

# Hiring your First Employee

*Overview and Facts*



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# Introduction

Hiring your first employee may be your next step towards growing your business. Question is: where do you start? This handout will cover all you need to know about the process of hiring your first employee, from Payroll and WSIB to proper interview questions or how to post your job listing. TBC, YES Employment, and Grant Thornton have partnered to create this handbook to help you understand what you need to know before hiring your first employee.

## Setting up Payroll/Keeping Payroll Records

If your business is unincorporated the owner(s) is/are not included in the payroll.

It is mandatory to withhold Canadian Pension Plan (CPP), Employment Insurance (EI), and Income Tax from the payroll - the amount of deductions is based on gross income of the employee and tax tables provided by the Canada Revenue Agency.

You must also complete a T4 for every employee on a calendar year basis, and a Record of Employment (ROE) each time an employee leaves.

The rules on payroll are constantly changing; make sure you are up to date on the regulatory changes to ensure that your payroll is submitted correctly and within legal requirements.

## Setting up Payroll with the CRA

A Payroll Account must be set up with Canada Revenue Agency (CRA). You can register your business with the CRA by going online to this link: <https://bit.ly/2MJQntJ>

Once on the website you can follow the instructions given to set up the business with the CRA and acquire a Business Number (BN) as well as set up a system for Payroll deductions. This system is called a Payroll Program Account.

You have to register for a payroll program account before the first remittance due date. Your first remittance due date is the 15th day of the month following the month in which you began withholding deductions from your employee's pay, unless the CRA tells you to remit using a different frequency.

If you would rather register your business over the phone you can call the CRA at 1-800-959-5525 and a representative will help you through the process.



## Deadlines to Submit Payroll are as Follows:

- January 15th is last payroll remittance.
- February 28th/29th - T4s and Summary
- January 31st - WSIB

## Deadlines for Personal Tax Returns:

- April 30th - Final tax payment and tax return, if not self-employed.
- June 15th - Tax return, if self-employed.

## Employer's Responsibility for Payroll:

- Open and maintain a payroll program account with the CRA (see page 2 in the document to learn how to set one up).
- Obtain and keep on file all employees' social insurance numbers.
- Acquire completed TD1 forms from all employees.
- Deduct CPP, EI, Vacation Pay and Income Tax from all wages paid out.
- Employer's contribution must also be calculated and remitted to the CRA (CPP is matched with Employee's deduction, and EI has a changing percentage rate based on employee's gross earnings).
- Complete T4s on an annual basis.
- Complete Records of Employment, when or if required.
- Keep records and provide them to the CRA, when requested (keep all records for 7 years after the day last used).

## Statutory Holiday Pay

Full-time employees will receive their regular full-time wage for statutory holidays; part-time employees are paid based on a calculation that changes with legislation. Keep up to date with the calculation to ensure that part-time employees are paid appropriately for statutory holidays. The calculator for Ontario Holiday pay can be found here: <https://bit.ly/2DEgK9E>

## Additional Information on Deductions

- CPP and EI are deducted off all employees between 18 and 70 years of age.
- Self Employed individuals & business owners as well as immediate family may be exempt from payroll deductions.
- Provincial and Federal income tax deductions are based on the completion of the TD1.
- Vacation Pay must be payed out at its current rate to employees either each pay or periodically, and payment with each pay must be in writing on pay stub.
- Pay advances are not subject to deductions, however bonuses, retroactive pay increased or irregular amounts are all subject to normal deductions.

# Workplace Safety Insurance Board (WSIB)

WSIB is insurance to provide wage replacement for someone who gets injured on the job. The cost is based on gross wages to employees and payments to contractors without WSIB, multiplied by the rate for the group (the group rate is determined by industry).

WSIB is usually optional for the owner of the business. However, under current legislation, independent operators, sole proprietorships, some partners and executive officers who work in construction are required to have WSIB coverage. Not all industries require WSIB as there are some industries that are exempt. Call WSIB to ask what your industry's group rate is or if your industry is required to obtain WSIB for employees. WSIB's phone number is 1-800-387-0750 or 1-416-344-1000.

## Do you need to register with the WSIB?

Most businesses in Ontario that employ workers (including family members and sub-contractors) must register with the WSIB within 10 days of hiring their first full-time or part-time worker. Registering with the WSIB provides workplace insurance coverage for all of your workers and gives you access to experts in health and safety for your business sector. There are a few industries that do not have to register. These include:

- Banks, trusts, and insurance companies
- Computer software developers
- Private health care practices (such as those of doctors and chiropractors)
- Trade unions
- Private day cares
- Travel agencies
- Clubs (such as health clubs)
- Photographers
- Barbers, hair salons, and shoe-shine stands
- Taxidermists
- Funeral directing and embalming

Even if your company is in one of these categories, you can still choose to insure your workers through the WSIB.

## Insurance and Bonding

Once you hire an employee you will want to check with your business insurance provider to ensure you have the appropriate coverage.



Companies bond employees to protect against employee theft and dishonesty. Bonding provides the company with compensation in cases of property loss due to the acts of an employee. When employees have access to money or valuable property, bonding protects the organization. Contact your insurance provider for more information.

As an employer you may also consider group health benefits which may include dental, prescriptions, disability insurance, critical illness insurance, healthcare and wellness spending accounts, and Group RRSPs - how much and what you want to offer will be up to you.

## Employment Standards Act/Ministry of Labour

### Occupational Health and Safety Act

- Regardless of the type of business you operate or how many workers you employ, there are important rules and regulations you need to know under the Occupational Health and Safety Act (OHSA)
- As an employer in Ontario you have a number of obligations including the duty to instruct, inform, and supervise your workers to protect their health and safety.
- The key goal of the OHSA is to protect the health and safety of workers by preventing workplace illness and injury.
- The Ministry of Labour has exclusive authority for enforcement of the Occupational Health and Safety Act.
- Ministry of Labour Health and Safety Inspectors have the power to inspect any workplace, investigate any potential hazardous situations and work refusals, order compliance with the Act, and can recommend prosecution to the Ministry's Legal Services Branch.

### Employment Standards Act

- The Employment Standards Act (ESA) sets out rights for employees and requirements that apply to most workplaces in Ontario.
- Employment standards are enforced under the Employment Standards Act, 2000 (ESA) which sets out the minimum standards that employers and employees must follow.
- The Ministry of Labour, through its Employment Standards Program:
  - Enforces the ESA and its regulations.
  - Provides information and education to employers and employees, making it easier for people to understand and comply voluntarily.
  - Investigates Possible Violations.
  - Resolves complaints.



- Employment Standards Act defined standards such as, but not limited to:
  - Overtime Pay
  - Hours of Work
  - Minimum Wages
  - Vacation Time and Vacation Pay
  - Public Holidays
  - Leave of Absence
  - Termination Notice and Pay

Employment Standards (ES) officers visit businesses across Ontario 'proactively', even if no complaint has been filed by an employee. Officers usually provide advance notice of an intended visit. They will review your records and speak to you and your employees. If there are issues of non-compliance they will discuss these with you and, depending on the nature of the violation, they may provide an opportunity to correct them. ES Officers may also issue orders to pay tickets or lay charges; courts may impose fines.

Employment Standards Information Centre: 1-800-531-5551

Call this number and they will explain your rights and responsibilities as an employer (this is not legal advice).

There are special exemptions under specific industries under the ESA, see the following website if your industry has any special rules and exemptions:

<https://www.ontario.ca/document/industries-and-jobs-exemptions-or-special-rules>

## Employment Contracts

It is important to understand the difference between what defines an employee or an external contractor. The CRA considers the following when it comes to the definition of contractors vs employees:

- Who sets the hours of work? If the employer has a schedule that the worker must work, they will be considered an employee.
- Who provides the tools? If the employer is providing the tools for the job, then the worker will be considered an employee.
- Who pays for insurance coverage for the job? If the employer pays the insurance for the job then the worker will be considered an employee.
- Does the worker have the ability to hire their own assistant? If the worker can hire their own assistant with their own funds they will be considered a contractor.
- Does the worker have the ability to profit from a job? If the worker can generate a profit from the work done, then they will be considered a contractor.



# Employment Policies/ Creating an Employee Orientation Manual

Check the following link for a guide on essential Human Resources (HR) policies that are required by law as well as some that are highly recommended for all institutions to have: <http://firstreference.com/whitepapers/11-HR-policies-required-by-law.pdf>

For an example of a Canadian employee manual template see the following link: <https://bit.ly/2G7F3Rt>

## Creating a Job Description

### How to Write a Job Description

Crafting a compelling job description is essential to helping you attract the most qualified candidates for the position. Your position descriptions are where you start marketing your company and your position to your future hire.

The key to writing an effective job description is to find the perfect balance between providing enough detail so candidates understand the role and your company while keeping your description concise. Job descriptions between 700 and 2,000 characters get up to 30% more applications (Indeed.ca, 2019).

### What is a Job Description?

A job description summarizes the essential responsibilities, activities, qualifications, and skills required for a role. This document also describes the type of work performed.

A job description should include important company details - company mission, culture and any benefits it provides to employees. It may also specify to whom the position reports and salary range.

An effective job description will provide enough detail for candidates to determine if they are qualified for the position.

### Job Title

Make your job titles specific. Targeted job titles are more effective than generic ones, so be precise by including key phrases that accurately describe the role.

Avoid internal lingo that may confuse the job seeker. Stick to standard experience levels like "Senior" rather than an organizational or government title such as "VI" or other terms people are less likely to look for.

## Job Summary

Open with a strong, attention-grabbing summary. Your summary should provide an overview of your company and expectations for the position.

Hook your reader with details about what makes your company unique. Your job description is an introduction to your company and your employer brand. Include details about your company culture to sum up why a candidate would love to work with you.

Include an exact job location to optimize your job posting so it appears higher in job search results.

## Responsibilities and Duties

Outline the core responsibilities of the position. Make sure your list of responsibilities are detailed and concise. Also emphasize the duties that may be unique to your organization. For example, if you are hiring for an "Event Management" role and the position requires social media expertise to promote events, include this detail to ensure candidates understand the requirements and can determine if they are qualified.

Highlight the day-to-day activities of the position. This will help candidates understand the work environment and the activities they will be exposed to on a daily basis. This level of detail will help the candidate determine if their role and the company are a good fit, helping you attract the best candidates for your position.

Specify how the position fits into the organization. Indicate who the job reports to and how the person will function within your organization, helping candidates see the bigger picture and understand how the role impacts the business.

## Qualification and Skills

Include a list of hard and soft skills. Of course, the job description should specify education, previous job experience, certifications and technical skills required for the role. You may also include soft skills, such as communication and problem solving, as well as personality traits that you envision for a successful hire.



Keep your list concise. While you may be tempted to list every requirement you envision for your ideal hire, including too many qualifications and skills could dissuade potential candidates.

For example job descriptions for specific positions see Indeed's extensive list here at the bottom of the page: <https://indeedhi.re/2eLFH7K>

## Best Places to Advertise a Job Posting

Now that your job description is complete, it is now time to post it. Here are some of the best places to post your job description for free in your community:

- Bulletin Boards at local colleges and employment agencies;
- Yes Employment - [Yesnorthbay.com](http://Yesnorthbay.com);
- Coffee shop bulletin boards;
- Local Job Bank;
- Post a flyer in company vehicle windows;
- Post flyers at all your physical job sites;
- Search for free local classified sites;
- Job/Career Fairs.

When advertising your job posting you cannot ignore online options as well. Here are some of the best options to consider:

- Indeed - Free and Paid Options;
- Glassdoor - Free and Paid Options;
- Google for Jobs - Free Job Postings;
- CareerBuilder - Paid/ Starting at \$219.00/month;
- Eluta - Paid/ Starting at \$199.00;
- Workopolis - Paid/ Starting at \$99.00;
- Monster.ca - Paid, starting at \$299.00;
- LinkedIn Canada - Paid (Rates Vary);
- Local Municipal or Chamber of Commerce job pages - Free and Paid Options.

## Interview Process

When developing interview questions, consider these three rules:

- Ask only information that will serve as a basis for the hiring decision;
- Know how the information will be used to make the decision;
- Do not ask for information that will not or should not be used to make hiring decisions.

The following is a list of potential example questions that you could ask during the interview process:



## Background Review

- Discuss/determine skills and level of experience related to (position title). (Insert Specific Questions).
- Which skills have you acquired in your present or previous positions that make you competitive for this position?
- What do/did you like best about that position? What do/did you like least?
- Which accomplishments in your present position are you proud of and why?
- Why are you planning to/did you leave that position?

## Initiative

- In your past experience, have you noticed any process or task that was being done unsafely (incorrectly)? How did you discover it or come to notice it?
- Can you think of some projects or ideas (not necessarily your own) that were carried out successfully primarily because of your efforts?

## Stress Tolerance

- What pressures do you feel in your job? How do you deal with them?
- Describe the highest pressure situations you have been under recently. How did you cope with them?

## Planning and Organizing

- What is your procedure for keeping track of items requiring your attention?
- We have all had times when we just could not get everything done on time. Tell me about a time that this happened to you. What did you do?

## Technical and/or Position Specific

- Describe your experience with the following tools and equipment (interviewer, list job related tools).
- On a scale of one to ten, ten being you are a perfect technical match for this position, where would you rank yourself?

## Work Standard

- Describe the time you worked the hardest and felt the greatest sense of achievement.
- Tell me about a time when you weren't very pleased with your work performance. Why were you upset with your performance? What did you do to turn around your performance?



## Teamwork

- We've all had to work with someone who is very difficult to get along with. Give me an example of when this happened to you. Why was that person difficult? How did you handle that person?
- We all have ways of showing consideration for others. What are some things you've done to show concern or consideration for a co-worker?

## Communication Skills

Interviewer's Observations:

- Consider if the applicant is able to express himself/herself effectively and in a well-organized manner.
- Observe whether the applicant has good eye contact.
- Consider whether the applicant's grammar, sentence structure, etc. are appropriate to the requirements of the position.

Communication Skills Questions:

- What kind of reports/proposals have you written? Can you give me some examples?
- What different approaches do you use in talking with different people? How do you know you are getting your point across?
- What is the work communication problem you have experienced? How did you handle it?

## Leadership

- Tell me about a new idea or way of doing something that you came up with which was agreed to by the boss. What did you do to get it to the right person? What did you do to get the boss to agree? Be Specific.
- Describe any supervisory or leadership training, schooling, or work experience you have had and its relevance to this position.

## Job Motivation

- Why do you want to be a \_\_\_\_\_(job title of position)?
- Why did you choose this (career, type of work, etc)?
- What job values are important to you?

## Illegal vs Legal Questions

The above questions are to be used as an example, if you decide to add more questions to your interview ensure that any specific question you ask follows Canada's legal guidelines.

The topics that are regulated are as follows:

- Nationality origin/Citizenship;
- Age;
- Marital/Family Status;
- Affiliations;
- Personal;
- Disabilities;
- Arrest Record;
- Sex/Gender;
- Race/Colour;
- Religion.

For specific examples see the following link: <https://bit.ly/2WCsUcf>

## Making your Hire a Success

When thinking about the responsibilities of the job you are hiring for consider these 10 elements that an employee would most want in their work:

- Purpose;
- Goals;
- Responsibilities;
- Autonomy;
- Flexibility;
- Attention;
- Opportunities for Innovation;
- Open Mindedness;
- Transparency;
- Compensation.

## Additional Employment Resources

### Canada-Ontario Job Grant (COJG)

If you are looking to pay for some training for your employee consider the Canada-Ontario Job Grant. The COJG provides funding for training programs offered by eligible third-party trainers, such as community or private colleges, trade union centres or private trainers.

- Larger Employers (100 or more employees) pay 1/2 of the training costs, up to \$10,000 per trainee.
- Smaller Employers (fewer than 100 employees) pay 1/6 of the training costs, up to \$10,000 per trainee.



Training must take place in Ontario and can be provided by a third party trainer: online, in a classroom, or at your workplace.

100% funding is available to unemployed individuals.

New to the program: Employers with fewer than 100 employees who are training and hiring unemployed individuals are eligible for up to \$15,000 per trainee with no minimum contribution required by the employer.

For further information or to access the online application please go to: [www.tcu.gov.on.ca](http://www.tcu.gov.on.ca) or call Yes Employment Services at 705-476-3234.

## Yes Employment Services for Employers

- Access to a wide range of job seekers with a variety of skills and experience.
- Advertising your job opportunities on our website or job board.
- Reviewing résumés on your behalf and pre-screening to identify the best candidates.
- Providing opportunities for onsite interviews and job fairs.
- Financial support to offset training costs.
- Post-placement support to ensure retention.
- Access to apprenticeship grants and training incentives.

## Health and Safety and Employment Standards Resources

[labour.gov.on.ca](http://labour.gov.on.ca)

- Worker Health and Safety Awareness in 4 Steps
- Supervisor Health and Safety Awareness in 5 Steps
- Record Keeping Template - Basic Health and Safety Awareness Training
- A Guide to OHSA Requirements for Basic Awareness Training
- Employment Standards Act
- Other workplace related laws
- Forms and publications
- Labour Relations

### e-Services for Employers:

- Statement;
- Registration;
- Clearance;
- Payment;
- Premium Help;
- Form 7;
- Q&As for Employers.

### Small Business Incentive Programs:

- The Small Business Health and Safety Programs provide you with free health and safety training and resources. Participation in the program can also earn you a one time five percent rebate on your previous year's premium.
- The Safety Groups Program brings businesses together to share best practices in workplace health and safety. By improving overall health and safety performance, you can reduce your WSIB premiums and earn financial rebates.
- The Workwell Program helps you assess your current health and safety standards and provides practical safety management tools sized to fit your business.

### Services for Small Businesses:

- Employer Service Centre provides account-related services to you. Call their General Inquiry Line at 416-344-1000 or toll free: 1-800-387-0750 and ask for the Employer Service Centre.
- Four Health and Safety Associations that provide sector-specific training programs, products and services to the province's employers and workers.
- Office of the Employer Adviser provides representation, advice and education to employers with fewer than 100 workers.

## Posters Required in the Workplace

There are 3 posters required to be on site in the workplace, and they are available below:

- 1 - Employment Standards in Ontario: <https://bit.ly/2Tq4aBV>
- 2 - In Case of Injury: <https://bit.ly/2CZNKsQ>
- 3 - Health and Safety at Work: <https://bit.ly/2SnAszW>



# Contacts



Canada Revenue Agency  
1-800-959-5525  
[cra-arc.gc.ca](https://cra-arc.gc.ca)



Workplace Safety & Insurance Board  
(WSIB)  
128 McIntyre Street West  
North Bay, ON P1B 2Y6  
1-800-387-0750 or 1-416-344-1000  
[wsib.on.ca](https://wsib.on.ca)



Ministry of Labour  
1-416-326-7160  
<https://bit.ly/2sYUfHF>



Grant Thornton  
222 McIntyre Street West #400  
North Bay, ON P1B 2Y8  
705-472-6500  
[grantthornton.com](https://grantthornton.com)



Yes Employment Services  
149 Main Street East  
North Bay, ON P1B 1A9  
705-476-3234  
[yesnorthbay.com](https://yesnorthbay.com)  
[info@yesnorthbay.com](mailto:info@yesnorthbay.com)



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