pay is not the same as termination pay, which is given in place of the required notice of termination of employment
- Understand your deadline for paying final wages
- Determine how to calculate termination pay.
- For group terminations of 50 or more employees, please see here

Want Payroll Simple and Stress-Free?

Wagepoint helps small businesses across Ontario stay compliant, save time, and avoid penalties — all with friendly support and simple software.

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