

Honoraria & Expense Policy COUNCILLORS & COMMITTEE MEMBERS

		Policy Number	
Effective Date	Jan. 1, 2024	Review Period	Every 3 years
Date of Last Review	Mar. 18, 2024	Policy Owner	Corporate Services

1.0 Purpose

This policy outlines conditions, guidelines, and procedures under which Committee members and Councillors of the College of Physicians & Surgeons of Alberta (CPSA) may claim and be reimbursed for expenses they incur while conducting business on behalf of CPSA.

2.0 Scope

This specific policy relates to expenses incurred by **Councillors and Committee members** of CPSA.

For the purposes of this policy, the following definitions apply:

Term	Definition
Committee Member	The physicians, Albertans and other experts that make up the various committees that guide Council and CPSA programs. This refers to voting and non-voting members.
Cost effective	Related to the practice of incurring expenses that are reasonable and of good value as compared to their cost. This includes consideration of time, weather, distance, and safety. It does not necessarily mean the lowest possible cost.
Council or Committee Business	Includes meetings (both in-person or held via teleconference or video conference), retreats, work-related social gatherings, decision-writing, or events.
Councillor	Physicians, public members and representatives from Alberta's medical schools, student observers and PARA representatives that make up the Council that governs CPSA. This refers to voting and non-voting members.
Event	A business-related occurrence that takes place within the course of performing duties and responsibilities as a Councillor or Committee member.
Honorarium	An ex-gratia payment made to a person for their service in a volunteer capacity, or for services for which fees are not traditionally or legally required. It does not represent a full compensation for time and effort expended and is made on a special or non-routine basis to an individual who is not an employee of the CPSA, to recognize or to acknowledge the contribution of gratuitous services to the CPSA.

Term	Definition
Invited Guest	A person who is not a Committee Member or Councillor but is invited by a CPSA administrator or executive leader to attend a meeting, either as an independent party or as a representative of an association.
Meeting	An event at which CPSA business, or discussions that advance CPSA's interests, are shared or discussed with partners or peers. A meeting is typically supported by an agenda (even if informal) along with intended outcomes and actions.
Planning	Refers to time spent by a Chair formally convening with a CPSA administrator or executive leader to collectively plan or review the agenda, timeline, discussion items, etc. for an upcoming meeting they are chairing. This time is eligible for honorarium pay.
Preparation	Refers to time spent by a Councillor or Committee member reviewing materials in preparation for an upcoming meeting. This time is generally <i>not</i> eligible for honorarium pay.
Workday	For the calculation of "workday," travel time to and from the event (including time spent waiting for transportation) as well as time spent at the event.

3.0 Expectations

- 3.1 Individuals will be reimbursed for expenses when there is a valid business reason and expenses are incurred within the terms of this policy.
- 3.2 CPSA is responsible for the proper and timely reimbursement of reasonable and eligible expenses incurred by Councillors and Committee members while engaging in business on behalf of CPSA.
- 3.3 Councillors and Committee members are responsible for using discretion and good judgment in incurring and submitting cost effective expenses that are reasonable and eligible, as per the terms outlined in this policy.
- 3.4 CPSA reserves the right to deny reimbursement of any expenses considered unreasonable, unless approved in advance or outlined as a reimbursable cost herein.
- 3.5 Councillors and Committee members must disclose conflicts of interest to CPSA in advance of any services being rendered.

4.0 Eligibility

- 4.1 Expenses must be submitted to CPSA's Accounting department within 90 days of incurring the expense.

- 4.2 All amounts throughout are before taxes and gratuities. Gratuities should not exceed 18 per cent unless a minimum gratuity was charged due to group sizes, in which case the charged gratuity will be reimbursed.
- 4.3 Any expenses reimbursed by a third party are not eligible for reimbursement by CPSA.
- 4.4 Honoraria and reimbursement rates are outlined in the attached Appendix I.

5.0 Honoraria

- 5.1 Honorarium is based on an hourly rate for time spent conducting eligible Council and Committee Business, to a maximum rate per day.
- 5.2 Committee Members and Councillors are eligible for honoraria for the following services:
 - For attendance at Meetings and hearings, where Councillor or Committee Member is on the membership of the Committee holding the Meeting, as shown on the minutes and per the membership listing for said Committee. Councillors and Committee Members who choose, at their personal discretion, to sit in on Meetings for Committees that they are not a member of are not eligible for honoraria.
 - For Chairs, time spent in Planning Meetings with CPSA administrators and executive leaders ahead of Meetings they are chairing.
 - For Chairs or appointed Committee Member, time spent writing decisions and in discussions with legal counsel for hearing tribunals, complaint review committee or Council appeals.
 - For scheduled training offered by CPSA (excludes self-guided extracurricular education completed on personal time).
- 5.3 Preparation time for Meetings is not typically eligible for reimbursement but may be reimbursed by exception where preparation time is substantial, if approved in advance by the Council Chair or Registrar.
- 5.4 Any individual receiving normal pay from their employer to attend a CPSA Meeting should not be accepting an honorarium. If a Councillor or Committee member must use their vacation time or needs to take time off without pay to attend Meetings, they are eligible for an honorarium.
- 5.5 Invited Guest, such as presenters or vendors, are not eligible for honoraria, and may instead be compensated for their time if specified within their contractual agreement or if approved in advance by the Registrar.

- 5.6 Honoraria will be paid for travel time if a Councillor/Committee Member must travel to conduct Councillor and Committee Business, as follows:
- 70 to 550 km (round trip), an additional ½ day
 - 950 km (round trip), an additional 1 day
 - Over 950 km (round trip), an additional 1½ day
- 5.7 No per diem is paid for attendance of Councillors or Committee Members at CPSA-related social functions, but expenses related to attendance may be claimed.
- 5.8 Honorarium payments will be issued in the Councillor/Committee Member's name.
- 5.9 If a scheduled Meeting is cancelled, honoraria payments will be honoured provided the cancellation was beyond the member's control and ability to mitigate financial loss.
- 5.10 Where the actual Meeting time is less than the scheduled Meeting time, the scheduled Meeting time is used in calculating honoraria payments.
- 5.11 CPSA withholds income tax and Canada Pension Plan (CPP) contributions from honoraria for remittance to the Canada Revenue Agency (CRA). Per the *Indian Act*, there are instances where Indigenous persons are exempt from taxation. Where CPSA is not required to withhold income tax and CPP, Indigenous Councillors and Committee Members may elect to have CPP withheld from their remittances by completing CRA form [CPT124](#). See Appendix III for more information.

6.0 Meals

- 6.1 Meals are only reimbursable when Council and Committee Business requires the individual to leave home prior to 7 a.m. (eligible for breakfast), attend the Event for more than five (5) consecutive hours (eligible for lunch), and/or arrive home after 7 p.m. (eligible for dinner) because of their obligations.
- 6.2 If meals are otherwise provided by the Event or Meeting, then meal costs incurred separately will not be reimbursed, except in instances where food allergies, cultural/religious, and personal health reasons prevent the consumption of meals provided at Events, etc.

7.0 Travel

- 7.1 Airplane travel
- i. Airfare will be reimbursed for tickets that allow a person to change the date of travel with minor additional charges. Expenses relating

to mobility restrictions or health-related requisites will also be reimbursed. Subsequent fees (such as for cancellations, seat selection, checked baggage (limit of one (1)) and schedule changes) may also be submitted for reimbursement.

- ii. Business class fares are not eligible for reimbursement within North America.
- iii. No reimbursement will be made for flights purchased using personal points.

7.2 Personal Vehicle travel

- i. Mileage at the prescribed rate is paid for private vehicle travel in lieu of vehicle operating expenses such as fuel and maintenance expenses.
- ii. Mileage claims for the use of personal vehicles when travelling from home to the local airport in lieu of taking a taxi will be reimbursed.
- iii. Accident claims (including deductibles), repairs and traffic violations are not reimbursable.

7.3 Parking

- i. The regular hourly or daily parking rate will be covered. Valet parking is not reimbursed.

7.4 Rental Vehicles

- i. Vehicle rental expense claims may be submitted. Vehicle rental fees will be reimbursed if renting the vehicle is cost effective as compared to other modes of readily available transport.
- ii. Gas expenses can be claimed for rental vehicles.
- iii. Mileage cannot be claimed when submitting vehicle rental expenses.

- 7.5 Other modes of travel are eligible for reimbursement if the selected method of transportation is the more cost effective alternative.

8.0 Accommodations

- 8.1 Preferred accommodation (i.e., CPSA preferred rate hotels) will be reimbursed.
- 8.2 When reasonable, expenses for up to one night prior and/or subsequent to attendance of an out-of-town Meeting or conference may be reimbursed.
- a. One night of accommodation will be reimbursed for the night before Meeting or other CPSA business if the person attending would otherwise have to leave their home before 7 a.m., based on a reasonable expectation of travel times to arrive at their destination. This rule applies to multi-day Events, such that one night may be

covered for each day of the Event as long as the requirement is met each day.

- b. One night of accommodation will be covered the night after Meeting or other CPSA business if the person attending would otherwise have a Workday that exceeds 12 hours.

- 8.3 Expenses incurred for personal reasons, including entertainment, dry cleaning or spas, are not eligible for reimbursement.

8.0 Professional Development

- 8.1 Costs eligible for reimbursement include registration fee, meals, travel, accommodation. The fiscal year in which the expense is recorded will be based on the date of the course/Event.

9.0 Reimbursement

- 9.1 CPSA reimburses expense claims via electronic funds transfer (EFT).

Document History

Review Date	Revision/Change
January 1, 2024	Policy creation.
January 11, 2024	Minor updates
January 22, 2024	Updates to tax considerations.
March 18, 2024	Update to honoraria rates (approved by Council on March 7, 2024, effective retroactively for January 1, 2024 – December 31, 2024 fiscal year)

Appendix I: 2024 Honoraria Rates and Expense Reimbursement

Description	Amount
Chair ¹	\$162/hour, to a maximum of \$1,296/day
Council Member ¹	\$152/hour, to a maximum of \$1,216/day
Committee Member ¹	\$125/hour to a maximum of \$1,000/day
Decision Writing ²	\$162/ hour
Mileage	\$0.68/km for the first 5,000 km \$0.62/km subsequent
Overnight Expenses ³	\$350
Professional Development (for Councillors)	\$4,500 per three-year term

¹The daily honorarium rate applies where Council or Committee Business reaches six (6) hours or more in a day. See Section 5.6 for terms relating to time paid for travel.

²Decision writing for hearing tribunals, complaint review committee or Council appeals.

³Overnight expenses include accommodation, meal(s) and reasonable incidentals per night before any taxes, unless prior approval is obtained from the Council Chair or Registrar to exceed the maximum.

Appendix II: Councillor & Committee Member Expense Processes

A. Submission/claims process

- i. Claims must be submitted within 90 days of service, unless otherwise approved by the Council Chair or Registrar.
- ii. Councillor and Committee member expense claims must be submitted on the *Statement of Services Rendered* form. Descriptions of all items must provide full information identifying when the expenditure was incurred and the description of the item.
- iii. All required receipts and credit card slips (where applicable) must be submitted with the expense claim. Scanned or faxed receipts are acceptable. Any lost receipts require a declaration to be made by the claiming party, which is to be included with their submission.
- iv. Honorarium claims for Meeting will be prepared by the CPSA administrator based on Meeting attendance.
- v. Honorarium claims for decision writing and meetings with legal counsel are to be submitted on the applicable claim form to the CPSA administrator.
- vi. Honorariums for Committee Members and Councillors are paid to the individual. Honorariums for Student Observers and PARA Representatives may be paid to either the individual or to the association that they represent, depending on the agreement with the specific association.
- vii. The Canada Revenue Agency permits individuals meeting the definition of Indian under the *Indian Act* whose income is exempt from income tax under the Income Tax Act to contribute to CPP. Completion of the CRA Form [CPT124](#) – *Application to Cover the Employment of an Indian in Canada under the Canada Pension Plan whose Income is Exempt under the Income Tax Act* is required for this to take effect. See Appendix III for additional information.

B. Source Deductions

- i. Source deductions (CPP and income tax) will be withheld at source on honoraria paid to all Councillors and Committee Members as required by Canada Revenue Agency. In February of the following year, T4s will be issued.

Appendix III: Indigenous Member Tax Considerations

CPSA withholds the required income tax and Canada Pension Plan (CPP) contributions from honoraria for remittance to the Canada Revenue Agency (CRA).

Per the *Indian Act*, there are instances where Indigenous persons who identify as status Indian as defined by the *Indian Act* are exempt from taxation on honoraria that is earned on a reserve. For the purposes of CPSA's honorarium payments, the term "status Indian" is used by CPSA to mirror its use by the CRA because it has a legal meaning in the *Indian Act*.

Attendance at meetings happens in three different scenarios:

- i. Meeting held in Edmonton is attended virtually by Indigenous members who are physically on reserve
- ii. Meeting held and attended in-person on reserve
- iii. Meeting held and attended in-person in Edmonton (off reserve)

Honoraria for status Indian members are exempt from taxation in the following circumstances:

- A. Where a member ordinarily **lives/resides on-reserve**:
 - a. If **more than 50%** of meetings in a calendar year are attended on reserve (either virtually or in-person), all honoraria for the calendar year is tax exempt.
 - b. If **less than 50%** of meetings in a calendar year are attended on reserve, income exempt will be prorated based on the percentage of time on reserve for the calendar year.
- B. Where a member does **NOT ordinarily live/reside on-reserve**:
 - a. When **at least 90%** of meetings in a calendar year are attended either virtually or in-person while the member is on reserve, all annual income, including honoraria earned off reserve, is tax exempt for the calendar year.
 - b. When **less than 90%** of meetings in a calendar year are attended while the member is on reserve, income exempt will be prorated based on the percentage of time on reserve for the calendar year.

Since it is unknown at the beginning of the calendar year how many meetings will be attended on versus off reserve, CPSA is electing to be conservative in its application of this guidance by withholding income tax and CPP for all in-person meetings in Edmonton until the fourth quarter of the year, when a final determination can be made regarding an individual's attendance. At that time, should it be determined that income tax and CPP withholding were not required,

refunds of previously withheld income tax and CPP will be made to members, as needed.

Indigenous Councillors and Committee Members for whom CPSA is not required to withhold income tax and CPP may choose to participate in CPP and have their CPP withheld from their remittances by completing CRA form [CPT124](#).

T4's will be issued during February of the following year.

More information on tax exemptions on employment income under the *Indian Act* can be found at:

- [Information on the tax exemption under section 87 of the Indian Act - Canada.ca](#)
- [Indian Act Exemption for Employment Income Guidelines - Canada.ca](#)