Canadian Payroll Setup and Configuration Guide

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Date	Author	Version	Change
June 14, 2017	Insight Works	2.0	Second Version
March 13, 2018	Diana Groh	2.2	Updated to reflect the latest version of Canadian Payroll. Includes some changes to navigation steps.

1 Application Description

The Canadian Payroll Application is for anyone who wants to simplify the process of running payroll.

The Canadian Payroll Application for Microsoft Dynamics 365 Business Central is a complete payroll solution that is easy to set up and use.

Canadian Payroll helps you pay and manage hourly and salary-based employees.

Simple setup – Canadian Payroll seamlessly integrates with Dynamics 365 Business Central. No need to involve your technical support department.

Perfect for your company – Canadian Payroll grows with your company with support for hourly and salaried staff with multiple pay-period options to choose.

Save time – Canadian Payroll enables you to track your employee time and payroll information including pay rates and pay types all in one easy-to-use application.

> **Note:** *A valid Microsoft Dynamics 365 Business Central User License is required.*

2   Configuration

The following sections describe the various configuration tasks required to set up Canadian Payroll.

This App leverages Dynamics 365 Business Central Employees and Dynamics 365 Business Central Time sheets. To access these pages, the User Experience Level must be set to "Essential" on the Company Information Page.

The navigation pathway is: Role Center > Setup & Extensions > Manual Set Up > Company

Figure 1 Company Information

The Payroll Setup wizard will attempt to change this for you if the person running the setup has the appropriate permission.

Without this setting, you will not be able to access Employees in Dynamics 365 Business Central, and consequently won't be able to configure their payroll information, or run payroll for employees.

Note: *After the Canadian Payroll extension has been installed, start the Payroll Setup Wizard. If you are running the wizard, but you are not the same person who installed the extension, then make sure you have the 'PAYROLLPRO' permission set. This permission set is necessary to complete the following steps.*

PAYROLLBASIC	Payroll Basic User Access	Canadian Payroll
PAYROLLEMP	Payroll Employee	Canadian Payroll
PAYROLLPRO	Payroll Processor	Canadian Payroll

Figure 2 Permission Set

Search for User to go into Permission Set up to confirm your set up.

2.1   Payroll Setup Wizard

The payroll setup wizard will guide you through configuring payroll for the first time. It must be run before configuring anything else.

In this wizard, you will configure which bank account to use, which G/L accounts to post with, hourly pay codes (if any), and typical payment and payroll run settings. Employee-specific details must be set up individually after the payroll setup wizard is complete.

You can start the wizard in a few different ways:

1. If this is a first-time Canadian Payroll setup, a notification will appear on your Role Center page, as well as on all Canadian Payroll pages. Select "Click Here to Set Up" in the notification to launch the Payroll Setup Wizard.

2. Or, on the Assisted Setup page, choose "Set Up Canadian Payroll", Navigate to Home > Setup & Extensions & Assisted Setup

NAME		STATUS
Migrate business data		Not Completed
Set up sales tax		**Completed**
Set up cash flow forecast		**Completed**
Set up approval workflows		Not Completed
Set up a customer approval workflow		Not Completed
Set up email		Not Completed
Set up email logging		Not Completed
Set up your Business Inbox in Outlook		Not Completed
Set up reporting data		Not Completed
Set up an item approval workflow		Not Completed
Set up a payment approval workflow		Not Completed
Set up Dynamics 365 for Sales connection		Not Completed
Invite External Accountant		Not Completed
Set up consolidation reporting		Not Completed
Set Up Canadian Payroll	...	Not Completed

Figure 3 Setup Wizard

3. or, enter "Payroll Setup Wizard" in the Search Bar.

SEARCH FOR PAGE OR REPORT

Type page or report name to start search: Payroll Setup

2 search results: All Administration

Search the help for 'Payroll Setup' ?

	NAME	DEPARTMENT
	Payroll Setup Wizard	Departments/Canadian Payroll
	Payroll Service Setup	Departments/Canadian Payroll

Figure 4 Search Payroll Setup Wizard

2.1.1   Terms and Conditions

To begin the setup, agree to the Terms and Conditions, and enable the checkbox before choosing "Next".
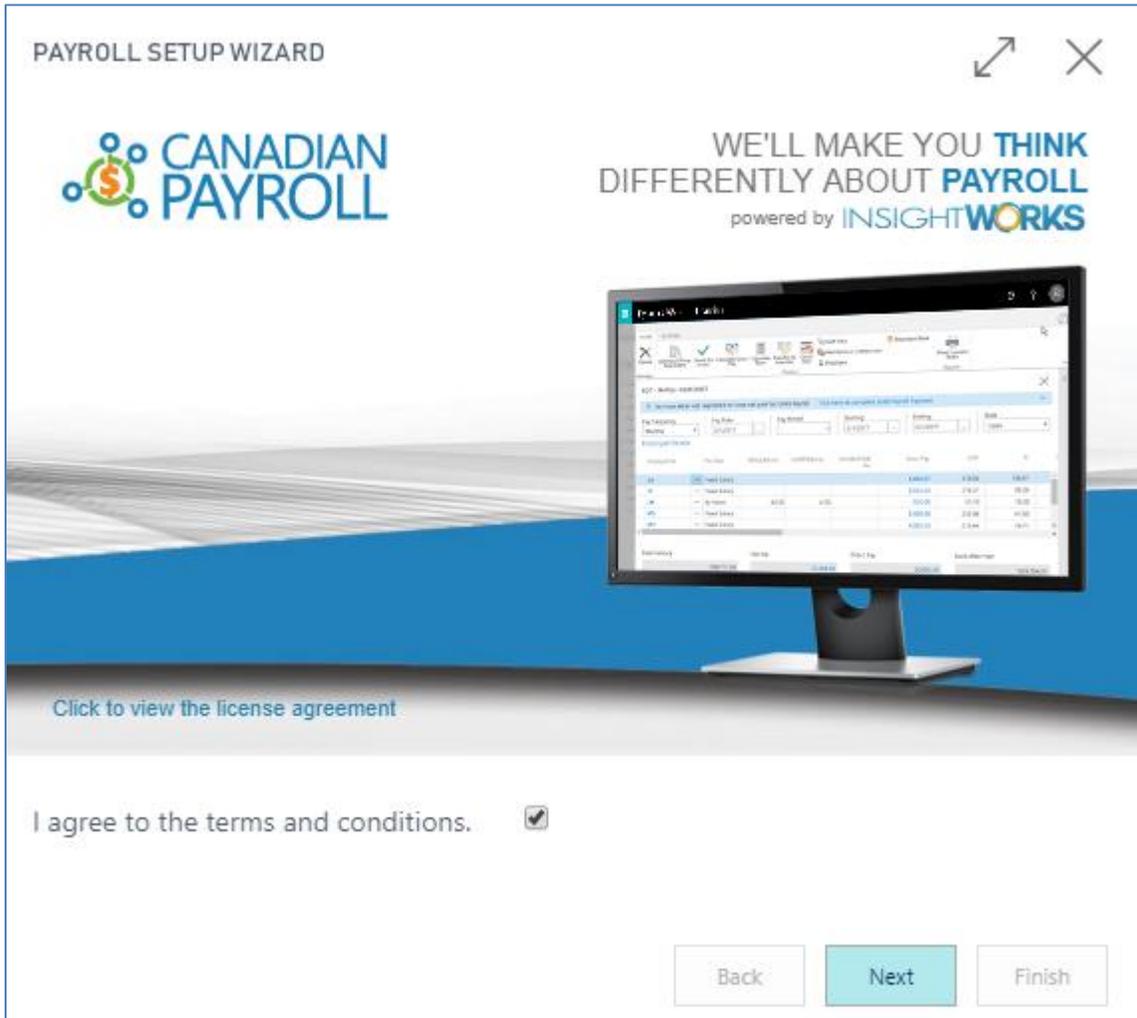
Figure 5 Payroll Setup Wizard

If this is your first time with Canadian Payroll, or have otherwise not registered previously, then choose 'I need to sign up for a new account'.

If your company already has an account, choose 'I already have an account', and enter the account Registration Code. If you aren't sure what these values should be, contact support and they will help provide the details.

Choose Next to continue.

2.1.2 Payroll Run Default Settings

Payroll Run default settings are configured next. These values are used for employees who have not been configured for Canadian Payroll.

To change the default Payroll Run settings later, go to the Payroll Service Setup page, or run the Payroll Setup Wizard again. To change Payroll settings for an employee later, select an employee from the Payroll Employees page, and go to the Payroll tab.

Figure 6 Typical Payroll Setup

The following table lists each setup question, and its description.

Setup Question	Description
When are your employees typically paid?	Refers to Payment Frequency. Choose the time interval that the company employees are paid at. Options include Monthly, Semi-Monthly, Bi-Weekly, and Weekly.
How many pay periods do you typically have?	Refers to Pay Periods Per Year. This value changes when you set the Payment Frequency. Additional

	values are available by choosing the More button, and selecting a different value.
Are they mostly salaried or hourly?	Refers to Default Pay Type. Choose a Pay Type based on how employees are usually compensated. Options include Fixed Salary, and By Hours. If your employees are salaried then you must enter their salary information on the Employee Card. If your employees are hourly then you must enter the rates either at the employee level, or at the hourly paycode level.
How are they typically paid?	Refers to the default Bank Payment Type. Choose a value based on what method is used for paying most employees. Options include Computer Check, Manual Check, Electronic Payment, and Electronic Payment-IAT. Electronic Payment-IAT can be used for workers with international bank accounts, such as employees from the USA.
What payment method should be used?	Refers to Payment Method Code. This value is used when transferring payroll details to the Payment Journal. Options include all Payment Method Codes available for your company, which may include codes for cash, cheque, and bank transfers. Choose a Payment Method that will work with the default Bank Payment type.
Who usually approves time sheets?	Refers to Time Sheet Approver User ID. Assign a value based on the User that will usually be approving time that will be used in the payroll worksheet.
Will all your employees be set up?	Refers to Auto Employee Setup. Choose 'All My Employees' to have Canadian Payroll attempt to help maintain some basic records such as the Resource, Vendor, and stubbed Vendor Bank Account for the employee. If your company has process requirements to document each step or perform each step manually, then choose 'Manual Configuration'. For more details, see Payroll Service Setup.

Table 1: Payroll Run default settings

Choose Next to continue.

2.1.3 Hourly Payroll Codes

The next page enables you to set Payroll Codes for employees. To modify an existing paycode, select the row, and edit the values.

Figure 7 Setup Wizard Paycodes

To create a new Payroll Code, choose an empty row, and enter new values for the record. For more details, see.

Choose Next to continue.

2.1.4 Accounts and Deductions

G/L account, Bank account, and Deduction settings are shown next.

Figure 8 Setup Wizard Deductions

Field	Description
Pay From Bank No.	Choose the bank account to pay your employees from.
	This is mandatory information, and will be used on the Payroll Worksheet to estimate net balance, and will be used on the Payment Journal as the bank account to pay from.
	Important: When you change the Pay From Bank No., then it will also change the Bank on the Payroll associated General Journal Batch.
Accrual Account No.	Choose the wage liability account. Note that this must match the account defined for the vendor posting group that is defined on the employee associated vendors.
	When you change this value, the default Payroll vendor posting group will automatically get updated.
Wage Expense Paycode.	Select a paycode intended to be used for salary wages that has the expense account no. set.

Table 2: Account and Deduction options

Payroll Deductions, Reimbursements, Benefits, and Other Information are the next for set up. Standard deductions in Canada are automatically created. Each deduction can have an expense account and liability account defined.

For more information, see Deductions.

Choose "Next" to continue.

2.1.5   Confirmation

The final page of the Payroll Setup Wizard displays a message confirming that the setup process is complete, and that you need to configure Payroll details for all employees on the first Payroll Run.

Figure 9 Setup Wizard Successful

Choose Finish to close the wizard.

2.2 Payroll Service Setup

If you want to configure Canadian Payroll manually, navigate to the Payroll Service Setup page. From there, you can define the same settings that are set using the Payroll Setup Wizard, in addition to advanced settings not included in the wizard.

To start the Payroll Service Setup, search for "Payroll Service Setup" in the Search Bar.

Figure 10 Search Payroll Service Setup

2.2.1 Payroll Setup

The Payroll Setup FastTab contains the main settings for Canadian Payroll. These include the default settings applied to new employees. To change Payroll settings for an individual employee, go to the Employees page, and choose an Employee record. On the Employee Card page, define new settings under the Payroll FastTab.

Figure 11 Payroll Service Setup

The table below lists each field, and its description.

Field	Description
Default Pay Frequency	Refers to the pay frequency that applies to most employees. Options include Monthly, Semi-Monthly, Bi-Weekly, and Weekly. This value determines the available options for Pay Periods Per Year.
Pay Periods Per Year	Refers to how many payroll runs occur per year for most employees. This value is used to calculate Pay Periods for Payroll Runs. Options are based on the

	value of Default Pay Frequency. For example, a Default Pay Frequency of Bi-Weekly enables you to choose either 26 or 27 Pay Periods Per Year.
Default Pay Type	Indicates how most employees are paid. Options include Fixed Salary, and By Hours.
Auto Employee Setup	Indicates how Payroll Setup options are applied to new employees. If the value is set to 'All My Employees', then all new employees will have their Payroll settings set to the default values. Vendor and Resource records will also be automatically generated for new employees. If the value is set to 'Manual Configuration', then each employee must have their Payroll settings configured individually. For more information, see Employee Configuration.
Payment Method Code	Refers to the method of payment used for most employees. This value is used for Journal and Ledger entries. Options include all Payment Method Codes available for your company, which may include codes for cash, cheque, and bank transfers.
Vendor Configuration Template	Indicates which Vendor configuration template will be used to generate Vendor records for employees, if Auto Employee Setup is set to 'All My Employees'. A default vendor configuration template called 'VPAYROLL' is automatically created.
Bank Payment Type	Refers to the form of payment used for most employees. This value is used in Payroll Runs to check if payment requirements have been met for the employee, before posting is allowed. Options include Computer Check, Manual Check, Electronic Payment, and Electronic Payment-IAT.
Salary Regular Wages Paycode(s)	For salaried employees that have time sheets, enter the paycodes used by them here. This will prevent hourly pay from being calculated on these paycodes. Example: SALARY1|SALARY2
EI Reduced Rate	The rate to be used for employees that are entitled to a reduced EI rate.
Transmitter Number	The transmitter number provided by the CRA to be used when generating T4 web submissions.
Submission Nos.	A unique number series to be used when generating T4 web submissions. The series must begin and end with an 8-character code and must have Default Nos. checked.

Table 3: Payroll Setup settings

2.2.2   Posting

The Posting FastTab contains settings used by Canadian Payroll when it posts Journal entries to the General Ledger. Also included are settings for handling Dimensions.

Figure 12 Posting FastTab

The table below lists each field, and its description.

Field	Description
Pay From Bank No.	Choose the bank account to pay your employees from.
	This is mandatory information, and will be used on the Payroll Worksheet to estimate net balance, and will be used on the Payment Journal as the bank account to pay from.
	Important: When you change the Pay From Bank No., then it will also change the Bank on the Payroll associated General Journal Batch.
Payment G/L Template Name	Choose the payment journal template to use, to choose the payment journal batch with.
Payment G/L Batch Name	Refers to the Payment Journal Batch used to transfer employee payment to.
	The payment batch chosen must match the same bank account that is chosen on the Pay From Bank No.
G/L Template Name	Indicates the General Journal Template used to filter the G/L Batch Name.
	The default is 'GENERAL'.
G/L Batch Name	Indicates the General Journal Batch used to identify all Payroll expense and liability entries (such as wage expenses, a breakdown of CPP, EI, etc.).
	A default general journal called 'PAYROLL' is created automatically, but is not mandatory to use.
Payment Journal Posting Dimension Behavior	Refers to how Canadian Payroll treats Dimensions when transferring entries to the Payment Journal.

	Choose 'Copy From Paystub' to instruct Canadian Payroll to copy dimension from their paystub to the Payment Journal.
	Choose 'Default' to instruct Canadian Payroll not to copy Dimensions from paystubs. The default Dimension handling process for Dynamics 365 Business Central is used instead.
	For more information, see Dimensions.
Detail Dimension Behavior	Refers to how Canadian Payroll treats dimensions when creating detailed income and deduction entries on the paystub.
	Choose 'Use Type Setup' to use the Dimensions from the Deduction Type or Hourly Paycode Type when creating the detailed entries for Income and Deductions.
	Choose 'Use Paystub' to copy Dimensions from the Paystub, rather than from the type.
	For more information, see Dimensions.
Detail Post Dim Behavior	Refers to how Canadian Payroll treats Dimensions when transferring to the General Journal.
	Choose 'Default' to indicate that no Dimensions will be copied from Income details or Deduction details.
	The default Dimension behavior for Dynamics 365 Business Central is used instead.
	Choose 'Use Detail' to copy Dimensions from the Income and Deduction from the Paystub. This will affect how many records get created in the general journal, as values are grouped differently for each setting.
	For more information, see Dimensions.
Wage Paycode	Expense account that is tied to the wage paycode.
Accrual Account No.	Indicates the G/L account used to record payments against. Changing this value will attempt to automatically change the account defined in the 'PAYROLL' vendor posting group.
Accrual Account Name	Indicates the name of the G/L account set for the Accrual Account No. field.
Posting Date Gen. Journal	Indicates that date to post the General Journal
Posting Date Payment Journal	Indicates the date to post the Payment Journal
Payment Journal Posting Dimension Behavior	Payment posting Dim Behaviour

Table 4: Posting settings

2.2.3   Service Connectivity

The Service Connectivity FastTab contains settings related to your connection to an online Payroll provider.

Figure 13 Service Connectivity

The table below lists each field, and its description.

Field	Description
Service URL Base	Indicates the location of the remote service that calculates taxes. It is set during the Payroll Setup Wizard process. Do not change this value unless instructed to by support.
Quebec Service URL Base	Indicates is the location of the service that calculates taxes for Quebec. This is set during the Payroll Setup Wizard process. Do not change this value unless instructed to by support.
Process Payroll URL	Do not change this value unless instructed to by support.
Time Sheet Approver User ID	Indicates the default User who is responsible for approving time sheets. This will be set as the approver user id for any additional resources that are automatically created.
Log Request, Log Response	Whether tax calculations should be logged to the Activity Log. This can assist with trouble shooting errors in tax calculations.
Environment	This should always be set to Production unless otherwise requested by support.

Table 5: Service Connectivity settings

2.2.4 Credentials

The Credentials FastTab contains fields for providing authentication information for an external Payroll provider.

Figure 14 Credentials

The table below lists each field, and its description.

Field	Description
Name (Primary)	Refers to the Username of the primary user of the external Payroll provider. Do not change this value unless instructed to by support.
Password (Primary)	Refers to the Password for the primary user of the external Payroll provider. Do not change this value unless instructed to by support.
Name (Secondary)	Refers to the Username of the secondary user of the external Payroll provider. Do not change this value unless instructed to by support.
Password (Secondary)	Refers to the Password for the secondary user of the external Payroll provider. Do not change this value unless instructed to by support.
Primary Token	Refers to the access token for the service. Do not change this value unless instructed to by support.
Secondary Token	Refers to the access token for the service. Do not change this value unless instructed to by support.

Table 6: Credentials settings

2.2.5   Advanced

The Advanced FastTab contains settings available for troubleshooting and support with Insight Works support professionals.

Do not change these values unless you have been directed to by a support team professional.

Figure 15 Advanced

The table below lists each field, and its description.

Field	Description
Credential 1 Key	Do not change this value unless instructed to by support.
Credential 2 Key	Do not change this value unless instructed to by support.
Token Key	Do not change this value unless instructed to by support.
Secondary Token Key	Do not change this value unless instructed to by support.
Registration ID	If you have an existing Registration ID, it can be entered here, or in the Payroll Setup Wizard.
Last Registration Check	Indicates the last time the Registration Status was checked.
Last Registration Status	Indicates the last known Registration Status.
Registration Base URL	Refers to the location of the Canadian Payroll Registration remote service. This is set during the Payroll Setup Wizard process. Do not change this value unless instructed to by support. Changing this value without assistance may make your payroll worksheet inoperable.
Default Experience Tier	Assists with ensuring the company Experience Tier is set to the right level. This value should only be edited when requested by support.

Table 7: Advanced settings

2.3   Employee Configuration

It is mandatory to complete the Payroll Setup Wizard before configuring employee payroll configuration information. Refer to the Dynamics 365 Business Central documentation "How to Register Employees" (https://docs.microsoft.com/en-CA/dynamics365/financials/hr-how-register-employees) for basic employee setup.

To configure an employee for Canadian Payroll:

1.   Navigate to the Payroll Employee List page, or type Payroll Employees in the Search bar.
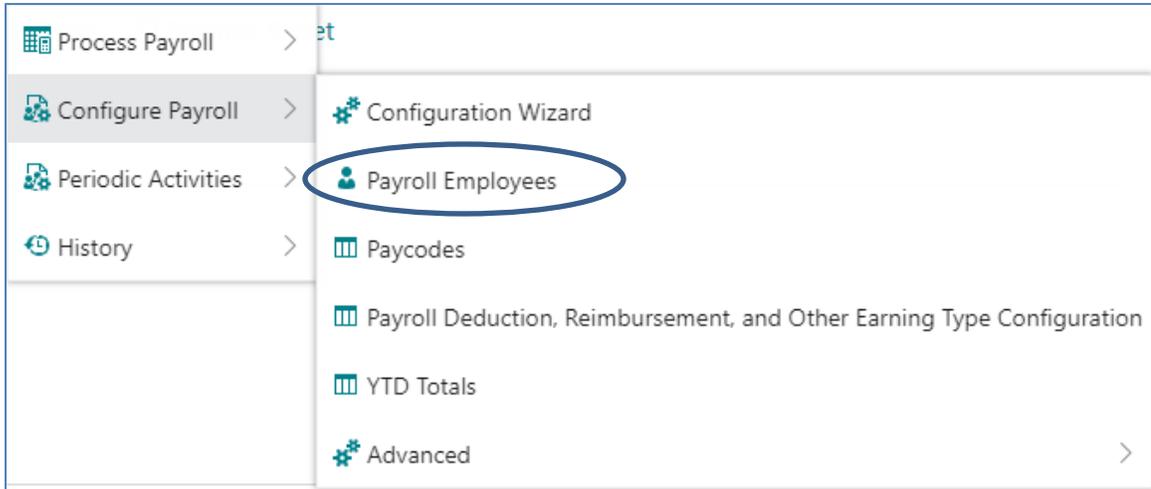
Figure 16 Payroll Employees

2.   Select an employee, and choose the 'Edit' action. Or "New" to add a new employee
3.   The Employee Card will open, which displays various details for the chosen employee.

For the Employee record to be compatible with Canadian Payroll, ensure that the following conditions are met:

Field	Description
First Name	Mandatory.
Last Name	Mandatory.
Address	Mandatory.
Email (or Private E-Mail)	Recommended.
Birth Date	Mandatory for tax calculations.
Employment Date	Mandatory.

Postal/ZIP Code	Mandatory.
Province	Mandatory.
Phone (or Private Phone No.)	Recommended.
Social Insurance No. / Social Security No.	Recommended.
Status	Must be 'Active'.
Resource No.	Mandatory.
	If the Payroll Service Setup is set to automatically configure employees, then a Resource will automatically be created and defined here.
	If you are not using the automatic feature, then you must manually create a Resource, and associate that Resource here.
Pay Frequency	Mandatory
Pay Periods Per Year	Mandatory
Pay Type	Mandatory.
	If Pay Type is Fixed Salary, refer to Salaried Employee Configuration.
	If Pay Type is Hourly, refer to Hourly Employee Configuration.
Bank Payment Type	Mandatory.
	If Bank Payment Type is set to 'Electronic Payment' or 'Electronic Payment-IAT', then a vendor bank account for the employee is required. To specify bank account information, choose the Bank Account action in the Navigate tab. This action is also available in the Home tab of the Employees page.
Payment Method Code	Mandatory.
Employment Province	Mandatory.
	If the employee is not an employee of Canada, choose 'NR' for Non-Resident. This value cannot be left blank.
TD1 Claim Code	Mandatory.
	The Federal TD1 code for the employee.
TD1P Claim Code	Mandatory.
	The Provincial TD1P code for the employee.
Vendor No.	Mandatory.

	This is the vendor that will be used on the Payment Journal when you pay your employees.
	If the Payroll Service Setup is configured to have Automatic Employee Configuration, then this will automatically be defined.
CPP / QPP Deduction	Set to 'Deduct' by default.
	If the employee is exempt from CPP deductions, then choose 'Do not deduct'.
EI Deduction	Set to 'Deduct' by default.
	If the employee is exempt from EI deductions, then choose 'Do not deduct'.
	If the employee is eligible for the EI Reduced rate, then choose "Reduced".
PPIP QPIP	Set to 'Do not deduct' by defaults.
	Set to 'Deduct' if you need to deduct PPIP and QPIP entries.
Specific Hourly Rates	Optional.
	A count of any specific hourly rates defined for this employee.
	This is only needed for employees configured as hourly.
	If no specific rates are defined for an hourly employee, then the default rate for the paycode will be used instead.
	Use the 'Hourly Rates' action to define hourly rates.
Annual Taxable Income	Mandatory for salaried employees, define this to be their yearly salary.
	Their Gross Pay Per Salary Period will automatically be updated when you change this value.
Gross Pay Per Salary Period	Mandatory for salaried employees, define this to be their gross pay per salary period.
	Their Annual Taxable Income will automatically be updated when you change this value.
Salary Hours Per Period	For ROE Purposes

Table 8: Employee Fields

2.3.1.1 Validate for Payroll

The "Validate for Payroll" action will attempt to do an initial validation against minimum required setup fields for an employee.
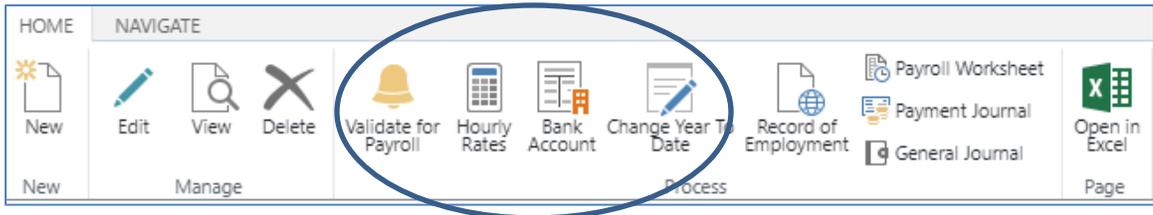

Figure 17 Payroll Processes

2.3.1.2 Hourly Rates

The hourly rates action will start a configuration page to allow you to define specific rates for paycodes for an hourly employee.

2.3.1.3 Bank Account

This will open the payroll bank account for the employee.

The bank account is connected to the vendor that is associated with the employee.

If your payroll service setup has Automatic Employee Configuration, then your vendor and a stubbed bank account will be created. A bank account is necessary to pay an employee electronically.

2.3.1.4 Change Year to Date

This will allow you to view current Year to Date totals for a given employee (not including any in-progress stubs). If you are migrating your payroll configuration this will allow you to enter current Year to Date totals from your previous system.

2.3.2 Hourly Employee Configuration

To configure an hourly employee:

1. Navigate to the Employee's card page, and edit the employee. (by clicking on the link for the employee from the Employee List)
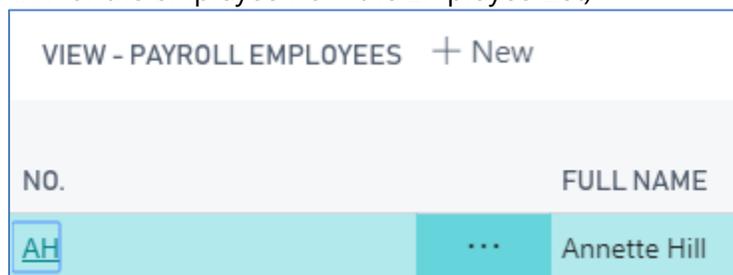

Figure 18 Link to Employee Card

2. Scroll to the Payroll FastTab.
3. Set the Pay Type to 'By Hours'.

4.   Optionally set any specific rates with the "Hourly Rates" action.

PAY DETAILS

Specific Hourly Rates   3
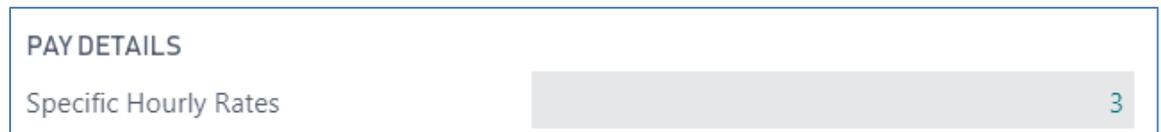
Figure 19 Specific Hourly Rates

If no specific hourly rates are defined for an employee, then the default hourly rate for the paycode will be used when calculating gross wages.

2.3.3   Time Capture for Hourly Employees

Time capture for hourly employees can be performed using the Time Sheets feature of Dynamics 365 Business Central, or by manually entering hours for an employee on the Payroll Worksheet page.

To configure Time Sheets for a Resource, refer to the Microsoft Documentation for Dynamics 365 Business Central "How to: Set Up Time Sheets" (https://docs.microsoft.com/en-CA/dynamics365/financials/projects-how-setup-time-sheets).

When you use the Payroll Worksheet to get hours from time sheets, the following rules apply:

1.   Only approved hours will be used.
2.   Only hours for resources associated with employees that are on your payroll run will be considered.
3.   The work types used on the time sheet must have appropriate mappings to hourly paycodes.

Refer to Hourly Paycodes for setup required for hourly paycodes.

2.3.4   Salaried Employee Configuration

To configure a salaried employee:

1.   Navigate to the employee's card page
2.   Go to the Payroll FastTab.
3.   Set the Pay Type to 'Fixed Salary'.
4.   Under Salary, set values for either Annual Taxable Income or Gross Pay per Salary Period. The field you did not set will automatically calculate its value based on the value of the field you did set.

5. Enter the Salary Hours Per Period

Type	# per year	Hours Per Period
Monthly	12	173.3333333
Semi	24	86.66666667
Bi Weekly	26	80
Weekly	52	40

Figure 20 Hours Per Pay Period

The hours per pay period information is required to accurately produce the Record of Employment

2.4 Deductions and Other Pay

Deductions allow you to set amounts that can be automatically subtracted from an employee's paystub, such as income tax, or health insurance. Deductions for each employee can be viewed from the Payroll Worksheet page by choosing Deductions from the Actions tab.

To access Deductions Types:

1. In the search bar, search for "Payroll Deduction, Reimbursement, and Other Earning Type Configurations"
2. Or from the Payroll Worksheet page choose "Setup Deductions"

Figure 21 Deductions and Other Pay

There are certain deduction types that are mandatory and are only allowed to have one configuration type, such as CPP and EI. If you remove these deduction types, they will automatically re-create.

To have a Deduction Type appear as a column in the Payroll Worksheet, set Show in Worksheet to 'Visible'. Up to 10 Deduction Types can be shown on the Payroll Worksheet at once. More than 10 deductions can be applied.

However, you must use the Deduction Details action on the worksheet to see the specific details.

To navigate to this screen go to the Actions Tab, and click on Deductions
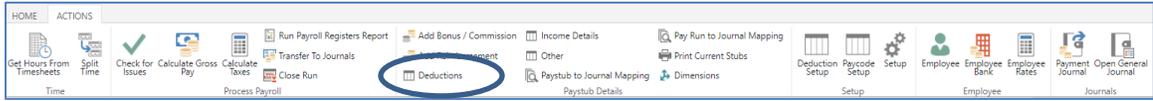
Figure 22 Deductions Navigation

And the following appears

Figure 23 New Deduction

Field	Description
Code	The deduction code to use.
Description	A configurable description for the deduction.
Type	The type of deduction. For special mandatory deductions, such as CPP and EI, there will only be one entry.
Category	Whether this is a deduction, taxable benefit, reimbursement, or other payment.
Expense Account No.	Optional. Which expense account to use. When you define this field then the employer amount will be summed and transferred to journals. If you omit this, then no expense entry will be created in the general journal when transferring payroll to journals.

Liability Account No.	Optional. This defines which liability account to use. When you define this field then a liability journal entry that sums the employee amount and the employer amount will be created when transferring payroll to journals.
Show in Worksheet	When set to 'Hidden', the deduction will not show on the worksheet, but will still be calculated. When set to 'Visible', the deduction will show on the payroll worksheet.
Global Dimension 1 Code	The default Global Dimension 1 Code to use. This is typically "Department" by default.
Global Dimension 2 Code	The default Global Dimension 2 Code to use. This is typically "Project" by default.
Employee Custom Calc Amount Employee Custom Calc Percentage	Only applicable when the 'Type' field is set to 'Custom'. The employee amount on the deduction detail entry will be calculated as (Gross Pay * Employee Custom Calc Percentage) + Employee Custom Calc Amount
Employer Custom Calc Amount Employer Custom Calc Percent	Only applicable when the 'Type' field is set to 'Custom' The employer amount on the deduction detail entry will be calculated as (Gross Pay * Employer Custom Calc Percentage) + Employer Custom Calc Amount

Table 9: Deduction Field Configuration

To review how the default dimensions defined on the deduction type affect detail entry, see

Field	Description
Paycode	Case sensitive paycode to use.
Work Type Code	The work type as used on time sheets.
Default Rate	This rate will be used to calculate the gross wage for hourly employees, if no specific rate has been defined for a paycode.
Rate Overrides	A lookup to specific rates. To define employee specific rates, choose the 'Employee Rates' action.
Show in Worksheet	When set to 'Hidden', the paycode will not be available as a column in the payroll worksheet, and can only be viewed in the sidebar or edited in the 'Income Details' action on the Payroll Worksheet. When set to 'Show Hours', an editable column on the worksheet will show available hours. When set to 'Show Wages', a read-only column on the worksheet will show the calculated wages by the paycode. When set to 'Show Hours and Rates' an editable column for hours will be visible on the worksheet, and a read-only value showing the breakdown for the wages for that paycode.
Global Dimension 1 Code	The default Global Dimension 1 Code to use. This is typically 'Department' by default.
Global Dimension 2 Code	The default Global Dimension 2 Code to use. This is typically 'Project' by default.

Table 10: Hourly Paycode Field Configuration

Dimensions for more details.

2.5　Hourly Paycodes

To configure hourly paycodes, search for the "Payroll Hourly Code and Work Type Configuration" page.
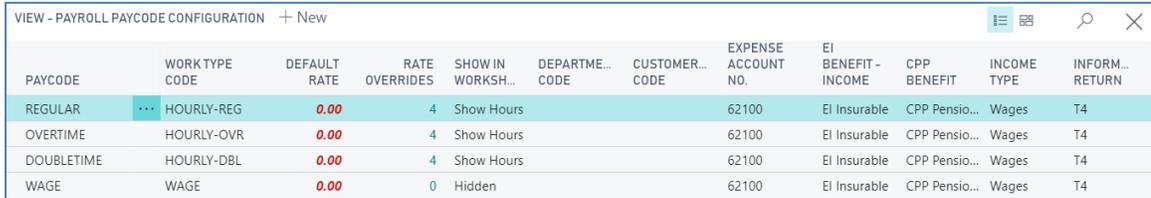
PAYCODE	WORK TYPE CODE	DEFAULT RATE	RATE OVERRIDES	SHOW IN WORKSH...	DEPARTME... CODE	CUSTOMER... CODE	EXPENSE ACCOUNT NO.	EI BENEFIT - INCOME	CPP BENEFIT	INCOME TYPE	INFORM... RETURN
REGULAR ···	HOURLY-REG	0.00	4	Show Hours			62100	EI Insurable	CPP Pensio...	Wages	T4
OVERTIME	HOURLY-OVR	0.00	4	Show Hours			62100	EI Insurable	CPP Pensio...	Wages	T4
DOUBLETIME	HOURLY-DBL	0.00	4	Show Hours			62100	EI Insurable	CPP Pensio...	Wages	T4
WAGE	WAGE	0.00	0	Hidden			62100	EI Insurable	CPP Pensio...	Wages	T4

Figure 24 Hourly Paycodes

If you are going to use Dynamics 365 Business Central Time sheets to enter hours, then you must also supply the work type mapping. The work type code is not needed if you only have salaried employees, of if you do not want to use time sheets in Dynamics 365 Business Central.

If a work type maps to more than one hourly pay code, then the first mapping that is found will be used when the hours are transferred to the Payroll Worksheet.

You can have up to ten different hourly paycode hours and rates shown as columns on the Payroll Worksheet by setting the value of Show in Worksheet. Choose from 'Hidden', 'Show Hours', 'Show Rates', or 'Show Hours and Rates' to specify how you want the hourly paycode to be displayed. The following table describes each field related to hourly paycodes in Canadian Payroll.

Field	Description
Paycode	Case sensitive paycode to use.
Work Type Code	The work type as used on time sheets.
Default Rate	This rate will be used to calculate the gross wage for hourly employees, if no specific rate has been defined for a paycode.
Rate Overrides	A lookup to specific rates. To define employee specific rates, choose the 'Employee Rates' action.
Show in Worksheet	When set to 'Hidden', the paycode will not be available as a column in the payroll worksheet, and can only be viewed in the sidebar or edited in the 'Income Details' action on the Payroll Worksheet. When set to 'Show Hours', an editable column on the worksheet will show available hours. When set to 'Show Wages', a read-only column on the worksheet will show the calculated wages by the paycode. When set to 'Show Hours and Rates' an editable column for hours will be visible on the worksheet, and a read-only value showing the breakdown for the wages for that paycode.
Global Dimension 1 Code	The default Global Dimension 1 Code to use. This is typically 'Department' by default.
Global Dimension 2 Code	The default Global Dimension 2 Code to use. This is typically 'Project' by default.

Table 10: Hourly Paycode Field Configuration

2.6   Dimensions

You can view or edit dimensions, such as area, project or department, that you can assign to sales and purchase documents to distribute costs and analyze transaction history. Default dimensions can be defined on:

1.   Deductions
2.   Hourly Paycodes
3.   Employees

Default Dimensions for Hourly Paycodes can be set by navigating "Payroll Hourly Code and Work Type Configuration" page, and choosing Dimensions from the Action tab.

Default Dimensions are for Deductions can be set by navigating to the Configure Deduction Types page, and choosing Dimensions.

When paystubs are created, the Dimensions from the Employee are copied to the paystub from the Employee record.

The detailed income entries for the paystub and detailed deduction entries for the paystub can either inherit the dimensions from the paystub, or use the dimensions defined on the paycode or deduction. This behavior is determined by the Detail Dimension setting.

When payment journal lines are created with the Transfer to Journals action on the payroll worksheet, then dimensions can either be copied from the paystub for the employee, or the standard Dynamics 365 Business Central Dimensions behavior can be used. The behavior is dictated by the Payment Journal Posting Dimension Behavior setting.
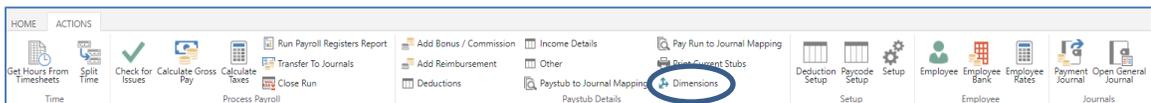

Figure 25 Dimensions

When you click on Dimensions from the Payroll Worksheet page, the following new window appears.

Figure 26 New Dimension
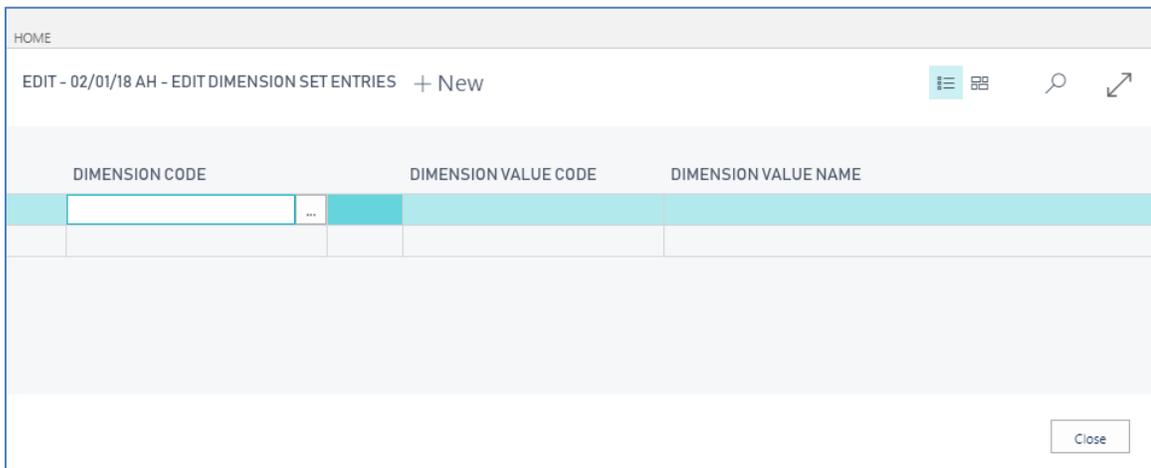
2.7   Security

Canadian Payroll provides configuration options that ensure that sensitive payroll information will only be shown to the right people. This is done by:

1.   Filtering Employee Paystubs
2.   Filtering employment payment information by hiding Vendor Ledger Entries, and Detailed Vendor Ledger Entries.

Employees are only permitted to see their own Paystubs, which is related to the Timesheet Owner User ID field of the Resource that is set for the given employee. However, any user that has the 'PAYROLLPRO' or 'SUPER' permission set, or is otherwise able to create and write paystub details will also be able to view any employee paystub.

A user must have the 'PAYROLLPRO' Payroll Processor Permission Set to view Vendor Ledger and Detailed Vendor Ledger Entries. These records are automatically assigned the Reason Code "PAYROLL". When Canadian Payroll encounters an entry with this Reason Code, it checks if you have Payroll Processor permissions. If not, you are not permitted to view the record.

When expense and liability transactions are transferred to the general journal, they are grouped by the expense, category code, and Dimension. Consequently, to ensure that individual salaries are not exposed, it is not recommended to have unique Dimension values for each employee, as that could cause the gross wage to be broken down by dimension on the general journal.

2.8   Employee Access and Employee Portal

For employees to access their payroll information with Canadian Payroll the following criteria must be met:

1.   Their User records must have the Payroll Employee ('PAYROLLEMP' set) permission
2.   The employer must have a valid Dynamics 365 Business Central User License.
3.   The employee's User ID must be associated with the "Time Sheet Owner User ID" field on the appropriate resource card for the employee.

2.9   Initial Year to Date entries

If you are transferring payroll records for an employee from another system to Dynamics 365 Business Central, you may have to specify initial values their Year to Date (YTD) Income, and Deductions.

To manually change an employee's YTD entries, navigate to the Employees page, and select an Employee record. On the Employee Card page, choose Change Year to Date. From the new page, you can specify new YTD Income and Deduction entries, as well as modify any existing entries.
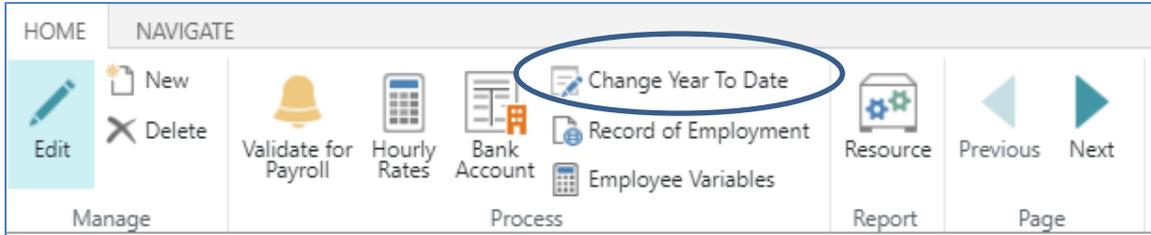

Figure 27 Change Year to Date

EMPLOYEE NO.		CATEGORY	TYPE	TYPE CODE	EMPLOYEE AMOUNT	EMPLOYER AMOUNT	EI BENEFIT	CPP BENEFIT	STARTING EMPLOYEE AMOUNT	STARTING EMPLOYER AMOUNT
MD	...	Deduction	CPP	CPP	49.88	49.88	Not Applicable	Not Applicable	0.00	0.00
MD		Deduction	EI	EI	17.85	24.99	Not Applicable	Not Applicable	0.00	0.00
MD		Deduction	Income Tax Fed	ICTAXF	123.62	0.00	Not Applicable	Not Applicable	0.00	0.00
MD		Deduction	Income Tax Prov	ICTAXP	49.15	0.00	Not Applicable	Not Applicable	0.00	0.00

Figure 28 Changing Year to Date Values

Note: *Modifying Year to Date entries will affect the Year to Date entries on any open Paystubs for the employee.*

Year to Date modifications cannot be performed in bulk; each Employee record must be changed individually.

3 Operational Checklist

The following subsections include information about performing daily, monthly, and annual procedures, as well as other related tasks.

3.1 Daily

No procedures related to Canadian Payroll are required to be performed daily.

If you are using Dynamics 365 Business Central Time Sheets, then you should approve hours before payroll is processed.

3.2 Monthly

Validate employee configuration records. To make sure that Canadian Payroll settings are correct for an employee, go to the Employees page, and choose an Employee record. After the Employee Card page is shown, check the Payroll FastTab to view the employee's payroll information.

Ensure that employee active status, pay rates, address information, and tax information is correct.

3.3 Annually

Validate payroll configuration. To ensure that your Canadian Payroll settings are up-to-date, go to the Payroll Service Setup page, and review your selected settings.

Ensure that employee active status, pay rates, address information, and tax information is correct,

3.4 Related Tasks

Payment processing for employees must be performed when you are processing payroll in the Payroll Worksheet. Payment Frequency can be monthly, semi-monthly, bi-weekly, or weekly, or any combination of those frequencies.

A default frequency is set on the Payroll Service Setup, however can be changed for each employee on the Employee Card page.

When auditing payroll, or performing financial audits, please ensure that the auditor has access to the 'PAYROLLEMP' permission set, or a permission set that will show the vendor ledger entries and detailed vendor ledger entries.