

## PAYROLL

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**Effective Date:** April 22, 2002

**Originating Office:** Human Resources

**Supersedes /Amends:** n/a

**Policy Number:** HR-37

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### SCOPE

This policy applies to all employees of the University.

### DEFINITIONS

Federal and provincial tax rules define “*employee*” as follows:

*An individual who performs services subject to the control by an employer both as to what services shall be performed and to the manner in which they shall be performed.*

If the University has the legal right to control directly both the method and the result of the work of an individual, that person is considered an employee and his salary is subject to the withholding of the appropriate statutory deductions. An individual who is subject to the control or direction of University representatives with respect to work objectives only but not with respect to the means and the methods for accomplishing the work objectives is considered an independent contractor (see *Procurement Policy* ([CFO-20](#)) for more details).

For the purposes of the Payroll Unit of the Department of Human Resources and Employee Relations, an individual who performs work directly for the University is normally considered an employee of the University, unless:

- The individual is an independent contractor; or
- The individual is working at the University as an employee of another employer, including a temporary placement agency and is under the direct supervision of this other employer.

*Scholarships and fellowships* are not considered payment for work performed and are reported as “other income”.

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*Research and Teaching Assistantships* are considered employment income and are therefore subject to income tax deductions (see policy *Employment of Research Personnel Hired by Grant Recipients* ([HR-5](#))).

*Non-Residents of Canada* employed by the University on a regular and continuous basis, are taxed as Canadian citizens would be. One-time payments to Non-Residents guest lecturers are not considered employment income but are taxed at the Non-Residents tax rates (9% federal deduction and 15% provincial deduction as of April 2002).

### POLICY

#### Work Eligibility

1. Employees must provide the Payroll Unit with:
  - a. a social insurance number or with evidence that they have applied for a social insurance number; or
  - b. evidence of Canadian citizenship, landed immigrant status or other evidence of eligibility to be employed at the University such as a student visa.

#### Tax Requirements

2. New employees must complete both the federal Personal Tax Credit Return form and the provincial Source Deductions Return form in order to determine statutory taxes which must be deducted from their pay. If these tax forms are not completed, the Payroll Unit will deduct taxes from an employee's pay under the "Basic" tax status.
3. Employees may request to have the taxes withheld by the University reduced due to additional exemptions not included on the federal and the provincial tax credit forms. Such requests must be made directly by employees to the government taxation offices. Upon receipt of a letter of authorization from the governments, the Payroll Unit will make the necessary tax withholding adjustment.

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### Tax and other Government-mandated Deductions

4. The University withholds federal and provincial income tax, employment insurance premiums and Quebec Pension Plan contributions as well as any additional government-mandated deductions from all employees' taxable earnings. Taxable earnings include regular pay, overtime pay, supplementary compensation and any additional and miscellaneous payments made for work performed at the University.
5. The Payroll Unit prepares Statements of Earnings and Income Withheld forms (T4 or T4A and Relevé 1) for each employee of the University. These statements are mailed by the end of February every year. Copies of these statements are also mailed to the federal and the provincial government taxation departments.
6. The categories of employment which define the method of remuneration (salary or hourly) are listed in policy *Introduction and Definitions* ([HR-1](#)). Salaried employees are paid the prorated amount of their annual salary on a bi-weekly basis. Casual employees are paid for the actual hours worked as indicated on the timesheet submitted for the pay period.

### Other Payroll Deductions

7. Employees eligible for benefits provided under the University Benefits and Pension Plans pay the employee's share of the cost of these plans by authorizing payroll deductions, in writing.
8. Similarly, other voluntary payroll deductions (such as those for the University's Fundraising Campaigns, Centraide, Group RRSP, Canada Payroll Savings Plan and Strathcona Credit Union) must be authorized in writing by employees and sent to the Payroll Unit.
9. Salary seizure deductions are made in accordance to the provisions of policy *Seizure of Salary* ([HR-30](#)).
10. All deductions are itemized on the pay cheque stub or on the Direct Deposit Pay Advice.

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### Payroll Calendar and Delivery

11. Employees are paid on a bi-weekly basis unless specified otherwise in their collective agreement or labour protocol.
12. Direct Deposit Pay Advices are mailed, internally, to the employee's Department while pay cheques are mailed to the home address of the employee on record in the employee's file. It is the responsibility of the employee to ensure that this information is updated as required.
13. When a pay cheque is lost or a direct deposit payment rejected by a bank, a replacement payment is issued within two weeks of notification.

### Salary Advances

14. An emergency advance should be a measure that corrects an administrative error of a representative of the University as an employer. It should be used to minimize the adverse effect of that error on the payment of wages to an employee when this payment would be otherwise delayed for more than two weeks.
15. When the need arises to issue a salary payment outside the scheduled payroll calendar, manual cheques can be provided within two working days provided proper authorization and supporting documentation has been provided to the Payroll Unit.
16. Salary advances other than emergency advances and vacation advances as provided for in a collective agreement or labour protocol are prohibited.

### Overpayment Recovery

17. When an overpayment of salary occurs, the Payroll Unit is responsible for contacting the employee and making arrangements to recover the amount of the overpayment.
18. The overpayment will be reimbursed either by personal cheque or directly deducted from the employee's pay, based upon the following formula:

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<u>Amount of overpayment</u>	<u>Maximum number of pays allowed for repayment</u>
Less than \$100	1
Between \$100 and \$500	2
Between \$500 and \$750	3
More than \$750	4

### Salary Statements

- Salary statements are prepared by the Payroll Unit within two weeks of an employee's request.

### Authorization for Payroll Expenditures

- Authorized University officials approve charges of salaries and wages to the accounts under their responsibility, in accordance with budgets, compensation policies and collective bargaining agreements or employment agreements and contracts. Salary changes, supplemental compensation, paid leaves and termination of salary must also be authorized by these officials of the University.
- The Payroll Unit charges salary and wages expenditures to accounts designated by the department on the University Financial Services System.

### Deadline for the Processing of Documents and Pay Requests

- Authorized documentation (Notice of Hire, Notice of Change, Notice of Termination, Contracts, etc.) must be received by the Department of Human Resources and Employee Relations on the Friday, two weeks in advance of the bi-weekly pay dates (see calendar posted on the Department web page).
- The deadline for pay requests (timesheets) to casual employees is on Wednesday, one and a half weeks in advance of the bi-weekly pay dates (see calendar posted on the Department web page).