

## > Are you receiving an OAS pension? Is your income over \$59,790? Do you *live outside* Canada?

If so, please read on for some important information about your Old Age Security (OAS) pension.

In accordance with the *Income Tax Act*, if your net world income exceeds \$59,790 (for 2004), you may have to repay part or all of your pension.

## > How do I know if the recovery tax applies to me?

You must pay the recovery tax if:

- your annual net world income is more than \$59,790 (for 2004, in Canadian dollars); and
- you live in a country where the non-resident tax on Canadian pensions is 25 percent.

## > How do I calculate the repayment amount?

Your repayment calculation is based on the difference between your income and the threshold amount for the year. The first step is to figure out how much higher your income is than the threshold. You must repay 11.25 percent of that amount.

### > For example:

The threshold for 2004 is \$59,790.

If your income in 2004 was \$75,000, then your repayment would be 11.25 percent of the difference between \$75,000 and \$59,790:

$$\mathbf{\$75,000 - \$59,790 = \$15,210}$$

$$\mathbf{15,210 \times 0.1125 = \$1,711}$$

**You would have to repay \$1,711 for 2004.**

### **How does the recovery tax payment work?**

In January, you receive:

1. an *OAS Return of Income* (OASRI) form that you must fill out; and
2. an NR4 OAS information slip to use when you fill out your OASRI form.

Your NR4 OAS information slip shows the amount of OAS paid to you in the previous year and the amounts deducted for taxes. When you fill out your OASRI form, be sure to fill in the amounts that are indicated on your NR4 slip. Also, be sure to enter the OAS repayment amount on line 235 of your OASRI form.

You must send the OASRI form to the Canada Revenue Agency (CRA). **If the CRA does not receive this form, you will not receive OAS payments beginning in July.** To make sure that your OAS pension payments are not interrupted, **be sure to submit your OASRI form by April 30.**

### **What if these deductions cause financial hardship?**

In that case, you may apply to the Canada Revenue Agency for a review of your situation.

**Please note:**

If you live outside Canada and receive an OAS pension, you must also pay the non-resident tax. This tax is deducted from monthly OAS pension payments. Information about the non-resident tax is available in a separate fact sheet (publication number: ISPB 226).

The total of the non-resident tax and the OAS recovery tax cannot be more than the amount of OAS benefits you receive.



## Canadian forms and publications online



**Canada Revenue Agency**

**[www.cra.gc.ca](http://www.cra.gc.ca)**



**Social Development Canada**

**[www.sdc.gc.ca](http://www.sdc.gc.ca)**

You can also contact your Canadian embassy or consulate for forms and publications.  
The Consular Affairs Bureau is online at:

**[www.voyage.gc.ca](http://www.voyage.gc.ca)**

Questions about your **taxes?**

**Canada Revenue Agency**

**1 800 267-5177**

(toll-free in Canada and the U.S.)

**1 613 952-3741**

(from all other countries)

**Fax: 1 613 941-2505**

 **1 800 665-0354** (TTY)

(toll-free in Canada and the U.S.)

**[www.cra.gc.ca](http://www.cra.gc.ca)**

**Canada Revenue Agency  
International Tax Services Office  
Ottawa ON K1A 1A8**

### > Contact us

About your **Old Age Security** benefit:



**1 800 277-9914\***

(toll-free in Canada and the U.S.)

**1 613 990-2244**

(from all other countries)

 **1 800 255-4786** (TTY)

(toll-free in Canada and the U.S.)

**Fax: 1 613 952-8901**

On the Internet or by email,  
please visit:

**[www.sdc.gc.ca](http://www.sdc.gc.ca)**



Social Development Canada  
Income Security Programs  
Ottawa ON K1A 0L1



*\* Our lines are busiest at the beginning and end of the month.  
If your inquiry can wait, it's best to call at other times.*

*If you contact us, please remember to provide us with your  
social insurance or OAS account number.*