

New payroll object codes: Honoraria (and Other Payments above Regular Appointments)

Where full time employees are entitled to additional payments (either recurring or one-time) such as Honoraria, there are two new payroll objects codes that have been created with appropriate benefit allocation rates. The new object codes will allow the budgeting and tracking of these payments through established positions (ie Chair Honorarium positions) or by temporary appointments.

Types of Eligible Payments:

These payments may include:

- honoraria for administrative responsibilities
- honoraria for additional research responsibilities (ie CRC's)
- payments earned for specific additional contributions such as course development
- vet teaching hospital 'out of hours' duty
- honoraria for temporarily assuming the additional responsibilities of a vacant position

Excluded from this category are payments for Overtime, Standby Pay and Shift Premiums

Benefit Allocation Rates:

As these payroll payments are in addition to a full time appointment, most (but not all) benefit costs incurred by the University on the employee's behalf will have reached a maximum limit (this limit varies depending on the benefit). Therefore where this payment is in addition to a full time salary, the additional costs incurred by the University are lower. The minimum benefit costs incurred for these incremental payroll payments are approximately 2.28% (Employee Health Tax 1.95% - no maximum, 0.33% for WSIB - maximum at \$67,700 salary). Other categories have lower maximums that may apply in some instances and occasionally these payments may be pensionable. These instances will raise the average cost of benefits for these payments to a level above the minimum rate.

Accordingly, we have established a benefit allocation rate of 3.6% for eligible payments in these new object codes.

Object Codes:

Two codes have been created for payroll appointments that meet the above criteria:

1. Object #61134 for Faculty and Librarian established honorarium positions (ie chair honorarium positions)
2. Object #61234 for temporary appointments

Implementation:

For existing established positions designated for honoraria, the Budget Office will change the distribution to the new object code before the first payroll is posted in May '06 for the 2006/2007 fiscal year.

For payments made through temporary appointments, please submit a dataform to Human Resources with distribution coding that includes the new object code #61234. The new benefit rate will apply beginning with the next pay after an appointment change is submitted. Charges for benefit allocations will not be refunded retroactively.

If you wish to have new positions established in the budget for recurring payments within these categories, please contact the Budget Office. We encourage you to use position budgets to help you manage these types of expenditures. The use of budgeted positions does not change the status of the appointment.