

EMPLOYEES NORMALLY WORKING OUTSIDE NUNAVUT:

1. **An employee is considered to normally work outside Nunavut** if the employee works, performs duties or provides services outside Nunavut for more than half of the number of days worked for an employer in the year.
2. Where an employee **normally works outside Nunavut** for an employer in the course of a year, the employee is liable to pay tax on the remuneration paid to the employee for any days, including any portion of a day, the employee works in Nunavut. ***Except for:***
3. An employee is not liable to pay the tax if the employee **normally works outside Nunavut** for an employer **and** remuneration paid to the employee in the year by that employer does not exceed the prescribed amount of \$5,000.00. **The prescribed amount is not exempt from tax once it has been exceeded.**

NOTE: The following employee benefits are taxable under the *Nunavut Payroll Tax Act*, and are mistakenly considered non-taxable by some employers: Vacation travel assistance, housing allowances and employer contributions on behalf of an employee to an employee pension plan other than a “registered pension plan”, as defined in the *Income Tax Act (Canada)*. More examples of taxable and non-taxable items can be found in Schedule A and B of the *Guide to Payroll Tax Withholding and Reporting*.