



## PROCEDURES

Title	<b>Honoraria</b>
Policy No.	B.1.13
Approval Body	President
Policy Sponsor	Chief Financial Officer
Last Full Review	February 9, 2021
Last Revised	February 9, 2021

### GENERAL

1. Employees may request honoraria be provided to an individual by completing the Honoraria Request Form, available on myVCC.
2. Forms are approved by the appropriate signing authority and submitted to Financial Services for processing.
3. Disputes regarding the payment of honoraria may be submitted to the Chief Financial Officer, who will review the dispute and make a final decision.

### HONORARIUM PAYMENTS TO EMPLOYEES

4. Honorariums paid to College employees will be treated as employment income and subject to deductions for Income Tax, Canada Pension Plan contributions and Employment Insurance premiums.
  - a. The payment must be less than \$500 and must be for services provided outside the employee's regular responsibilities.
  - b. These payments will be reported on the employee's T4.
5. For honorariums that will exceed \$500 in a calendar year, the employee arranging the honorarium must contact the Payroll department for direction.
6. The College is considered a single employer by the CRA. Should an individual receive multiple honorariums from various areas on campus and exceed the \$500 nominal amount, any subsequent payments may be treated as employment earnings and amounts already processed may be converted to employment earnings.
7. The Canada Revenue Agency may, at its discretion, reassess a payment processed as an honorarium, and consider it to be employment income. Should this occur, the College will be responsible for paying additional employment-related expenses and associated deductions. These amounts, along with any fines or penalties owing, will be charged back to the department that issued the payment.

### HONORARIUM PAYMENTS TO NON-EMPLOYEES

#### 8. For Residents of Canada

An honorarium paid to a resident of Canada who is not an employee of the College is not subject to tax deductions; however, the individual will be issued a T4A for the

payment and will be required to pay applicable taxes as assessed by the Canada Revenue Agency.

9. Non-Residents of Canada

Honorariums paid to non-residents of Canada are subject to a flat rate income tax deduction and are reported on a T4A-NR. If the service was performed outside of Canada, there is no tax deduction or reporting requirement.

**RELATED POLICY**

Refer to B.1.13 Honoraria Policy