

# 2007 INTERIM PAYMENTS

If your farm income drops during your 2007 fiscal year, you may apply for an Interim Payment under the Canadian Agricultural Income Stabilization (CAIS) program. Interim Payments can provide you with earlier access to your CAIS program benefit. If your estimated income declines by 15 per cent or more relative to your reference margin, you may be eligible.

The 2007 CAIS Interim Payment Application is a simple two-page form and is available on the CAIS Web site at [www.agr.gc.ca/caisprogram](http://www.agr.gc.ca/caisprogram). You can also request an application by calling the CAIS toll-free line at **1-866-367-8506**. Once your application is received, our goal is to process it within 30 days.

To be eligible for an Interim Payment, you must have completed six months of farming activity and a production cycle, and be filing farm income or loss to the Canada Revenue Agency (CRA). However, the six months of farming and production cycle requirements may be waived if they could not be met due to disaster circumstances.

Interim Payments represent 50 per cent of the governments' share of your estimated CAIS final payment for the 2007 program year. Because the CAIS Interim Payment is both an estimate and an advance on the final CAIS benefit, Interim Payments may result in overpayments or underpayments. Any overpayments must be repaid and any underpayments will be paid to you, once your final CAIS benefit has been calculated.

Discussions are underway on possible changes to business risk management programs and this may mean changes to CAIS. To reduce the risk of overpayments, the 2007 Interim benefit will not include payment for the first 15% of your estimated program year decline in relation to your reference margin.

## **New for 2007 Interims:**

- Significant changes have been made to the Interim application to make the calculations more accurate and reduce the risk of overpayments. Be sure to read the Guide to the 2007 Interim Application for instructions on completing the application.

## **What to Remember When Applying for a 2007 Interim Payment:**

- In order to process your 2007 interim application, a detailed breakdown of your 2006 income and expenses is required. When submitting your 2007 interim application, please attach a copy of your 2006 T1273, Statement of Farming Activities (or Statement A) as filed for tax purposes. If you have not yet filed your 2006 income taxes, please complete the "Worksheet for 2006 Reference Margin", which requests a breakdown of your 2006 income and expense information. This worksheet is included in the guide.

- Because the Interim Payment is an estimate, there may be situations when your Interim Payment may be higher than your final CAIS payment. If you receive an overpayment, you will be required to repay the funds.
- If you receive a 2007 CAIS Interim Payment, you must apply for a final payment. If you don't meet this requirement, you will be required to repay the 2007 interim benefits you received. To apply for a final payment, submit the 2007 harmonized form.

### **Tips on How to Avoid an Overpayment:**

- Your CAIS payment may be significantly affected if your application has to be combined with another application. Consult the Guide to the 2007 CAIS Interim Application, especially when answering the questions regarding combining of applications. Disregarding these items on the interim application can lead to a very different final payment calculation.
- Provide the most accurate estimate possible for your production. Read the methods for reporting production in the guide carefully.
- Enter all crop insurance and/or unseeded acreage payments under 'Crop/Production Insurance' on page 2.
- Be sure to include other program payments. These are listed in the Guide the 2007 CAIS Interim Application under the "Other Program Payments".
- If you have experienced a large increase or decrease in any of the allowable expenses listed on the form, enter the total estimated amount of the 2007 program year expense (not just the amount of the increase) in the 'Allowable Expenses' section on page 2.

If you have any questions, or need assistance completing any area of the Interim Payment application, please call the CAIS toll-free information line at **1-866-367-8506** to speak to a CAIS representative.