



Are you receiving a pension from the Government of Canada? Do you live outside Canada?

> If so, please read on for some important information about your pension.

Your monthly Old Age Security (OAS) and Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) benefits may be subject to a Canadian income tax called the “non-resident tax.”

> How does this tax work?

Non-resident tax is withheld from monthly OAS, CPP and QPP payments to beneficiaries living outside Canada. Normally, the tax rate is 25 percent. It may differ if Canada and your country of residence have signed an income tax treaty. The table on page 3 shows the tax rates by country.

> Can I reduce the amount of tax withheld?

You might benefit from being taxed at the same rate as Canadian residents (see the table on page 3 for tax rates by country). If you choose the Canadian tax rate, you may be able to reduce the amount of tax withheld.

How do I change my tax rate?

You must complete the NR5 form, *Application by a Non-Resident of Canada for a Reduction in the Amount of Non-Resident Tax Required to be Withheld*. To obtain this form, contact the Canada Revenue Agency (see page 4).

Mail your completed NR5 form to the Canada Revenue Agency before October 31st. This will ensure that any reductions will start with your January payment(s). If you just started receiving pension benefits and wish to be taxed as a Canadian resident, you should submit this form as soon as possible.

Please note:

If you have a high income (a net world income exceeding \$59,790 for 2004) and receive Old Age Security benefits, you may also be subject to the OAS recovery tax. Information about this tax is available in a separate fact sheet for OAS pensioners living outside Canada (publication number: ISPB 216).

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

Non-resident tax rates by country

Canada has tax treaties with some countries that affect the amount of non-resident tax withheld. This table shows the tax rate that applies to your country of residence.

Country of residence		OAS benefits	CPP or QPP pension	CPP or QPP death benefit			
Argentina Bangladesh Barbados Bulgaria Germany	Hungary Israel Ivory Coast Kenya Malaysia	Malta Mexico Norway Papua–New Guinea Peru	Poland Spain Sri Lanka Tanzania Trinidad & Tobago	Zambia Zimbabwe	15%	15%	25%
Australia		15%	15%	15%			
Brazil	*If you are both a resident and a national of Brazil, you are entitled to the lower rate. To get this exemption, you must file the NR5 form and provide evidence of your nationality.	25% or 0%*	25% or 0%*	25% or 0%*			
Cyprus	*You are exempt from tax on the first CAN \$10,000 (or its equivalent in Cyprus pounds, whichever is higher) of the total of your pensions from Canada. To get this exemption, you must file the NR5.	15%*	15%*	25%*			
Dominican Republic		18%	18%	25%			
Ecuador	*No tax is payable if your pension payments from Canada are below CAN \$12,000 (or the equivalent in Ecuadorian currency). To get this exemption, you must file the NR5 form.	15%*	15%*	25%			
Finland		20%	20%	25%			
Ireland	*The 15% rate is for any portion of your CPP or QPP benefit payments related to self-employed earnings. The 0% rate applies to CPP or QPP benefits related to other employment earnings.	15%	15% or 0%*	15%			
Italy	*You are exempt from tax on the first CAN \$10,000 (or the equivalent of 6197.48 euros, if that is higher) of your Canadian pensions. To get this exemption, you must file the NR5 form.	15%*	15%*	25%*			
Netherlands		25%	15%	25%			
New Zealand	*No tax is payable if your Canadian pensions are below CAN \$10,000. To get this exemption, you must file the NR5 form.	15%*	15%*	15%*			
Philippines	*No tax is payable if your pension payments from Canada are below CAN \$5,000 (or the equivalent in Philippine pesos). To get this exemption, you must file the NR5 form.	25%*	25%*	25%*			
Portugal	*No tax is payable if your pension payments from Canada are below CAN \$12,000 (or the equivalent in euros). To get this exemption, you must file the NR5 form.	15%*	15%*	25%			
Romania	*OAS and CPP/QPP benefits are taxed at 15% if they are also taxable in Romania. To get this reduced tax rate, you must file the NR5 form and provide evidence that the benefits you receive are also taxable in Romania.	25% or 15%*	25% or 15%*	25%			
Senegal	*You are exempt from tax on the first CAN \$12,000 (or its equivalent in Senegalese currency) of the total of your periodic pensions from Canada. To get this exemption you must file the NR5 form.	15%*	15%*	25%			
United Kingdom of Great Britain and Northern Ireland		0%	0%	25%			
United States		0%	0%	0%			
All other countries		25%	25%	25%			

Canadian forms and publications online



Canada Revenue Agency

www.cra.gc.ca



Social Development Canada

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

Questions about your **taxes?**
Canada Revenue Agency

1 800 267-5177

 **1 800 665-0354** (TTY)
(toll-free in Canada and the U.S.)

1 613 952-3741
(from all other countries)

Fax: 1 613 941-2505

www.cra.gc.ca

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

> Contact us

About your **OAS or CPP** benefit:



1 800 277-9914*

 **1 800 255-4786** (TTY)
(toll-free in Canada and the U.S.)

1 613 990-2244
(from all other countries)

Fax: 1 613 952-8901



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.*