# 710 Service Recognition and other Performance Based Awards, All Staff

## Effective: February 2005

1.0 The University supports the longstanding tradition of recognizing the efforts of individual employees. While continuing with this tradition, the University must ensure compliance with CRA (Canada Revenue Agency) guidelines as well as remain publicly accountable for the funds under its administration.

1.1 At the discretion of the department, length of service recognition may be acknowledged in five year increments starting at 15 years of service.

1.2 At the discretion of the department and where employee agreements allow, a performance-based award system may be implemented whereby employees are recognized for meeting goals or other noteworthy achievements. Awards may be issued for meeting quality control targets, enhancing revenues, reducing costs or other significant achievements.

1.3 It is the responsibility of the department to fund and provide the award to the employee.

1.4 The value of the award should be reasonable.

1.5 The cost of the award to an employee may be paid out of the department's operating fund. Due to University policy and external restrictions, Research funds or other restricted funds are not to be used for this purpose.

2.0 All awards paid for from department operating funds must conform to Canada Revenue Agency guidelines. These guidelines require that:

2.1 All cash awards or near cash awards such as gift certificates are taxable benefits and must be reported to Human Resources to be included on the employee's T4.

2.2 Any non-cash award to an employee in excess of $500 is taxable and must be reported to Human Resources to be included on the employee's T4.

2.3 Any two non-cash awards, the combined value of which exceeds $500, will have taxable benefit implications. For the most favourable tax treatment, the lowest valued award must be reported to Human Resources to be included on the employee's T4.

2.4 A third or subsequent award to an employee, regardless of the value, will be considered a taxable benefit. For the most favourable treatment, the lowest valued award(s) must be reported to Human Resources to be included on the employee's T4.

Please contact Human Resources with respect to any questions regarding taxable benefit rules.

For guidance with respect to gifts to employees or expressions of sympathy please consult HR Policy 711 Gifts to Employees and Recognition of Significant Events [1] and HR Policy 712 Recognition of Bereavement or Illness [2], respectively.

**Source URL:**https://www.uoguelph.ca/hr/staff-faculty-hr-policies-all-employees/710-service-recognition-and-other-performance-based-awards

**Links**
[1] https://www.uoguelph.ca/hr/node/4149/ [2] https://www.uoguelph.ca/hr/node/4150/