

**PART XI.3 TAX RETURN
RETIREMENT COMPENSATION ARRANGEMENT (RCA)**

Do not use this area

Custodian account number
CS

Area code Telephone number

Complete this return using the instructions in the *Retirement Compensation Arrangements Guide*.

Is this the first T3-RCA tax return filed? Yes No
 Is this an amended T3-RCA tax return? Yes No

RCA trust's taxation year

--	--	--	--

Identification

RCA trust's name	
Custodian's name	
Custodian's address	Mailing address (if different)
Person to contact about this tax return	

Complete the steps in order. Step 1 is on page 2 of this tax return.

Step 4 – Election under subsection 207.5(2) to recover refundable tax on hand

You can make this election only if all of the property in the RCA at the end of the taxation year (other than a right to claim a refund under subsections 164(1) or 207.7(2)) consisted of cash, debt obligations, shares listed on a prescribed stock exchange, or any combination of these.

Property of the RCA trust (at the end of the taxation year):

Cash		01
Debt obligations: Principal amounts		02
Fair market values		03
Line 02 or 03 for each, whichever is more	+ +	04
Fair market value of shares listed on a prescribed stock exchange	+	05
Total property of the RCA trust at the end of the taxation year (add lines 01, 04, and 05). Transfer this amount to line 01 of Step 5.	=	06

You have to complete and sign the election before we can refund the tax.

Election

I, _____, custodian of the _____ RCA trust,
 (print name)

elect to have the amount on line 06 above deemed to be refundable tax at the end of the _____ taxation year. I have attached separate lists giving details of amounts entered on lines 02, 03, and 05.

 Date Custodian's signature (this must be an original signature)

Step 5 – Part XI.3 tax payable or refundable

Refundable tax on hand at the end of the taxation year (line 25 or 29 in Part 3 of Step 3 on page 4, or line 06 of Step 4 above, whichever one applies)		01
Deduct: Refundable tax on hand at the beginning of the year		02
Refundable tax on hand transferred during the year to another RCA	-	03
Refundable tax on hand transferred during the year from another RCA	+	04
Line 02 minus line 03 plus line 04	=	05
Subtotal: Line 01 minus line 05 (if negative, enclose in brackets)	=	06
Deduct: Refundable tax deducted and remitted by employer or contributor during the year		07
Refundable tax remitted by custodian during the year	+	08
Line 07 plus 08	=	09
Balance owing or refund (line 06 minus line 09)	=	10
Refund		11
Balance owing		12
Amount enclosed		

Attach a cheque or money order payable to the Receiver General for Canada. **Do not mail cash.** The amount is due no later than 90 days after the end of the year for which the return is being filed. You may have to pay a penalty for late payment if you have a balance owing.

Step 6 – Certification

I, _____, certify that the information in this return and in any documents attached is, to the best of my knowledge, correct, complete, and fully discloses the income from all sources.

 Date Authorized person's signature Position or office

Tax	Penalty	Payments	Arrears interest	Refund interest
Balance unpaid	Refund	Increase (decrease) in refundable tax—end of year	Refundable tax—end of year	

Tax Centre WINNIPEG Centre fiscal	TSO code 21 Code du BSF
--	--------------------------------------

Before you mail your tax return, make sure that all required information slips, documents, and statements giving the details requested are attached to this page.

When and where to file a T3-RCA tax return

- Send the completed tax return no later than 90 days after the end of the RCA trust's taxation year, together with all required attachments and payment for any balance owing, to the RCA Unit, Winnipeg Tax Centre, 66 Stapon Road, Winnipeg MB R3C 3M2. Send this tax return separately from any other return. Keep a photocopy for your records.
- If the employer submitted the RCA for registration under the *Income Tax Act* as a registered pension plan (RPP), and we have refused to register the arrangement as an RPP, the T3-RCA tax return is due no later than 90 days after the date of the final determination.
- If refundable tax is due, attach a cheque or money order payable to the Receiver General for Canada. On the back of the payment, write "Form T3-RCA" and indicate the name of the custodian whose account is to be credited and the **CS** Custodian account number to which the payment applies.
- We can apply a penalty if you file this tax return late. The penalty is 5% of the unpaid tax that is due on the filing deadline, plus 1% of this unpaid tax for each complete month that the tax return is late, up to a maximum of 12 months.

When you are ready to make the first distribution out of the RCA trust to a beneficiary

- You should apply for a remittance account number by completing Form T735, *Application for a Remittance Number for Tax Withheld From a Retirement Compensation Arrangement (RCA)*. For more information, see page 12 in the T4041, *Retirement Compensation Arrangements Guide*.

Documents you should attach to the T3-RCA tax return

- Include with this tax return one copy of the financial statements for income (losses) from business or property.
- If you answered *Yes* to any of the questions in Step 1, attach the requested documents and complete details.
- If this is the first taxation year of the RCA trust, attach a copy of the original trust agreement, or if there were changes made to the terms of the arrangement, attach a copy of the amended trust agreement.
- Include with this tax return one copy of all required information slips (including any T737-RCA, T4A-RCA, and NR4 information slips, if applicable).
- If any property other than cash was distributed during the year, attach complete details.
- If the RCA trust acquired or disposed of property during the year at other than fair market value, attach complete details.
- If any property of the RCA trust was leased or used by any member of the RCA or a related person, attach complete details.
- If the RCA trust loaned money out of the RCA, attach a copy of the loan agreement.
- If any amounts were transferred to, or received from, another RCA trust during the year, attach a copy of the letter of agreement. See the T4041, *Retirement Compensation Arrangements Guide*, for the information required.
- If the RCA trust is associated with another plan, attach complete details.
- If you completed Option B in Part 3 of Step 3, attach a copy of the T4A-RCA and NR4 information slips for the next year.
- If you have elected to recover a refund of refundable tax on hand, attach details of the amounts entered on lines 04 and 05 in Step 4. If you do not sign the election in Step 4, we will not refund any amount.

Step 3 – Calculating the refundable tax on hand for the current year

Part 1 – Refundable tax on hand before distributions or election

Refundable tax on total contributions at the beginning of the year (from line 06 of Step 3 of your prior year's tax return)					01
Current year's employer contributions (from line 01 of Step 2)					02
Current year's member contributions (from line 02 of Step 2)	+				03
Current year's amount transferred from another RCA trust (from line 03 of Step 2)	+				04
Refundable tax on total contributions (add lines 02 to 04)	=			X 50% =	05
Refundable tax on total contributions at the end of the year (line 01 plus line 05)	=				06
Income and capital gains at the beginning of the year (from line 10 of Step 3 of your prior year's tax return)					07
Current year's income from business and property *	+				08
Current year's capital gains	+				09
Total income and capital gains (add lines 07 to 09)	=				10
Losses and capital losses at the beginning of the year (from line 14 of Step 3 of your prior year's tax return)					11
Current year's losses from business and property *	+				12
Current year's capital losses	+				13
Total losses and capital losses (add lines 11 to 13)	=				14
Excess of income and capital gains over losses and capital losses (line 10 minus line 14—if negative, enter "0")	=				15
Refundable tax on excess of income and capital gains over losses and capital losses				Amount from line 15 X 50% =	16
Refundable tax on hand before distributions or election (line 06 plus line 16). Transfer this amount to line 17 in Part 3 below.	=				17

* If you enter income or losses from business and property on line 08 or line 12, attach financial statements.

Part 2 – Distributions

Distributions at the beginning of the year (from line 22 in Part 2 of Step 3 on page 4 of your prior year's return)					18
Current year's distributions out of the RCA trust (Do not include amounts transferred to another RCA or amounts returned to the employer.) Attach copy 5 of all T4A-RCA information slips and a photocopy of all NR4 information slips.	+				19
Current year's amounts returned to employer or employee to be included in employer's or employee's income (Attach copy 5 of all T4A-RCA information slips and a photocopy of all NR4 information slips.)	+				20
Current year's amounts transferred directly to another RCA trust (Attach a copy of the letter of agreement.)	X 2+				21
For more information about transferring amounts between trusts, see page 16 of the RCA Guide.					
Total distributions (add lines 18 to 21). Transfer this amount to line 22 in Part 3 below.	=				22

Part 3 – Refundable tax on hand (after distributions) at the end of the taxation year

Enter the amount from line 17 in Part 1 above.					17
Enter the amount from line 22 in Part 2 above.					22
				X 50% =	23
Refundable tax on hand (after distributions) at the end of the taxation year. (line 17 minus line 23)	=				24

Complete Option A or Option B, whichever one applies.

A – If, during the taxation year, you did not make any distributions out of the RCA trust, or you did not return any contributions to the employer, and you do not want to elect under subsection 207.5(2) to recover a refund of refundable tax on hand held for this RCA trust, or

If, during the taxation year, you distributed amounts out of the RCA trust (including amounts returned to the employer), but some property remains in the RCA trust at the end of the taxation year, and you are entitled to recover a refund of some of the refundable tax on hand held for this RCA trust:

Enter the amount from line 24 above.	=				25
--------------------------------------	---	--	--	--	-----------

This is the refundable tax on hand at the end of the taxation year. Transfer this amount to line 01 of Step 5 on page 1.

B – If, during the taxation year, you distributed all the funds out of the RCA trust and no property remains in the RCA trust at the end of the taxation year, and you are entitled to recover a refund of all the refundable tax on hand held for this RCA trust:

Enter the amount from line 24 above.					26
--------------------------------------	--	--	--	--	-----------

Amount to be distributed when current-year refund is received (Attach the T4A-RCA and NR4 information slips for the next year.)					27
				X 50% =	28

Line 26 minus line 28	=				29
------------------------------	---	--	--	--	-----------

If the amount on line 29 is a positive amount, complete and sign Step 4 on page 1.
If the amount on line 29 is "0," transfer "0" to line 01 of Step 5 on page 1. You do not have to complete the election in Step 4.