



Faculty Relations Newsletter

**WELCOME TO OUR NOVEMBER EDITION!
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**Our newsletters can be viewed online.
Please note our new website address-
www.hr.ubc.ca/faculty-relations.**

Taxation of Post Doctoral Fellowship Earnings

According to the Canadian Association of University Business Officers (CAUBO), the federal government has sought uniformity for the process of scholarship exemption of fellowship income. As such, the Canada Revenue Agency (CRA) has declared that all fellowships paid to Post Doctoral Fellows (PDFs) are taxable income. Fellowships will not qualify as a course

of studies that can be reported on a T2202A. The CRA's position firmly appears to be that PDFs are not students, despite an alternate conclusion provided by the Tax Court of Canada in 2005.

The CRA maintains that as of the 2010 calendar year, any post-doctoral training program that consists primarily of research will not meet the definition of a qualifying educational program. UBC has not issued T2202A forms in the past and thus existing PDFs will not be affected by the change. PDFs who are new to UBC as of 2010 should be made aware of this in preparation for filing their 2011 personal tax returns.

For more details, please see the [CAUBO Income Tax Guide](#)

Postdoctoral Fellow Earnings Codes

Normally PDFs are either paid from a fellowship or from their supervisor's grant through employment income. If a PDF is in receipt of their own fellowship earnings, the correct earnings code is FEL (fellowship) if paid through UBC. If a PDF is paid from a supervisor's grant, the appropriate code is REG (regular). The distinction is important because there are implications for taxation, payroll deductions, and benefits deductions.

Problems arise if the earnings are incorrectly coded. This could potentially result in fines being incurred from the Canada Revenue Agency (CRA). If the earnings are coded as FEL, then no monies for Canada Pension Plan (CPP) or Employment Insurance (EI) will be deducted. If the CRA eventually determines that the earnings are actually REG, the Department would be responsible for paying both the Employee and Employer portion of the CPP and EI contributions. If the reverse occurs, and

deductions are made which should not have been, then Payroll has to go through the time consuming and tedious task of reversing the deductions. Further, the PDF will have had needless deductions processed against their earnings (of course they would be reimbursed, but they may have been adversely affected by the lower income).

The following table lists the differences between FEL & REG earnings for taxation and deductions:

	Regular Earnings	Fellowship Earnings
Taxes	Yes	Yes
Tax Slip	T4	T4A
CPP	Yes	No
EI	Yes	No
WCB *	Yes	Yes

* Please note that WCB is levied against both Regular and Fellowship earnings and appears as an 'employer' deduction.

There are also implications for benefits costs. Eligible PDFs receive benefits through UBC regardless of whether their earnings are FEL or REG. However, if their status is incorrectly coded, the payment source for the benefits may be incorrect.

Incorrect earnings coding also creates confusion and extra work for Faculty Relations and Payroll. As such, administrators are asked to please double check that the correct code has been noted. If clarification is required as to how the earnings should be coded, please check with the funding agency or the Office of Research Services.

Administrators and Principal Investigators are also reminded that if a PDF was receiving REG earnings and then successfully obtained a fellowship, they are required to change the

earnings code from REG to FEL and they need to inform the PDF of the impact of the change. The change means that the PDF would not have EI and CPP deducted and they may not necessarily be eligible for EI benefits. Further, the PDF would move from working under the direction of the supervising faculty member to working independently under the mentorship of that supervising faculty member.

Post Doctoral Fellow Orientation

The Postdoctoral Fellow Office in the Faculty of Graduate Studies hosted the first orientation for new PDFs on Thursday October 28th. For information on upcoming PDF orientations and links to PDF resources, please visit the [Postdoc webpage](#) on the Graduate Studies website. There you will find the new PDF Handbook, which has useful information for administrators and PDFs alike.

University Wide Orientation for new Faculty and Staff

University Wide Orientations for all new Faculty and Staff are held quarterly. These half-day sessions are facilitated by HR's Organizational Development and Learning (ODL) area. Please refer to the orientation [home page](#) for details on this informative and social event.

Changes to Faculty Term Appointments Without Review Policy

On September 16, 2010 the University's Board of Governors approved the consolidation of the following six policies under University Policy # 42:

- Policy # 29 – Appointments to the Teaching Staff of Members of Professional Firms or Companies

- Policy # 30 – Classification of Research Staff
- Policy # 38 – Lecturers – Categories and Fringe Benefits
- Policy # 41 – Visiting Professorial Staff
- Policy # 42 – Faculty Term Appointments Without Review (July 1985 version)
- Policy # 44 – Adjunct Faculty Appointments

The above policies have been amalgamated into Policy # 42. The other policies that set out information about term positions have been eliminated. The revised Policy # 42 describes persons who are eligible for faculty term appointments without review, and the terms and conditions of their appointments. Please read the revised Policy # 42. It is important!

To read the revised policy, go to [UBC's policies](#).

Revised Faculty Appointment Form

The Faculty Appointment Form has been updated effective August 18, 2010. The revised form now includes a field for the Position Number. The Position Number must be recorded on HRMS for all appointments. Please ensure the Position Number is noted on the appointment form. The form is found on the [Faculty Relations form page](#).

Revised Procedure – Payments for Honorary Appointments

We are pleased to announce a revised procedure for payments to faculty members who have honorary unpaid appointments.

Starting immediately lump sum payments for all Honorary Appointments (NBHN job codes) and unsalaried Adjuncts (NBAD01 job code) can be processed on a [Faculty Honoraria Form](#). This replaces our old practice of requesting administrators complete a Faculty Appointment

Form to change an unpaid appointment (099 paygroup) to a paid appointment (001 paygroup). The old practice caused more work for Payroll and potentially more paperwork overall. The new practice also ensures that we are in line with the Policy # 42 which states that Honorary Appointments “receive no salary or benefits, but may be paid an honorarium”.

New Requirements for Pre-approvals of Labour Market Opinion Exemptions

Faculty Relations asks administrators to provide a thorough description of the circumstances for the exemption of a Labour Market Opinion (LMO) by completing sections 2 & 3 of the [Foreign Academic Data Form](#).

To determine if your foreign faculty hire requires a LMO or falls under a LMO exemption, and to find out what documents are required for each case, please refer to the [Faculty Relations Recruitment of Foreign Academics](#) webpage.

Faculty Annual Reports due March 2011

Even though the longer nights and cooler temperatures of autumn are just descending upon us, spring will soon approach. As such, this is a gentle reminder that annual reports from all regular faculty members (excluding sessionals) must be provided to the Head or Director, by the end of March 2011.

Tuition Fee Waiver Benefit

The Tuition Fee Waiver Benefit provides tuition assistance, up to a maximum of 12 credits in an undergraduate or graduate program over a 12-month period, provided a fee-paying student is not displaced. The position, type of appointment and length of appointment determine one's eligibility for the waiver benefit.

A faculty member is eligible if:

- They are an active member of the Faculty Association bargaining unit with an appointment of at least one year in length at 50% time,

Or

- They are an active member of the Faculty Association bargaining unit with a Sessional Lecturer appointment of at least four months in length at 50% time,

Or

- They are an active member of the Faculty Association bargaining unit with a Sessional Lecturer appointment less than 50% or less than 4 months AND are eligible to maintain member rights for up to 24 months (this is under article 4.3 of the Agreement).

Or

- They are approved for the Income Replacement Plan (IRP) and currently receiving IRP benefits,

Or

- They are a retired eligible member of the Faculty Association,

AND

- The course professor or instructor agrees to faculty member's presence.

Faculty Members are not covered by the Tuition Fee Benefit if the start date of the course is:

- After a faculty member's appointment end date (for example, if a faculty member is not working at the time the course commences, they are not eligible for the benefit),

Or

- During a personal leave,

Or

- During a medical leave without pay.

For more information, please see the [HR Benefits](#) website.

Departmental Consultation Committees for Tenure Cases

This is a reminder for departments and Heads: please note that Faculty members eligible to be consulted in tenure cases are individuals who are of equal or higher rank than the candidate up for tenure consideration. For example, if an Assistant Professor is being considered for tenure as an Assistant Professor, then the persons eligible to be consulted are tenured Assistant Professors, Associate Professors and Professors. For more information, see article 5.04 b iii) on page 76 of the [Collective Agreement](#).

Senior Appointment Committee Guide 2010 / 2011

The University's Guide to Reappointment, Promotion and Tenure Procedures for 2010/11 is now available on the [Faculty Relations website](#). It outlines in further detail the procedures for tenure, promotion and reappointment including new and joint appointments. The Guide is intended to summarize and supplement the Agreement on Conditions of Appointment for Faculty. A list of significant changes that were made to the Guide this year can be accessed in the summary [PDF document](#) on the Faculty Relations website.

Farewell to Alma Salvador, Faculty Relations and University Counsel Receptionist

Faculty Relations thanks Alma Salvador for her warmth, dedicated efforts, and excellent multi-tasking over the last two years. Alma has left her role as the Receptionist for Faculty Relations and University Counsel. We wish her all the best in her future endeavours in the Faculty of Medicine as the Secretary to the Vice Dean, Academic Affairs and the Executive Director.