**MEMO**

**Financial Services**

June 2012

TO: Click here to enter text.

FROM: Kim Ordway, Associate Executive Director, Financial Services

**RE: Employee Classification for Positions under an Agreement/Handbook**

The University of Lethbridge is committed to managing its risk, complying with union and association agreements, and complying with tax legislation to safeguard against associated penalties and interest. As a result, the following hiring and employment classification guideline has been implemented across our institution.

You have received this memo as we have determined the guideline applies to your prospective term position with us.

Positions within a Union/Association Agreement or Handbook must be held by an individual UNLESS the individual provides the University with a Canada Revenue Agency (CRA) ruling stating a payment made to them personally in our specific term position would not result in employment income. The only exception to this rule will result when a University department or unit provides sufficient evidence showing the service requirements result in an independent contract where the University does not control who performs the work or how the work is performed.

Employees who receive employment income incur government payroll deductions, union dues, and any other pertinent deductions.

CRA rulings must be received for each separate term position an individual holds. The ruling will be honoured until such a time as the position ends or duties and responsibilities have substantially changed if it is a recurring term. Once received, the employee classification will be amended as of the date of the ruling, with no retroactive adjustment from employment income to contractor income. More information about rulings can be found from the Canada Revenue Agency at:

<http://www.cra-arc.gc.ca/tx/hm/xplnd/rlng-eng.html>.

We would like to thank you for your time and commitment to the University of Lethbridge. If you have questions regarding this guideline, please contact me.

Kim Ordway, CA

Associate Executive Director, Financial Services

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