

The payment of honorariums can be confusing depending on the circumstances. Information from various websites have been brought together in this email to help you understand how honorariums should be processed.

## Payroll versus Accounts Payable

Any individual who has received a payment through payroll in the current calendar year should have their honorarium paid through payroll (HRMS). A honorarium payment related to their previous UBC job should still be paid through payroll even if the individual has not received any payments through payroll in the current calendar year.

Ongoing payments to an individual should either be paid through a Purchase Order (PO), if they are an independent contractor and total more than \$3,500, or through payroll if they are considered to be an employee. Information to help you determine if someone is an employee or contractor can be found at:

<http://www.finance.ubc.ca/EmployeeContractor.cfm>

Individuals who are not an existing employee and do not qualify for a PO can be paid through Accounts Payable using a Requisition for Payment form. The form and related instructions can be found at: <http://www.finance.ubc.ca/fmisw.cfm>

## Faculty Honorariums:

<http://www.hr.ubc.ca/faculty-relations/compensation/honoraria/>

### **Processing Honoraria Payments**

#### **Documentation Required**

Honoraria can be paid in a lump sum or spread over a relevant period of time. Each request for payment must indicate the reason for the payment and if required, include supporting documentation.

For lump sum honoraria: use a [Faculty Honoraria Form](#).

Note: faculty members with salary should never be paid salary using a [Requisition for Payment or SmartForm](#). Those faculty members who provide service to the

University in an area of specific expertise unrelated to their UBC employment must comply with [University Policy #97](#).

For ongoing honoraria: use a [Faculty Appointment Form](#) with the earnings code “HON” and the action/reason code “pay rate change – additional responsibilities”.

Individuals who are in pay group ‘99’, which is an unpaid appointment, should have any honorarium paid through Accounts Payable.

## **Approvals**

All honoraria are subject to the approval of the head of the academic unit and Dean (Dean’s signature only in non-departmentalized Faculties). Upon the approval of the Dean,

- all honoraria of \$4500 or more must be approved by the President’s Office (i.e. Faculty Relations at UBCV and Human Resources at UBCO);
- all lump sum honoraria under \$4500 must be submitted directly to Payroll EXCEPT for honoraria payments to Sessional Lecturers;
- the Provost must approve any research honoraria where the total honoraria paid to a faculty member is in excess of 1/6th of the total salary received within an academic year (July to June).

## **Benefits and Tax Implications**

Honoraria are taxable (including income tax, CPP, EI and WCB) but do not attract pension or benefits at UBC.

## **Staff Honorariums:**

<http://www.hr.ubc.ca/compensation/salary-administration/honoraria/>

## **Processing Honorarium Payments**

### **Required Documentation**

A honorarium is to be recorded as a lump sum payment on a [Staff Honoraria Form](#) (PDF), and should be accompanied by the rationale for payment, as well as any other supporting documentation.

## Review & Approval Process

The following review and approval process should be followed for honorarium requests:

- 1) All honoraria are subject to the approval of the head of the unit and the respective Dean or Associate Vice-President (AVP).
- 2) Upon approval by the Dean or AVP, the Staff Honoraria Form should be forwarded to one of the following, depending on the amount of the honorarium:
  - Honoraria for amounts **less than \$5,000 (total)** should be forwarded to the Vice-President or Deputy Vice Chancellor (DVC) for approval.
  - Honoraria for amounts of **\$5,000 or more (total)** should be forwarded to Florence Lum of the Compensation unit of Human Resources. The Compensation unit will review honoraria of \$5,000 or more for the purpose of ensuring equity and consistency across departments. After review, the Compensation unit will forward the Staff Honoraria Form along with a recommendation to the respective Vice-President or DVC for final approval.
- 3) Once the Staff Honoraria Form has been signed off by the Vice-President or DVC it should be forwarded to the Payroll department for processing.

Unionized staff members are not eligible for honoraria payments as this type of payment is not allowed within the collective agreements. More information is located at <http://www.hr.ubc.ca/memos/staff-honoraria-payment-requests-jan-17-2011/>.

## Benefits & Tax Implications

Honoraria payments paid through payroll are subject to income tax, as well as the usual payroll deductions (e.g., CPP, WCB, and EI). Honoraria payments do not attract other wage-sensitive benefits, such as pension, Basic Group Life insurance, and Income Replacement Plan (IRP). AAPS dues are deducted where applicable.

Questions can be directed towards Faculty Relations, Human Resources, Supply Management or Finance.