

## Honorarium Policy

---

### Purpose

The purpose of the policy is to define what constitutes an honorarium, provide the Yuutu?it?ath Government with a framework for consistent application when offering honorarium payments to individuals, to define maximum rates for honorarium payments, and provide instruction on the appropriate payment of honorariums in accordance with Canada Revenue Agency regulations.

### Scope

This policy applies to individuals who volunteer to provide the Yuutu?it?ath Government with services. These individuals can be both non-employees of the Yuutu?it?ath Government, and employees of the Yuutu?it?ath Government so long as the volunteered service is beyond the realm of duties assigned to their employment position and takes place outside the scope of working hours.

If an employee volunteers to perform a service beyond the duties of their employment position during working hours, the employee must first ensure they are clocked out of their normal position and are not receiving simultaneous compensation for their designated duties of employment.

### Background

Given the scope of Yuutu?it?ath Government affairs, honorarium payments are likely to occur regularly. For this reason, the Yuutu?it?ath Government recognizes the need to establish a clear framework and structure for the honorarium payment process. The policy seeks to provide clarity and instructions as to when and to who an honorarium may or may not be offered by the Yuutu?it?ath Government.

The standards established in this policy are concurrent with those of the Canadian Government and the Canada Revenue Agency, as well as other self-governing Indigenous governments.<sup>1</sup>

Honorarium payments should always be gratuitous. The decision to provide an honorarium should have no influence on the decision of the individual to participate or volunteer their time. There is no legal obligation to make the payment, and the recipient has no legal right to the payment.

An honorarium must not be based on an agreed-to amount between the individual providing services and the Yuutu?it?ath Government representative seeking services. If payment is agreed upon, this constitutes a contractual arrangement. This means that an employment or independent contractor (business) relationship exists.

### Policy Statement

1. The Yuutu?it?ath Government is committed to offering honorarium payments to individuals in recognition of volunteer services provided where no fee is set or legally required to be paid, commensurate with the nature of the service, the complexity of the tasks performed, and the amount of time spent.
2. Services provided to the Yuutu?it?ath Government on a voluntary basis must be documented in writing. This document should indicate that the services are compliant with the Yuutu?it?ath Government Honorarium Policy.

---

<sup>1</sup> See the Government of Canada Guide to Ex Gratia Payments and Honorariums; the Canada Revenue Agency Guide to Gifts, Awards, and Long-Service Awards; and section 14 of the Tsawwassen First Nation's Advisory Council Regulations.

3. An honorarium must not be based on an agreed-upon amount between the recipient and the Yuułuꞑiꞑatḥ Government. If payment is agreed-upon, the arrangement falls outside of this honorarium policy, and is subject to Yuułuꞑiꞑatḥ Government employment or contract policy as applicable.
  - a. Monetary honoraria should be considered only after examining the alternative of entering a service contract. Service contracts should be considered where there is an ongoing or recurring nature to the payment.
4. An honorarium payment should be a flat rate of \$150 per day, unless a larger payment has been authorized by the Director of Operations
5. Department managers must record official confirmation of attendance prior to authorizing the administration of payment. This can be done by filling out *the Honorarium Confirmation of Attendance form*. This form is in the appendix of this policy.
6. Honorarium payments offered because of an individual’s employment to Yuułuꞑiꞑatḥ Government and/or the fulfillment of duties related to their position with the Yuułuꞑiꞑatḥ Government must be administered to Yuułuꞑiꞑatḥ Government. If the payment was made directly to the staff member, the staff member must forward the payment to the Yuułuꞑiꞑatḥ Government and inform the paying party to make payments directly to the Yuułuꞑiꞑatḥ Government going forward.
7. The Yuułuꞑiꞑatḥ Government must ensure that, when appropriate, proper deductions on honoraria payments are being made as it pertains to income tax. Deductions will vary depending on the amount and recipient of the honoraria payment. Details outlining proper proceedings regarding honoraria and potential deductions can be found in the procedures of this policy, along with the Canada Revenue Agency’s *Special Payments Chart*.<sup>2</sup>

## Definitions

“honoraria”

The plural of honorarium.

“honorarium”

A voluntary payment for services to an individual who is not an employee of the Yuułuꞑiꞑatḥ Government and to whom payments are not legally or traditionally required. Honorariums are not meant to be used frequently or as a mechanism to deliver a program, particularly on an ongoing basis.

“volunteer”

A person who freely agrees to provide services to the Yuułuꞑiꞑatḥ Government with no expectation of payment.

## Roles and Responsibilities

**The Executive Committee is responsible for:**

- Approving any amendments to this policy

**The Director of Operations is responsible for:**

- Supporting the implementation of this policy
- Ensuring the Yuułuꞑiꞑatḥ Government has administrative directives and policies in place to support this policy
- Recommending amendments to this policy to the Executive
- Approving honorarium payments greater than \$150 per day

**Department Managers are responsible for:**

- Making departmental budgetary considerations to account for honoraria payments

---

<sup>2</sup> See the Canada Revenue Agency’s Special Payments Chart <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/special-payments/special-payments-chart.html>

- Ensuring confirmation of services rendered through the *Honorarium Confirmation of Attendance form*

**The recipients of honoraria are responsible for:**

- Completion of Canada Revenue Agency CPP and income tax forms declaring exemptions/credits, if eligible.

**The Finance Department is responsible for:**

- Administering honorarium payments following confirmation with department managers
- Applying any applicable statutory withholdings and payroll deductions prior to the issuance of honorarium payments.

## Honorarium Policy Procedures

---

### Service Standards / Expectations

Honoraria are issued to show appreciation and are not an appropriate mechanism to procure or incentivize assistance.

Examples of acceptable honorarium payments may include but are not limited to:

- Meeting attendance and participation
- External volunteered consultation resources
- Individual or group conducting a seminar or workshop
- Guest speaker participating at outreach events
- A token of appreciation for a volunteer for assistance for set-up or supporting activities at special events

Examples of what is **not** acceptable uses of honorarium payments include:

- Any service performed with an expectation of pay
- Any regularly recurring payments to the same individual
- Any contracted service

Honorarium may be issued as money or as goods.

### Honorarium rates and applicable deductions

Monetary honoraria should be limited to a flat rate of \$150 per day unless a greater amount is specifically authorized by the Director of Operations. All such authorizations must be reported to the Executive by the Director of Operations.

In accordance with the Canada Revenue Agency, it is recommended that honorarium payments should be nominal and should not exceed \$500 to the same individual in a calendar year. Should an individual receive multiple honorarium payments throughout the and exceed the \$500 nominal amount, any subsequent payments following the \$500 mark may be treated as remuneration earnings and amounts already processed may be converted to remuneration earnings.

### Honoraria for Elected Officials

Honoraria payments administered to Elected Officials is subject to a separate and distinct set of honorarium regulations, as per the Canada Revenue Agency.<sup>3</sup>

### Considerations for Honoraria paid to employees

An honorarium paid to an employee of the Yuutu?it?ath Government for the provision of additional, voluntary services outside of their regular work is to be administered through Yuutu?it?ath Government Payroll and is considered additional employment income should the total honoraria payments exceed the total of \$500 in a calendar year.

---

<sup>3</sup> See the Canada Revenue Agency's Special Payments Chart <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/special-payments/special-payments-chart.html>

The payee is responsible for reporting earnings on all applicable CPP and income tax forms necessary for the payroll department to ensure that all applicable statutory withholdings and tax deductions are considered in the payroll administration process.

An honorarium paid to an employee of the Yuułuꞑiꞑatꞑ Government will be reported on the employee's T4 slip for the income tax year in which it is paid.

If an employee volunteers to perform a service beyond the duties of their employment position during working hours, the employee must first ensure they are clocked out of their normal position and are not receiving simultaneous compensation for their designated duties of employment.

### **Considerations for Honoraria paid to non-employees**

Honoraria paid to a non-employee of the Yuułuꞑiꞑatꞑ Government will be administered through Yuułuꞑiꞑatꞑ Government payroll and reported on a T4A. The payee is responsible for reporting all earnings on applicable CPP and income tax forms.

### **Considerations for Honoraria paid to non-residents**

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 T4-NR.

For services performed outside of Canada, there are no tax deduction or reporting requirements for honorariums.



## Honorarium Policy Appendix

Yuutu?it?ath

---

### Honorarium Confirmation of Attendance

<b>Participant's Name:</b>	
<b>Event Name:</b>	
<b>Purpose:</b>	
<b>Role:</b>	
<b>Dates of Event:</b>	
<b>Rate Administered:</b>	

**Manager Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_