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## Withholding Tax

When payments are made to individuals (such as for honoraria, guest speakers, etc) through the Accounts Payable process there are certain income tax implications to consider.

When Accounts Payable receives an invoice or cheque requisition requiring payment to a Canadian resident, the individual's legal name, full address, and social insurance number are required before the payment can be processed. After being processed in Accounts Payable, a copy of the source document is forwarded to Human Resources who will issue a T4A slip to the individual.

When Accounts Payable receives an invoice or cheque requisition requiring payment to a non-Canadian resident (i.e. US and international), if Service is performed in Canada (The payee comes to Canada to perform the service), we are required by the Canada Revenue Agency (CRA) to deduct a withholding tax of 15% of the amount owing, unless a CRA waiver accompanies the invoice or cheque requisition. This 15% is remitted to CRA and the difference is paid to the individual. A copy of the source document is forwarded to Human Resources who will issue a T4A-NR slip to the individual. However, if service is performed outside of Canada, no withholding tax will be reduced, and therefore, no T4A-NR will be issued.

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**Source URL:** <https://www.uoguelph.ca/finance/withholding-tax>