To create a new layer, click on the paper icon in the Layers toolbar...

Note:
All Photoshop files work in layers, even if you don't have more than one of them. (Layers are like clear sheets stacked on top of each other that let you see through to objects on the layers below.) Layers are edited one at a time. In order to edit a specific layer, you must select it from the layers palette before you are able to make any changes.
Click on the new layer and an options box will open. From here you can name your layer and set your layer’s mode and opacity automatically...

To rename, copy or delete a layer, select the layer you want to effect, right-click and then select RENAME (DUPLICATE/DELETE) LAYER...

You can also rename/copy/delete a layer by clicking the two arrows on the LAYERS menu and selecting the appropriate command...
To hide a layer, click the eye icon next to the layer you want to hide...

*Note: You don’t have to have the layer selected to hide it.

To link layers, select more than one layer and then click the chain icon...

*Note: When the chain icon appears next to the layer like so, it means that it is linked to another layer.
To lock a layer (so that it cannot be moved accidently), click the checkboard icon to lock a single layer, or the lock to lock them all...

*Note: When there is a lock next to the layer it means it is locked.

**Note: If you open an image without any previous layers, the first layer (automatically called BACKGROUND) will always be locked.

To move a layer, select it and drag it to a new position...

*Note: A layer cannot be placed before the default "Background" layer.
To merge layers, right click on the layer you want to merge and select one of the three MERGE options...

1: Merge Down merges the selected layer with the layer directly beneath it.
2: Merge visible merges all visible layers.
3: Flatten image merges all layer, visible or hidden, and makes it one image. This should be the last step you do before to complete your image.

All of these options can also be accessed by clicking the double arrows on the LAYERS menu...