



## A Guide for Reporting Special Payments



Since many respondents are unsure of the types of payments to report as “special payments”, we are including this Guide in your information package should you need help.

### What is the importance of reporting special payments separately?

The information that you provide is used primarily to produce monthly statistics for average earnings, overtime and hours.

It is essential that your regular gross pay information relate only to employees receiving pay for work performed or paid absence for the last pay period of the month.

The inclusion of other amounts in the last pay period payroll for prior periods would distort the statistics, giving an inaccurate reflection of average earnings.

### What are special payments?

Special payments are amounts paid to employees that are **separate from regular wages and salaries**; are paid at any time during the month; are **not related exclusively to the last pay period of the month**; and are usually recorded in the books using the “cash” basis method of accounting.

*(Cash basis accounting is financial accountability when obligations are paid or monies received.)*

### Example 1

During the last pay period of the April reference month, employees paid by the hour received a production bonus totalling \$2,200 for work performed from January 1 to March 31.

### Response

Since the production bonus does not relate to work performed for the last pay period of the reference month and would have been recorded in the books using the cash basis of accounting, then the \$2,200 would be reported as a special payment. It would **not** be reported with the regular gross pay for the last pay period of the reference month.

### Example 2

The two working owners of a company do not receive a regular salary. Their remuneration comes from occasional draws. In the survey reference month of August, their draw was \$9,200.

### Response

Since the draw does not relate exclusively to a last pay period, the \$9,200 would be reported as a special payment. It would **not** be reported with the regular gross pay for the last pay period of the reference month.

We have prepared a list to provide you with examples of typical special payments. If payments are regularly paid (i.e. in each pay period), they can be included with Regular Gross Pay, but if the payments are irregular (i.e. not in each pay period), they must be reported in the special payments section. The provided examples are not comprehensive and you may have other payments unique to your organization.

## Examples of Special Payments

- Acting pay
- Advance commissions and/or commission adjustments
- Back pay or contract wage settlements
- Bonuses: annual, contract, Christmas, completion, incentive, isolation, monthly, piece work, productivity, recruitment, retention, sales, sign-on, underground
- Controlled tips
- Cost of living allowance and subsistence payments
- Disability pay and/or allowance (paid by the company)
- Draws (annual, quarterly, monthly, and/or periodic draws by owners of incorporated companies)
- Jury duty pay
- Maternity and sick leave allowances and/or "Top-up" payments
- Overtime **paid** only once during the reference month, or overtime accumulated from previous months
- Pay equity
- Pay in-lieu-of notice
- Profit sharing payments
- Retiring allowance
- Separation/severance pay
- Shift premiums
- Stand-by and/or on-call pay
- Suggestion and/or service award payments
- Supplementary payments to university professors or teachers for teaching night courses (if over and above regular work load)
- Vacation pay
- Workman’s Compensation Board “Top-up” payments

Accurate and timely statistical information could not be produced without the continuing support and goodwill of the businesses, governments and citizens of Canada. Thank you for your co-operation.