

Title	Payment of Honorariums
Number	C3005
Category	Finance

1. PURPOSE

The purpose of this policy is to define what constitutes an honorarium, provide instruction on the appropriate payment of honorariums in accordance with Canada Revenue Agency regulations, and ensure consistent and fair treatment across the College.

2. DEFINITIONS

Honorarium – a nominal amount paid to an individual for voluntary services for which fees are not legally or traditionally required. An honorarium is not reflective of the value of the work done and must not appear as compensation for work done. Honorariums are made on an ad hoc basis.

Examples of appropriate honorariums include, but are not limited to, nominal amounts provided to:

- A guest speaker or lecturer as a gesture of goodwill or appreciation
- An external party for a special classroom lecture or short series of such lectures
- An individual for conducting a seminar or workshop
- A guest speaker at an educational event or other similar function
- A guest speaker participating at outreach events
- A payment to a volunteer for assistance for set-up or supporting activities at special events

Honorariums should not be made to a professional for services they perform for a living or to an employee as part of their regular work. In addition, any work or services that fall under one or more existing College job descriptions and/or are covered by the College's compensation policies or collective agreements are not eligible for honorariums.

Volunteer – a person who freely agrees to provide goods and services to the College with no expectation of payment.

3. POLICY

General

- 3.1 Services provided to the College on a voluntary basis must be documented in writing. This document should indicate that the services are being volunteered and should not include any reference to or mention of payment.
- 3.2 If expenses are to be incurred in relation to the services provided, the agreement must outline the method of reimbursement (e.g., expense reimbursement with receipts or invoice) and any limitations on expenses.

- 3.3 An honorarium must not be based on an agreed-upon amount between the recipient and the College. If payment is agreed-upon, the arrangement falls outside of this honorarium policy and should be discussed with your Human Resources Consultant.
- 3.4 An honorarium should be a flat, nominal amount and should not be based on a unit of measure such as the number of hours volunteered or students assisted.

Considerations for Honorariums Paid to Employees

- 3.5 An honorarium paid to an employee of the College for the provision of additional, voluntary services outside of their regular work is considered additional employment income and is subject to applicable statutory withholdings and payroll deductions.
- 3.6 An honorarium paid to an employee of the College will be reported on the employee's T4 slip for the income tax year in which it is paid.

Considerations for Honorariums Paid to Non-Employees

- 3.7 An honorarium paid to a non-employee of the College is considered as a payment in respect of services rendered.
- 3.8 An honorarium paid to a non-employee of the College is considered taxable income by Canada Revenue Agency, but is not subject to income tax deductions by the College.
- 3.9 Honorariums paid to a non-employee of the College will be reported on a T4A should the cumulative amount paid to the payee exceed \$500 during the income tax year. Regardless of the receipt of a T4A, the payee is responsible for reporting all honorariums on their personal income tax return.
- 3.10 Should the payee be a Goods and Services Tax (GST) registrant or is required to be a registrant due to their business income threshold, the College is required to pay GST in addition to the amount of the honorarium. The payee is required to inform the Finance department that they are a GST registrant and provide appropriate documentation including their registration information.

Other Considerations

- 3.11 Honorarium Payments to Indigenous Payees for Work Performed on or off a Reserve
- 3.11.1 Honorariums paid to an Indigenous payee for work performed on a reserve is exempt from income tax under paragraph 81(1)(a) of the Income Tax Act and section 87 of the Indian Act.
- 3.11.2 Honorariums paid to an Indigenous payee for services off-reserve shall be processed per sections 3.2 or 3.3 above, based on the employee status of the recipient.
- 3.12 Honorarium Payments for Non-Residents
- 3.12.1 For services performed in Canada, honorariums paid to non-residents of Canada are subject to a non-resident withholding tax and will be reported on a T4A-NR.
- 3.12.2 For services performed outside of Canada, there are no tax deduction or reporting requirements for honorariums.

4. RESPONSIBILITY

For inquiries relating to this policy, contact the Vice-President, Administration and Finance.

5. REGULATIONS/PROCEDURES

[Payment of Honorariums FAQs](#)

History/Revision	
Origination Date	February 15, 2022
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