

## Canada Revenue Agency Information for Physician Societies

The purpose of this document is to provide information to Physician Societies about source deductions and GST payments related to sessional payments made to directors<sup>1</sup> and committee or Working Group members. ***Please note: This information is provided by the Doctors of BC Finance Department and is not intended as formal advice. We recommend that local societies seek the services of a professional accountant.***

### SOURCE DEDUCTIONS

**Directors:** If a physician is working on behalf of the society (i.e., representing the society) then Canada Revenue Agency (CRA) considers the physician to be an officer of the society, and therefore an employee. Therefore, director's fees are to be treated as employment income and are subject to employment withholdings, including CPP and Employment Insurance (EI). These must be reported on a T4 information slip. (Note that EI premiums may or may not be deducted depending on the interpretation of the current CRA rules by your professional accountant.)

For more information, see [http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/rtrns/t4/slps/cmpltng-eng.html#bx\\_14](http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/rtrns/t4/slps/cmpltng-eng.html#bx_14)

**Committee and Working Group members (nondirector positions):** Each doctor should advise their Physician Society administrator whether they are invoicing as an employed or self-employed person. If the doctor invoices as being employed, all relevant source deductions apply.

Read more about [how the CRA defines employed vs self-employed](#).

### GST FOR SESSIONAL PAYMENTS

Societies must pay GST on sessional payments if it is included on the invoice (i.e., sessional form signed by the doctor) and the doctor's GST number is included on the form. See details below on how to collect and calculate a GST rebate.

### HOW TO COLLECT GST REBATE

1. Complete and file: [GST66 – Application for GST/HST Public Service Bodies' Rebate and GST Self-Government Refund](#). *Form needs to be filed only once.*

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<sup>1</sup> In this context, "director" refers to a Physician Society elected Board member.

2. CRA will send you the form “GST284 Application for GST/HST Public Service Bodies’ Rebate and GST Self Government Refund” for all future reporting periods. Rebate applications can be completed either annually or every six months for non-GST registrants. GST registrants can file a rebate request each GST/HST reporting period.
3. Complete and file: [GST523-1 Non-profit Organizations – Government Funding](#). *Form must be filed each fiscal year.*
4. You also need to have form [GST322 Certificate of Government Funding](#). Please complete on your own and send to your Physician Society.

## HOW TO CALCULATE GST REBATE

Generally the rate is 50% of GST (5%) paid on all purchases that are not otherwise eligible for refunds as [Input Tax Credits \(“ITC”\)](#) or other rebates or refunds.

The Public Service Bodies’ Rebate is dependent on a society’s circumstances and can be a complex calculation. This is best done by a professional accountant.

See the CRA publication [RC4034 – GST/HST Public Service Bodies’ Rebate](#) for more details about the calculations.