

Salaried Physician Severance Payout - Payment Options Summary

Option 1 – You want the payment, and will not be contributing to an RRSP

- Deductions will include EI and CPP (unless you have already reached your annual maximum deductions) and income taxes, as well as any other employment-related deductions as defined in the Q&A.
- Please return your completed Election of Options form to Medical Services by July 15, 2022.
- No other documents are required.

Option 2 – You will contribute your payment to an RRSP

- You must have contribution room in your personal RRSP to contribute the amount identified.
- Please complete the declaration form or provide a copy of your most recent (2020 or 2021) Notice of Assessment. Ensure your name, Social Insurance Number and RRSP available room is visible. All other information may be redacted.
- Deductions will include EI and CPP (unless you have already reached your annual maximum) and other employment-related deductions, but income taxes will not be withheld.
- Your cheque will be mailed directly to your financial institution.

Option 3 – You will contribute some of your payment to an RRSP and keep the remainder

- State the amount you will contribute to an RRSP on your Election of Options form.
- You must have contribution room in your personal RRSP to contribute the amount stated.
- Please complete the declaration form or provide a copy of your most recent (2020 or 2021) Notice of Assessment. Ensure your name, Social Insurance Number and RRSP available room is visible. All other information can be redacted.
- Deductions will include EI and CPP (unless you have already reached your annual maximum) and other employment-related deductions, but income taxes will not be withheld.
- The remainder of your Severance Payout will be paid to you, as in Option 1 above.

Option 4 – You are deferring payment of severance to a later date in accordance with guidelines that will be provided by the employer

- Please return your completed election form to the Medical Services by July 15, 2022

Questions regarding completion of Canada Revenue Agency documentation or tax implications should be directed to the Canada Revenue Agency at 1-800-959-8281.

How the process works

Your payment will be included as income in box 14 of your T4.

Your financial institution will issue an official income tax receipt.

When you file your annual tax return, there will be an income inclusion on your T4 for the Severance Payout amount, and you will have an offsetting tax deduction (the tax receipt from your financial institution) for the contributed amount. These will essentially cancel each other out.

Returning your election form and other documentation

You can return your election form and required documents to the Medical Services in hard copy by mail, or you can scan them as an Adobe .pdf file and email them to:

Medical Services
James Paton Memorial Hospital
Attention: Severance Payout
125 Trans Canada Hwy
Gander, NL
A1V 1P7

By Email
alexandra.harris@centralhealth.nl.ca

Questions

If you have questions about your eligible service, payment, or the process in general, please send them via email to sarah.randell@centralhealth.nl.ca. You will receive a response, by email or phone, based on the nature of your inquiry. Please include your employee identification number and a phone number in your email, in case we need to access your file, or discuss your payment or severance calculation with you in more detail.

Note that if you are contacted by phone, you will be asked to confirm your identity by providing your employee identification number and the last three digits of your Social Insurance Number (SIN), and/or your mailing address, and/or your date of birth.

As your employer, we are not able to answer questions or provide advice regarding your personal financial planning. You are encouraged to seek professional advice, if necessary, based on your personal situation and financial goals.