

Membership Categories / Fee Reduction and Exemption Policy

Definitions

For purposes of determining membership categories as well as fee reduction or exemption the following terms are used:

“earned income”:

1. may be calculated as either all:
 - a. **ACTUAL** income (per 2, 3, 4 & 5) earned in the current fee period, or
 - b. **ANTICIPATED** income (per 2, 3, 4 & 5) earned for the fee period of the upcoming year fee cycle, or
 - c. **ANTICIPATED** income (per 2, 3, 4 & 5) in any 12 month period ending in the fee period of the upcoming year fee cycle and where the period has not already been included in previous calculations of earned income in support of a fee reduction or exemption;
2. includes all income that may reasonably be considered to be related to the provision of services that use the skills, knowledge, experience or competencies gained through a member's professional training, education or experience as a CPA;
3. includes such income as Directors' fees, consulting fees and self-employment income. It **excludes** income arising from employment insurance, pensions, retirement payments, investments, and payments from a firm or business intended to facilitate retirement, e.g., “transitional” payments to facilitate the transfer of clients over a limited time period. Salary/dividends received from a business in which the member no longer plays an active management role are considered retirement income for this purpose and are **excluded** from the earned income calculation;
4. income from self-employment is based on net income before taxes and not on gross billings;
5. new members should include only the income earned since becoming a CPA.

The Membership and License committee established by the Board shall make a determination when a dispute exists as to whether the member's income may reasonably be considered to relate to the provision of services associated with the skills, knowledge, experience or competencies gained through the member's training, education or experience as a CPA.

The Membership and License committee reserves the right to audit a members' earned or anticipated income and/or request documentation to support an application for a reduced or exempt membership fee.

“fee period” is the twelve month fiscal period in respect of which annual membership fees are assessed and is currently from April 1 to March 31.



Full Member

This category applies to all members who as at April 1 of the membership period:

- Reside in Newfoundland and Labrador, or
- Reside in another province or country and who do not hold a full (or equivalent) membership in another CPA Canada body; and
- Have been admitted and maintained as a member in good standing in accordance with the Newfoundland and Labrador Chartered Professional Accountants and Public Accountants Act, Regulations and By Laws.

These members are assessed the full annual provincial and national CPA membership fee unless they qualify for exempt, reduced or out-of-country fee status as follows:

Exempt Membership Fee

Members may apply for *Exempt* member fee status if they have retired from the profession and their earned income is less than \$20,000. A retired member is one who has ceased to be gainfully employed and has no intention to seek or accept gainful employment, either temporary or permanent. Should a Member in this category become gainfully employed in the future, they must notify the Association.

Reduced Membership Fee

Reduced membership fee (Parts i, ii & iii below) is available to members who qualify under the “earned income” criteria as set out below. To qualify, members must re-apply annually to demonstrate they meet the criteria for a fee reduction for the relevant period. A member may also experience special circumstances, often due to a temporary leave from work, which may result in fee relief.

- i. 50% Reduced Fee - Members whose earned income is less than \$35,000 but more than \$20,000 may apply for a reduction of 50% for that fiscal year;
- ii. 75% Reduced Fee - Members whose earned income is less than \$20,000 and has not retired per the Exempt category above, may apply for a reduction of 75% for that fiscal year.
- iii. Special Circumstance – Members who do not meet the criteria established for a reduced or exempt fee but who are experiencing other special circumstances they believe warrant fee relief, may apply to the Membership and Licensing committee for a fee reduction, waiver or other relief consideration. Special Circumstance applications are processed by the Registrar and presented to the Membership and Licencing Committee on an anonymous basis.

Members who take advantage of the reduced fee option and whose situation changes during the applicable period such that they no longer meet the reduced fee criteria, must notify the Association and will be subject to a fee adjustment.

To apply for Exempt or Reduced Fee status, complete the Exempt/Reduced Fee application form, found at www.cpanl.ca, and forward a copy by email to registrar@cpanl.ca or by mail to Suite 500, 95 Bonaventure Avenue, St. John's, NL, A1B 2X5.

Out-of-Country Membership Fee

Members whose permanent residence is outside of Canada will be assessed reduced provincial and national fees. The provincial fee reduction percentage will be aligned with the percentage reduction



applied by CPA Canada to the national fee (approximately 15%). Out-of-Country members meeting criteria may also apply for reduced fees as per above. The appropriate reduction will be applied to their Out-of-Country membership fee.

Affiliate Non-resident Member

An Affiliate Non-resident membership is available to members who, as at April 1 of a fee period, live outside of Newfoundland and Labrador and maintains full resident status or its equivalent in another CPA Canada body. Such members may apply annually for the Affiliate Non-resident category and may be eligible for reduced annual membership fees equal to 50% of the CPA Newfoundland and Labrador provincial portion of the member fee.

Member transferring to the Province

A Member transferring to Newfoundland and Labrador who, as at April 1 of a fee period, held full resident status or its equivalent in another CPA Canada body, shall be eligible for reduced annual membership fees equal to 50% of the CPA Newfoundland and Labrador provincial portion of the membership fee. In the subsequent fee period, the member will be considered a full resident member providing they continue to reside in Newfoundland and Labrador.