



A U.S. COMPANY LOOKS TO EXPAND ITS WORKFORCE IN CANADA

For a U.S. company, hiring someone to work in Canada can seem extremely daunting. Not only are the employment standards very different but comparing compensation packages with U.S. employees is very confusing.

THE PROBLEM

A U.S. company in the travel industry wanted to sell resort packages to travel agents in Canada, and needed sales reps in every province to represent their brand. Not having a business presence in Canada and no knowledge of Canadian employment standards nor payroll protocols and employment taxes, they hired individuals on condition they register incorporated companies and be paid as independent contractors. They later learned of Canadian regulations defining who qualifies to be paid as an independent contractor and recognized the people they had engaged did not meet these criteria.

They were faced with their original problem – how to employ the people needed to expand their business in a foreign country to meet growing demand?

Without a Canadian PEO, the U.S. company faced these hurdles:

- ▶ Register their business in Canada.
- ▶ Apply and maintain the various government accounts required to run the business.
- ▶ Familiarize and keep up to date with the Employment Standards Act, Canada Revenue Agency, Worker's Compensation and know that each of these vary from province to province.
- ▶ Open and maintain a business bank account with a Canadian bank.
- ▶ Supply their Canadian employees with similar compensation packages that their U.S. counterparts enjoy while understanding that our government program encompass different benefits than in the U.S.

THE SOLUTION

The Payroll Edge took on the role of the **Employer of Record** for these workers and provided the U.S.-based travel company with the following;

- ▶ Customized employment agreements based on Canadian rules and regulations, that also honoured many of the company's own existing policies and procedures.
- ▶ An analysis of the company's compensation plan for U.S. employees to offer the same benefits to their Canadian staff. This included coaching the client on the rules surrounding matching health benefits and RRSP plans (401k).
- ▶ Comprehensive Canadian employee insurance coverage to avoid extending the existing U.S. insurance across the border.
- ▶ Efficient and accurate payroll processing, with one invoice to pay that covered the entire compensation plan.
- ▶ A Canadian arm of their HR department to walk them through employee reviews, disciplinary action and termination ensuring that the correct steps are taken to mitigate risk.

The Payroll Edge's full service Employer of Record package provided everything the travel company needed to meet the demand of their client and satisfy the needs of its Canadian workers, all without having to establish a business presence in Canada.

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Canada's Small Business Payroll Service Provider



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