

Employee/Supplier Determination

Background

The Canada Revenue Agency requires that the College determine whether a worker is an employee or a self-employed individual/company (supplier). Employment status directly affects a person's entitlement to Employment Insurance benefits and has an impact on how a worker is treated under other legislation (Canada Pension Plan/Income Tax Act/Employer Health Tax Act).

Substantial legal, financial and operational liabilities can be incurred if a court or tribunal finds that an independent contractor is actually an employee.

Accountability

It is the responsibility of the Department Manager to determine whether the College is entering into:

a "contract *of* service" (employer/employee relationship i.e. hiring as an Employee)

or

a "contract *for* services" (business relationship i.e. engaging as a supplier)

Determination of a Worker's Status

The College provides the "Employee/Supplier Determination Questionnaire" to guide Managers in examining the working relationship to determine whether a worker is a supplier or an employee.

Completed questionnaires must be signed by the individual worker, the Manager and the Human Resources Consultant and submitted to Human Resources ***prior to entering into any contract/working relationship.***

Once completed, the questionnaire is kept on file by Human Resources and will be valid for 5 years (for similar work). Managers can contact their Human Resources Consultant to determine if future work by the same individual is still covered under the previous questionnaire.

If status is determined to be supplier, and the value of the work is over \$5,000, managers must adhere to the Purchasing Department's Purchasing Policy and processes regarding procurement and competitive quotes. See the Purchasing website for details. For work valued under \$5,000, please visit the HR web site, or ask for direction from your HR Consultant.

If, after completing the questionnaire, either party is still not sure of the worker's employment status, a Request for CPP/EI ruling service can be used. Instructions for this are available on the Canada Revenue Agency website.

Additional information regarding this process is available on the HR website under the Information for Managers link.