



Queen's

Taxable vs. Non-Taxable Payments

Choosing the Correct Payment Process

Choosing the Correct Payment Process



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Taxable income can be a complex subject.

This module will provide **guidance** and **resources** that can help eliminate much of the guess work.

Know who to ask when you have a question.

Overview



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[Awards – Academic & Non-Academic](#)

[Gifts & Awards to Employees](#)

[Honorariums, Speaker Fees, Visiting Lecturer Fees](#)

[Service Providers – Consultants, Non-Consultants, Employees](#)

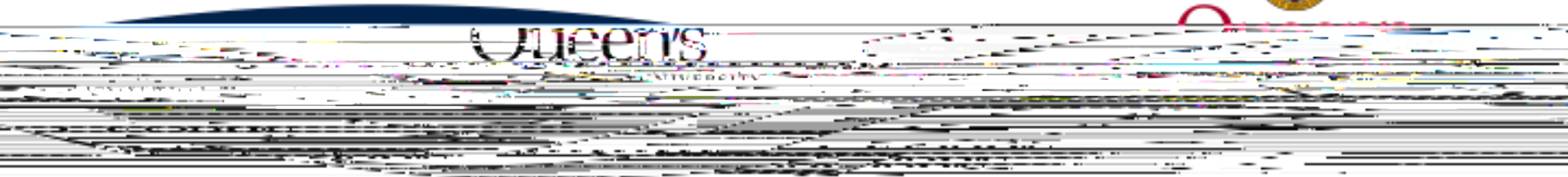
[Professional Services – Non-Clinical & Faculty of Health Sciences Clinical](#)

[Research Study Participants](#)

[Additional Resources](#)

Awards (Academic & Non

- Academic)



Awards include Bursaries, Scholarships, Fellowships, and Prizes.

The office responsible for processing award payments will depend on how the award is classified.

The classification _____ on. ws classt70 m 46.08 0.423.04.2o50047>JTJ /T1_0 1 Tf (

Gifts & Awards to Employees



A **Gift** has to be for a special occasion such as a religious holiday, a wedding, or the birth of a child.

An **Award** has to be for an employment-related accomplishment, such as an outstanding service award, not recognition of job performance.

Cash includes currency, cheques, and direct deposits.

A **Near Cash item** is one that functions as cash or an item that can be easily converted to cash, such as a gift card.

A **Non Cash item** is one where there is no element of choice, such as tickets to an event on a specific date and time.

Gifts & Awards to Employees

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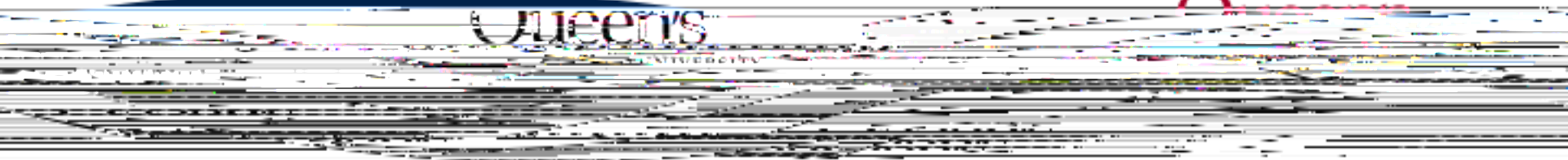
A Gift to an employee *is always taxable.*

An Award to an employee has to be for an employment-related accomplishment such as outstanding service, employees' suggestions, or meeting or exceeding safety standards. It is recognition of an employee's overall contribution to the workplace, not recognition of job performance.

Honorarium, Speaker Fee, Visiting Lecturer Fee



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How to process payment:

Payee	Form	Supporting Documents / Info	Account	Tax Slip
Queen's Employee	Payroll - Additional/ One-Time Payment Request and forward to Financial Services Payroll Services	Complete all fields on form	590002	T4
External to Queen's <u>and</u> Resident of Canada	Cheque Requisition and forward to Financial Services Accounts Payable	HST Registered: Original invoice HST # Proprietor's name if not evident	641008	T4A
		Not HST Registered: Original invoice SIN # Home address	641008	T4A
		Incorporated: Original invoice	641008	N/A
External to Queen's <u>and</u> Non-Resident of Canada <u>and</u> Services provided in Canada *	Cheque Requisition and forward to Financial Services Accounts Payable	HST Registered: Original invoice HST # Proprietor's name if not evident	641008	T4ANR
		Not HST Registered: Original invoice (if fee payment) SSN # (or Foreign Equivalent) Home address Bank info if Wire TSF	641008	T4ANR
		Incorporated: Original invoice Bank info if Wire TSF	641008	N/A

* If payment is > \$1,000 (>= \$1,000.01) a 15% withholding tax will apply.

Service Providers



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Consulting Service Provider (CSP):

Consultant

provides specialized services to a client on a short-term basis.

Consulting Services

are provided by a consultant who is engaged by a client to provide specialized services on a short-term basis.

Non-Consulting Service Provider (NCSP):

An individual/company provides services to another individual or business. Examples may include 'consultants' such as

accountants, lawyers, engineers, etc.

Employee:

An individual who works for a company and is under the control and direction of the company. The company has the right of direction and control over the employee's actions, has the power to dismiss the employee.

Professional Services



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Professional Services

Fee for services provided by university trained professionals such as doctors, lawyers, accountants, consultants, and others.

Professional Services (Non-Clinical):

Payments include Audit Fees, Consulting Fees, Creative Artists, Faculty Corporation Fees, Facilitators/Coach Fees, Investment Services, Legal Fees, Medical Services, Network Consultants Fees, Speaker Fees and other Professional Fees.

Professional Services **Faculty of Health Sciences** (Clinical):

Payments include income earned for GFT Clinical Fees, GFT Faculty Corporation Fees, GFT Shadow Billing, Non-GFT Clinical Adjunct/Locum, and Clinical Preceptors.

Professional Services (Non-Clinical)



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How to process payment:

Payee	Form	Supporting Documents/Info	Account	Tax Slip
Non-Clinical (Non-Employee) Non-Incorporated	Cheque Requisition and forward to Financial Services Accounts Payable	<p>HST Registered: Original invoice HST # Proprietor's name if not evident ex: John Smith Co. Vs. ABC Co.</p> <p>Not HST Registered: Original invoice SIN # Home address</p>	6250XX	T4A
Non-Clinical (Non-Employee) Incorporated	Cheque Requisition and forward to Financial Services Accounts Payable	Original invoice HST # (if applicable)	6250XX	N/A

Professional Services

Faculty of Health Sciences (Clinical)



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How to process payment:

Payee	Form or System	Supporting Documents/Info	_____	



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Additional Resources



Queen's

Canada Revenue Agency

www.cra-arc.gc.ca

Financial Services Payroll Services

payroll.services@queensu.ca



Cont

T 613-533-2050

Fax 613-533-6433

Em finance@queensu.ca

W [Financial Services](#)

Financial Services
207 Stuart Street,
3rd Floor, Rideau Building

Ho Monday - Friday
Open 8:00 am - 4:00 pm





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To learn more or to review additional

Training Resources

and Video Tutorials

visit the [Financial Services Training](#) page