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Date: October 15, 2017

To: Financial Management Committee / HR Advisors

From: Human Resource Services

Re: Postdoctoral Fellow Status Changes

In May 2017, the Government of Alberta passed Bill 7, An Act to Enhance Post-Secondary Academic Bargaining. The Act amended the Post-Secondary Learning Act (PSLA) to recognize Postdoctoral Fellows (PDFs), employed by post-secondary institutions in Alberta, as employees and subject to provisions within Section 9.1 of the Alberta Labour Relations Code. Upon an order-in-council, University of Alberta PDFs employed by the University will be represented by the University of Alberta Postdoctoral Fellows Association (PDFA) as their recognized bargaining agent under the Code and be granted all the rights and remedies granted to unions under the Code, including the right to strike.

The University of Alberta, in collaboration with the University of Calgary and University of Lethbridge, have been reviewing the impacts of Bill 7 and determining how to manage the transition of University employed PDFs. Beginning November 1, 2017, PDF appointments will be categorized into one of the following three categories: **EMPLOYEE, TRAINEE or GUEST**.

Prior to the new legislation, the earnings all PDFs received were treated as fellowships, regardless of funding source, and although subject to income tax deductions, were not subject to legislated statutory deductions including Canada Pension Plan (CPP) and Employment Insurance (EI). As employees, postdoctoral fellows' earnings are now considered employment and will be subject to both CPP and EI, and contributions will be required from both the PDF and the University.

The table below describes the three types and relevant tax and accounting information.

Appointment Type	Appointment Conditions	Payment & Tax Information	Other Notes
Employee	A postdoctoral fellow is an employee when: 1. The PDF receives payment through grants or funding provided by the University of Alberta or through grants provided to their principle investigators (PIs) by external funding agencies such as tri-council. The funding is administered through the University. *This also includes University of Alberta internally awarded fellowships.	All earnings will be paid semi-monthly as salary for employment through the University's payroll system. Income Tax – will be deducted on all employment earnings and reported on a T4 statement. PDFs should complete a TD1 tax exemption form and send to Payroll and Benefit Services, Human Resource Services via email at payroll.operations@ualberta.ca or in person at 2-60 University Terrace, 8303-112 St, Edmonton, AB.	Access to the LRT between South Campus and Royal Alexandra Hospital stations is permitted. New one cards reflecting 'STAFF' status will be available from the OneCard office. Purchased ETS@Work transit passes will remain valid until April 30, 2018. Access to Health and Dental benefits provided through Great West Life is

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	<p>NOTE: If any of the PDF's funding is paid by the University, topped-up or paid by grants not entirely in the PDF's name, the PDF fits in this category.</p>	<p>CPP PDFs and the University each contribute equal amounts to CPP (4.95% of insurable earnings up to \$55,300) to a maximum annual amount of \$2,564.10 (2017)</p> <p>EI PDFs contribute 1.63% of insurable earnings to \$51,300 per annum. Maximum contribution \$836.19 (2017). The University contributes 2.282% to a maximum contribution of \$1,170.67. EI hours will accumulate each pay period.</p> <p>CPP and EI costs will be charged to same project/funding source that salaries are charged unless specifically disallowed by the grant.</p> <p>Payroll costs will be charged to account 500048.</p> <p>NOTE: If CPP/EI costs are not eligible deductions under the supervisor's grant, please submit a pay action form to update the accounting distributions.</p>	<p>not affected. Premiums are charged to the research funding where salary is charged unless expressly prohibited by the granting agency.</p> <p>New Appointment Template letters will be available by November 1, 2017.</p>
<p>Trainee</p>	<p>A PDF is considered a trainee when:</p> <ol style="list-style-type: none"> 1. The PDF applies for and receives all payment from funding awarded in their own name on a competitive basis to facilitate their own independent research projects. The funding in this category may be administered through the University and expensed in accordance with relevant policies. 	<p>Income Tax – will be reported on a T4A statement as fellowship earnings.</p> <p>CPP No CPP premiums will be deducted from the PDF or University</p> <p>EI No EI premiums will be deducted from the PDF or University</p> <p>Fellowships will be charged to account 500048.</p> <p>NOTE: If CPP/EI costs are not eligible deductions under the supervisor's grant, please submit a pay action form to update the accounting distributions.</p>	<p>Access to the LRT is not provided between campuses.</p> <p>'Guest' OneCard can be issued from OneCard office.</p> <p>Purchased ETS@Work transit passes will remain valid until April 30, 2018.</p> <p>Access to Health and Dental benefits provided through Great West Life is not affected. No change to where premiums were charged to prior to November 1.</p>

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			New Appointment Template letters will be available by November 1, 2017.
Guest	<p>A PDF is considered a guest if:</p> <ol style="list-style-type: none"> 1. the PDF applies for and receives funding in their own name on a competitive basis to facilities their own independent research projects (NSERC, SSHRC, international funding); unlike the Trainee PDFs, the UofA does not administer these funds on behalf of the PDF. 	Guests do not receive any payment of salary or fellowship through the University of Alberta.	Access to Health and Dental benefits provided through Great West Life is not affected.

Supplemental Information

For postdoctoral fellows who will be considered employees, applicable deductions for CPP and EI will begin on the pay period November 1-15, paid November 24, 2017.

To assist with estimating the annual and pay period cost of the CPP and EI deductions for both the PDF employee and the supervisor, please try the Online PDF Deduction Calculator available at <https://www.ualberta.ca/human-resource-services/managing-administration/employment-benefits-and-pay-administration/tax-administration/pdf-cpp-ei-calculator>

Postdoctoral fellows transitioning to an Employee appointment type will receive a T4A and a T4 tax slip in February 2018. The T4A will indicate all 2017 fellowship earnings (pre-November) and the T4 will indicate 2017 employment earnings (Nov-Dec).

Please watch for updates on the Postdoctoral Fellows Office website at <http://www.postdoc.ualberta.ca>.