Student name:\_\_\_\_\_\_\_\_\_\_

**TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.**

1. Failing to deduct statutory withholdings from employee payments can result in fines, penalties and interest charges.

* true
* false

1. Employers who do not deduct statutory withholdings from employee payments have nothing to worry about.

* true
* false

1. Employers who fail to deduct proper withholdings from employee payments may be forced to take on the cost of these missed deductions.

* true
* false

1. Payments for employees are processed through accounts payable and do not require any statutory payroll deductions.

* true
* false

1. Payments for self-employed workers are typically processed through accounts payable and do not require any statutory payroll deductions.

* true
* false

1. Employees with a Social Insurance Number beginning with a '9' are free to work in Canada without restrictions.

* true
* false

1. Most payroll software is capable of checking the validity of Social Insurance Numbers.

* true
* false

1. Employers are permitted to use a Social Insurance Number as an employee ID for an internal social club.

* true
* false

1. The province of employment determines if you are regulated by the Canada Labour Code.

* true
* false

1. Walmart Canada is federally regulated as they have stores in multiple provinces.

* true
* false

1. An employer's Human Resource department would be considered an external stakeholder.

* true
* false

1. An employer's Accounting department would be considered an external stakeholder.

* true
* false

**MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.**

1. If the worker has the option to sub-contract their work to others for profit, the worker is likely:

An employee

Self-employed

1. If the worker is supervised while on the job and required to follow a schedule of hours determined by the supervisor, the worker is likely:

An employee

Self-employed

1. If the worker is provided with all of the tools required to do the job and are not responsible for maintenance and insurance of these tools, the worker is likely:

An employee

Self-employed

1. If the worker finishes the job quickly and is able to earn additional profit as a result, the worker is likely:

An employee

Self-employed

1. If a worker is hired to fix one toilet in a large office building and is required to bring their own tools, can dictate the time the job is done and has the ability to hire an assistant to do the work for them, the worker is likely:

An employee

Self-employed

1. If a worker is hired by a plumbing company to repair toilets in large office buildings and is required to work a scheduled shift, use company tools and do the work themself, the worker is likely:

An employee

Self-employed

1. Employers must request the Social Insurance Number within \_\_\_ number of days of an employee starting employment.

1

2

3

4

5

1. How many digits are in a valid Social Insurance Number?

6

7

8

9

10

1. If an employer is unsure which Provincial Employment or Labour Standards apply they should:

Use the home province of the employee

Use the home address of the CEO

Contact the Canada Revenue Agency

Contact the Ministry of Labour

Refer to the CRA publication RC4110

1. If in doubt of whether or not the worker is an employee or self-employed, the safest choice is to:

Pay as a lump sum with no deductions

Treat relationship as employment and withhold deductions

Pay through Accounts Payable with no deductions

Ask the worker to determine which scenario they would prefer

Flip a coin and document the results

1. To determine whether a worker is an employee or is self-employed the CRA looks at:

The formal agreement between the parties

The substance of the relationship between the parties

The familial relationship between the parties

The duration of the friendship between the parties

The payment amount agreed to between the parties

1. Who carries the responsibility to apply for an individual's Social Insurance Number?

The employer

CRA

The individual

The parents of the individual

The payroll administrator

1. Employees in this industry are not considered to be federally regulated.

Banks

Radio Broadcasting

Uranium Mining

Automotive

Air Transportation

1. Employees in this industry are not considered to be federally regulated.

Interprovincial shipping

Retail Stores

Telephone Services

Grain Elevators

Federal Crown Corporations

1. If a temporary Social Insurance Number expires.

It automatically is renewed

The employer must contact Service Canada

The employee is temporarily laid-off

The employee must contact Service Canada

The employee's employment is terminated

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

1. List 3 reasons why the efficient and effective administration of the process is very important to managers.

1. Name and describe the 3 steps involved to determine if a worker is an employee or an independent contractor in Quebec.

1. Name 3 stakeholders in the payroll administrative process and explain their interest in the outcomes.

**Answer Key**Test name: chapter 1

TRUE

FALSE

TRUE

FALSE

TRUE

FALSE

TRUE

FALSE

FALSE

FALSE

FALSE

FALSE

B

A

A

B

B

A

C

D

E

B

B

C

D

B

E

Short Answer

1. Payroll costs are often a significant, if not the single largest operating cost of many organizations.  
2. To avoid interest penalties and fines, payroll administrators must ensure all legislative compliance requirements are met.  
3. The payroll administrator must ensure all contractual obligations are met (with employees and with third parties such as unions, benefit providers and other).

Short Answer

1. Intent - What did the parties intend when they entered into the contract?  
2. Definition Met? - Determine if the definition of 'contract of employment' has been met by looking at who has to perform the work, how remuneration is calculated and who has control.  
3. Actual working relationship - Compare the intent of the parties to the actual working relationship to determine the status of the contract.

Short Answer

1. Employees - Rely on accuracy and timeliness of payments and deductions withheld. Require that deductions be remitted appropriately.  
2. Management or owners - Expect all contractual obligations are met and controls and policies are followed.  
3. External stakeholders - Includes CRA, Provincial government ministries, benefit and insurance companies, courts, and charities - Rely on timely and accurate payment of obligations and record keeping.