

Agency

CALCULATING AUTOMOBILE BENEFITS FOR 2006

You can use this worksheet to determine the employee's automobile benefit that you must report on a T4 or T4A slip.

You can also use the worksheet to determine the automobile benefit amount to prorate to the employee's pay periods for 2007. See the back of this worksheet for details.

For information about automobile benefits, visit our web site at www.cra.gc.ca/payroll or see the guide called Taxable Benefits (T4130).

You can also use our new on-line calculator - visit www.cra.gc.ca/autobenefits-calculator.

Last name	First name	Social insurance number								
				1		Ì	I		I	1
Address										

Step 1 – Standby charge

Complete this step if you provide your employee with an automobile for their personal use.

Simplified calculation	
 Use this calculation if the following conditions apply: the automobile you provide your employee is owned by you; the employee used the same automobile throughout the year; the employee's principal source of employment is not selling or leasing automobiles; and the employee is not eligible for the reduced standby charge rate (explained under the Detailed calculation) 	
Cost of automobile you provided (including GST and PST, or HST) \$ x 24%	\$
Minus: Any reimbursement by the employee for the standby charge	\$
Standby charge benefit (if negative, enter "0")	\$ A
	See Step 2 on the back.
OR	
Detailed calculation	
Determine the number of days the automobile was available to the employee for the entire calendar year (inclu-	uding weekends and holidays).
When you divide the total days available by 30, round off the result to the nearest whole number if it is more th	an one.
Examples 20 days \div 30 = 0.67 (do not round off) 135 days \div 30 = 4.50 (round to 4)	
130 days ÷ 30 = 4.33 (round to 4) 140 days ÷ 30 = 4.67 (round to 5)	
 Reduced standby charge Calculate the standby charge at a reduced rate if the following conditions apply: you require your employee to use the automobile to perform their duties; the employee uses the automobile more than 50% of the time for business purposes; and the kilometres for personal use do not exceed 1,667 per 30-day period or a total of 20,004 kilometres a year 	ar.
Choose 1, 2, or 3 (for information, see chapter 2 of the Taxable Benefits guide (T4130))	
1 Employer-owned automobile: cost of automobile (including GST and PST, or HST) \$\$ x 2%	\$1
2 Employer-leased automobile (lessee): monthly leasing cost (including GST and PST, or HST but excluding insurance)	\$2
3 Employee sells or leases automobiles: highest average cost of automobile (including GST and PST, or HST)	\$3
Amount from 1, 2, or 3 aboveNumber of days auto available to employeeReducing the standby chargePersonal kilometres to employeeNumber of days auto available 	
\$ × () × [÷ (() _{× 1,667}) =] =	\$4

Minus: Any reimbursement by the employee for the standby charge

Standby charge benefit (if negative, enter "0").....

5

В

\$____

\$

See Step 2 on the back.

Step 2 – Operating cost benefit

Complete this step if you provide an automobile to your employee and pay for the operating expenses related to personal use.

However, you **do not** have to calculate an operating cost benefit when the employee reimburses you for all operating expenses attributable to personal use **no later than 45 days after the end of the year**. Continue to Step 3.

Basic calculation						
Complete this calculation if both of the following con-	ditions apply:					
 the employee does not reimburse or only partiall 45 days after the end of the year; and 	y reimburses you for operating	g expenses a	attributable to pe	ersonal use no la	ter than	
• the employee did not elect to use the optional ca	lculation; and					
 the employee's principal source of employme 	nt is selling or leasing automo	biles				
Persona or	I kilometres driven		x 19¢ = (see Note)	\$		6
 the employee occupies any other employment 	t					
Persona	l kilometres driven		x 22¢ =	\$		7
Note			(see Note)			
For the 2007 rates, see www.cra.gc.ca/payroll and	click on "What's new".		See Operatir	ng cost benefit (n	et) below	
	OR					
Optional calculation (This calculation may no	t be beneficial in all cases.)				
You can complete this calculation if both of the follow	ving conditions apply:					
• the employee uses the automobile more than 50	% in the course of their office	or employm	ent; and			
• the employee requests (in writing before the end	of the year) that you use this	method.				
Standby charge amount A or B	Employee reimbursements attributable to standby charge					
(\$ +	\$)	x 50% =	\$		8
			See Operatir	ng cost benefit (n	et) below	
-Operating cost benefit (net)						

Enter the amount from line 6, 7, or 8 above	\$	9
Enter the employee reimbursements for the operating cost benefit made no later than 45 days after the end of the year	\$	10
Line 9 minus line 10. Operating cost benefit (net) If negative, enter "0"	\$	С

Step 3 – Total automobile taxable benefit

Enter the total amount of A + C or B + C .		
This amount is the employee taxable benefit you report in box 14 "Employment income" and in the	¢	
"Other information" area under code 34 of the T4 or, if applicable, in box 28 of the T4A	\$	

Information for employers who use this worksheet for withholding purposes

Prorate the total automobile taxable benefit amount to the employee's pay periods for 2007. Add the resulting amount to the employee's salary and any other benefits or allowances to determine the total amount subject to Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) contributions and income tax. The motor vehicle benefit is not insurable and therefore not subject to Employment Insurance (EI) premiums.

For more information about calculating deductions, visit our web site at **www.cra.gc.ca/payroll** or see the *Payroll Deductions and Remittances* guide (T4001).

You may need to remit goods and services tax (GST) or harmonized sales tax (HST) on the calculated benefit. For information, see Chapter 5 of the *Taxable Benefits* guide (T4130).