



## Requirements and Conditions

1. If the employer does not have an "establishment in Canada" (see definition below), coverage of the employment of employees in Canada may be obtained by this arrangement under paragraph 22(2)(a) of the *Canada Pension Plan Regulations*. However, if the employer has an "establishment in Canada," coverage of the employment of all eligible employees in Canada is mandatory under the Canada Pension Plan.

Definition: "Establishment in Canada", with respect to an employer means any office, warehouse, factory, oil well, gas well, mine, workshop, farm, timber land, pier, wharf, school, college, club, residence, hotel, motel, restaurant, tavern, bar or any other place or premises in Canada that is owned, leased or licensed by the employer and where the employer or one or more employees works or reports for work or from or at which one or more of their employees are paid.

2. Coverage depends on payment of the required contributions and the filing of the proper returns.
3. Only employment that is ordinarily in Canada and that is pensionable employment under the Canada Pension Plan and Regulations may be covered. Details of excepted employment may be found in the T4001: *Employers' Guide – Payroll Deductions (Basic Information)*. It should be noted that employment may be covered only while the employee is resident in Canada.
4. The employer's and employee's contributions must be received by either a tax services office, taxation centre or Canadian financial institution by the required remittance date as prescribed by section 8 of the *Canada Pension Plan Regulations*, accompanied by Form PD7A. Frequency of the remittances varies as the average monthly remittances increase. For details, refer to the T4001: *Employers' Guide – Payroll Deductions (Basic Information)*. If you do not have a business number, print NIL in the space provided for that number. You will then receive from the tax services office nearest to the location in Canada where the work is to be performed, a Request for a Business Number (Form RC1), which should be completed and returned.

NOTE: Sections 8, 15, 22 of the *Canada Pension Plan Regulations* may be of interest to you in this matter. The text of these sections is available upon request from the Canada Customs and Revenue Agency, Ottawa, Ontario, Canada, K1A 0L5, Attention: CPP/EI Eligibility Division or visit us at [www.cra.gc.ca/cppe](http://www.cra.gc.ca/cppe)