

# Honorarium Request Information

An honorarium is normally a payment given for professional services that are rendered nominally without charge. When requesting an honorarium payment, please ensure that you have considered the following:

- Current UPEI employees do not usually qualify as honorarium recipients.
- The payment is infrequent or non-routine in nature, and nominal in value to recognize the contribution of gratuitous service to the University.

**Honorarium is not to exceed \$500.**

- The payment is not for a service that would either be governed by an employment relationship or a fee-for service relationship:  
<http://www.upei.ca/finance/comptroller/contracts/fee-service-contracts>
- Further guidance and examples of honorariums are provided beginning on page three of this document. Please refer to this if you are unsure as to whether or not your request should be considered as honorarium. If you need further assistance in determining if an honorarium is an appropriate type of payment for an individual, please contact Financial Services at 902-566-6000

## **Instructions for payment request:**

- 1) Print and complete page 2 of this document “Honorarium Request”. Please ensure all sections are complete for timely processing. Create a “Request a Payment” through myUPEI and scan the completed and signed form to [invoices@upei.ca](mailto:invoices@upei.ca). In the subject line please name the document as follows:

MM.DD.YY Name of recipient HO V#####

(MM.DD.YY is the date of the request, HO is the indication that this is an Honorarium payment request, V##### is the voucher number generated by you when completing a “Request a Payment” in myUPEI).

# Honorarium Request

Voucher # \_\_\_\_\_ Department \_\_\_\_\_

Requestor: \_\_\_\_\_ Account # \_\_\_\_\_

**Payment to:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**Social Insurance Number** (Canadian citizens only) \**Mandatory in order to process payment.*

SIN#	Date of Birth (MM/DD/YY)
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Social Security Number or Equivalent: (non-Canadian) \* *Mandatory field. All payments to non-Canadians that entered Canada are subject to 15% withholding tax. Days in Canada* \_\_\_\_

SSN	Date of Birth (MM/DD/YY)
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Did UPEI pay other expenses on behalf of this individual?

Hotel \$ \_\_\_\_\_ Airfare \$ \_\_\_\_\_ Per Diem \$ \_\_\_\_\_ Other \$ \_\_\_\_\_

**Description or Reason for Honorarium:** \_\_\_\_\_ **\$CDN Amount:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Approval:** Your signature indicates approval as to the appropriateness and reasonableness of the amount being paid as honorarium (please see Honorarium Guidelines below).

Requester Printed Name: \_\_\_\_\_ Requester's Signature: \_\_\_\_\_

One-Over-One Authorization Signature: \_\_\_\_\_

One-Over-One: Printed Name \_\_\_\_\_ Date \_\_\_\_\_

*Protection of Privacy - The personal information requested on this form is collected under the authority of Section 31(c) of the PEI Freedom of Information and Protection of Privacy Act and will be protected under Part 2 of that Act. It will be used for the purpose of issuing Honorariums. Direct any questions about this collection to Financial Services, University of Prince Edward Island, 550 University Avenue, Charlottetown PE C1A 4P3 (902)566-6000.*

# Honorarium Guidelines

## What is an honorarium?

From the perspective of the Canada Revenue Agency (CRA), payments for services made to an individual are either employment income or business income. The CRA does however support the notion of small payments that are not subject to the usual tax rules. The criteria for these payments include:

- They are nominal - \$500 or less in a calendar year;
- They are made to an individual for voluntary services for which fees are not legally or traditionally required;
- They are not reflective of the value of the work done;
- They are made on a one-time or non-routine basis to an individual as a “thank you”.

## When is an honorarium appropriate?

Keeping the above criteria in mind, examples where an honorarium payment would be acceptable include:

- Payment as a “thank you” or gesture of goodwill and appreciation, to a non-professional;
  - guest speaker or lecturer
  - external party for a special classroom lecture or short series of such lectures
  - individual for conducting a seminar or workshop
  - guest speaker at an educational event or other similar function
  - guest speaker participating at outreach events
- Payment to a volunteer for assistance for set-up or supporting activities at special events.

## When is an honorarium not appropriate?

An honorarium must not be based upon an agreed to amount between the individual providing services and the University representative seeking services. If payment is agreed upon, this constitutes a contractual arrangement as an independent contractor (business) relationship exists.

An honorarium is not appropriate if the University is obtaining the services of a professional speaker or consultant who performs the requested service for a living. These individuals would be considered self-employed and should receive a fee for service or consulting payment.

## Are honorariums subject to tax deductions?

*Payments to UPEI employees would not qualify as honorarium unless the payment relates to an area completely outside the realm of that employees role as a UPEI employee.*

Honorarium payments to non-employees:

- Residents of Canada: An honorarium paid to a resident of Canada who is not an employee of the University is not subject to tax deductions; however, this does not mean that the recipient does not have to pay taxes on the amount received. The individual will be issued a T4A for the payment, and when they file their tax return for the year, any taxes owing on the amount paid will be assessed by the CRA.
- Non-residents of Canada: Where the service was performed in 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 requirements.

**What if I want to pay an individual multiple honorariums within a calendar year?**

If you intend to pay an individual an honorarium more than once in a given calendar year and the total of the payments will exceed \$500, please be aware that the University 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.

Should the Canada Revenue Agency reassess a payment processed as an honorarium as employment income, this can result in required payment of vacation pay, WCB and Employee health premiums, and both the employer and employee share of CPP and EI.

**Questions:**

Please contact Financial Services at 902-566-6000 if you have any questions regarding honorariums.