Canada Revenue Agency
Agence du revenu du Canada

Seasonal Agricultural Workers Program

RC4004(E) Rev. 07

Do you need more information?

If you need more information on employer issues after you read this guide, see **www.cra.gc.ca** or call **1-800-959-5525**.

To get forms and publications see **www.cra.gc.ca/forms** or call **1-800-959-2221**.

If you need more information on how to file income tax returns for foreign seasonal agricultural workers, on how the provisions of tax treaties apply to these workers, or about individual workers, call the International Tax Services Office at **1-800-267-5177**.

Our fax number is **613-941-2505**.

You can also write to us at:

International Tax Services Office
Canada Revenue Agency
2204 Walkley Road
Ottawa ON K1A 1A8

Our Web site

To find more information and most of our publications, visit our Web site at **www.cra.gc.ca**.

Your opinion counts!

If you have any comments or suggestions to help us improve the information in this guide, we want to hear from you. Please send your comments to:

Taxpayer Services Directorate
Canada Revenue Agency
750 Heron Road
Ottawa ON K1A 0L5

If you have a visual impairment, you can get our publications in braille, large print, or etext (CD or diskette), or on audio cassette or MP3. For details, visit our Web site at **www.cra.gc.ca/alternate** or call **1-800-959-2221**.

La version française de ce guide est intitulée *Programme des travailleurs agricoles saisonniers*.

Table of contents

Before you start

Who should use this guide?

This guide has information employers and liaison officers need to help foreign workers employed in Canada under the Seasonal Agricultural Workers meet their tax obligations in Canada.

A liaison officer is a foreign government official, usually working at an embassy or a consulate in Canada, who is responsible for administering the Seasonal Agricultural Workers Program for workers from that country.

How are seasonal agricultural workers taxed in Canada?

Depending on certain factors, foreign seasonal agricultural workers may have to pay income tax in Canada. This guide explains how to determine whether an employer should withhold tax from a worker's earnings and, if so, how much tax to withhold.

In Canada, taxation is based on residency. Therefore, a worker's residency status will affect how the worker is taxed in Canada. The workers in the Seasonal Agricultural Workers Program are non-residents, deemed non-residents, or deemed residents.

Non-residents

A worker from another country who does not establish significant residential ties with Canada and who is in Canada for less than 183 days is a **non-resident**. A non-resident is subject to Canadian income tax only on income from Canadian sources.

A non-resident worker can claim non-refundable tax credits if 90% or more of the worker's income is from Canadian employment.

- If 90% or more of a non-resident worker's income is from Canadian employment, that worker can claim in full any personal amounts that apply. These include the basic personal amount and, if applicable, the spouse or common-law partner amount or the amount for an eligible dependant.
- If **less** than 90% of the non-resident worker's income is from Canadian employment, that worker can't claim most non-refundable tax credits.

Note
Whether or not the 90% rule is met, non-resident workers can claim Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) contributions and Employment Insurance (EI) premiums as non-refundable tax credits on their income tax return.

Deemed non-residents

Since February 24, 1998, a seasonal worker is a **deemed non-resident** for Canadian income tax purposes if:

- the worker is in Canada for 183 days or more in the year; **and**
- the worker is considered a resident of another country with which Canada has an income tax treaty.

Canada has income tax treaties with the following countries that have workers participating in this program: Mexico, Barbados, Jamaica, and Trinidad and Tobago.

Note
Deemed non-residents are taxed in the same manner as non-residents.

Deemed residents

A worker from a non-treaty country who is in Canada for 183 days or more is a **deemed resident**. A deemed resident is subject to Canadian income tax on income from all sources—both inside and outside Canada.

A deemed resident can claim in full all non-refundable tax credits that apply. These include the basic personal amount and, if applicable, the spouse or common-law partner amount or the amount for an eligible dependant.

Note
Workers who are deemed residents can claim CPP/QPP contributions and EI premiums as non-refundable tax credits on their income tax return.

Workers from countries within the Organization of Eastern Caribbean States (OECS) are considered deemed residents of Canada if they are in Canada for 183 days or more in the year.

Double-taxation

Often, a tax treaty between Canada and the worker's home country ensures that the worker doesn't have to pay tax twice (double taxation) on the same income. If Canada doesn't have a treaty with the home country, the worker may have to pay tax in both countries on the same income. In this case, the liaison officer should contact the tax authority in the worker's home country to determine whether the amount of tax payable to that country can be reduced by the amount of tax paid to Canada.

Employer withholding

Seasonal agricultural workers from foreign countries who have regular and continuous employment in Canada are subject to tax deductions in the same way as Canadian residents.

Employers can find general information on withholding requirements in Guide T4001, *Employer's Guide – Payroll Deductions and Remittances*. This guide is available on our Web site at **www.cra.gc.ca/forms** or by calling **1-800-959-2221**.

Income tax withholding

There are three forms to help determine whether employers should withhold tax and, if so, how much:

- federal Form TD1, *Personal Tax Credits Return*, which liaison officers should complete for all workers;
- provincial or territorial Form TD1, which liaison officers should complete for most workers, as applicable; and
- an optional withholding waiver that liaison officers can complete in addition to the TD1 forms.

In addition to withholding income tax, employers are also responsible for withholding CPP contributions and EI premiums.

In Quebec, employers may have to withhold QPP contributions. For information on the QPP, get the *Guide for Employers – Source Deductions and Contributions* (TP-1015.G-V) from Revenu Québec at **www.revenu.gouv.qc.ca**.

Canada Pension Plan (CPP) contributions

As an employer, you have to withhold CPP contributions according to the instructions in Guide T4001, *Employer's Guide – Payroll Deductions and Remittances*.

Employment Insurance (EI) premiums

As an employer, you have to withhold EI premiums according to the instructions in Guide T4001, *Employer's Guide – Payroll Deductions and Remittances*.

Form TD1, *Personal Tax Credits Return*

All persons working in Canada have to complete the federal Form TD1 and a provincial or territorial Form TD1, if applicable, and give them to their employers. The TD1 forms help the employer determine the amount of tax, if any, to withhold from a worker's earnings.

Separate worksheets (federal and provincial or territorial) are available to calculate partial claims for certain non-refundable tax credits.

Provincial or territorial TD1 forms

Each province or territory (except Quebec) has its own Form TD1. All seasonal agricultural workers who claim more than the basic personal amount should complete Form TD1 for the province or territory where they are employed.

Employment in Quebec

Workers who are employed in the province of Quebec have to complete a federal Form TD1, *Personal Tax Credits Return*. If applicable, they also have to complete a provincial Form TP-1015.3-V, *Source Deductions Return*, which is available from Revenu Québec at **www.revenu.gouv.qc.ca**.

Claim codes

The total amount a worker claims will determine which claim code you will use. Claim codes are listed in each version of the *Payroll Deductions Tables* (T4032). In some cases, you will use one claim code for the federal Form TD1 and another claim code for the provincial form.

If a worker doesn't give you a completed provincial Form TD1, you should deduct provincial tax using claim code "0."

Payroll deductions tables

The payroll deductions tables help you calculate CPP contributions, EI premiums, and the amount of federal, provincial (except Quebec), and territorial income tax that you have to deduct from amounts you pay.

You can use any of the following versions of the payroll deductions tables:

- ***Payroll Deductions Tables* (T4032)** and ***Payroll Deductions Supplementary Tables* (T4008)** – You can use these tables to calculate your worker's payroll deductions. Payroll deductions tables for all provinces and territories are available at **www.cra.gc.ca/payroll**. They are usually posted three weeks before the printed copies are available.
- ***Tables on Diskette* (TOD) (T4143)** – The tables on diskette are an electronic version of the *Payroll Deductions Tables* and *Payroll Deductions Supplementary Tables*. TOD calculates payroll deductions for all provinces (except Quebec) and territories. TOD calculates the deductions for any pay period, and for special payments such as bonuses. TOD calculates Canada Pension Plan contributions, Employment insurance premiums, and federal, provincial (except Quebec), and territorial income tax that you withhold from a worker's income.

  TOD is available at **www.cra.gc.ca/tod**. It is also available on the Electronic Document Distribution System (EDDS).

  You can use our new Payroll Deductions Online Calculator (PDOC) to calculate your payroll deductions. The calculator has the same features as the current *Tables on Diskette* and can be accessed through **www.cra.gc.ca/pdoc**.
- ***Payroll Deductions Formulas for Computer Programs* (T4127)** – If you have a computer, you may want to use these formulas instead of the printed tables to calculate your worker's payroll deductions. This publication contains the formulas to calculate CPP contributions, EI premiums, and federal, provincial (except Quebec), and territorial income tax.

  If the computer formulas you want to use are different from ours, you have to submit them to any tax services office or tax centre for approval.

All the payroll deductions tables are available for each province and territory, and also for workers working beyond the limits of any province or outside Canada.

Penalties and interest

We expect you to deduct CPP contributions, EI premiums, and income tax amounts as required. If you fail to deduct CPP and EI amounts, you are liable for the amounts you should have deducted from the worker's remuneration, plus your share of CPP contributions and EI premiums that you should have paid on your worker's behalf.

In the same way, you are liable for the CPP contributions, EI premiums, and income tax amounts that you deduct but fail to remit.

Failure to deduct or remit

We can assess a penalty of 10% of the amount of CPP, EI, or income tax you fail to deduct. We can assess a penalty up to 20% of the amount you failed to remit when:

- you withhold the amounts, but do not remit them; or
- we receive the amounts you withheld past the due date.

For more information, see Guide T4001, *Employer's Guide – Payroll Deductions and Remittances*.

Interest

We can charge interest from the day your remittance is due.

Non-refundable tax credits

The federal and provincial or territorial non-refundable tax credits are indexed according to federal and provincial or territorial legislation. The chart listing the basic personal amount, the spouse or common-law partner amount, and the amount for an eligible dependant is on page 8. You can also find these amounts on the TD1 forms.

Certifying TD1 forms

In the home country, a designated government official should complete the TD1 forms on behalf of each worker—one federal form and one form for the province or territory where the worker will be employed.

The designated government official has to make sure that the worker meets certain criteria before certifying the TD1 forms with an official stamp. The official has to examine the documents provided by the worker to support claims for personal amounts on the TD1 forms and verify that the claims are correct (e.g., a marriage certificate or other document to support a claim for the spouse or common-law partner amount or a birth certificate to support a claim for the amount for an eligible dependant).

The official also has to verify that:

- 90% or more of the worker's world income for the year will be included when determining taxable income in Canada; **or**
- the worker is from an OECS country and will be in Canada for 183 days or more in the year.

If a worker does not meet these criteria, the designated government official should not certify the TD1 forms.

What can workers claim on their TD1 forms?

Personal amounts are non-refundable tax credits that a worker may be able to claim on an income tax return and on the TD1 forms. Personal amounts include the basic personal amount, the spouse or common-law partner amount, and the amount for an eligible dependant. A worker can't claim CPP/QPP contributions and EI premiums on the TD1 forms because these are included in the payroll deductions calculations.

Spouse or common-law partner amount

A worker can claim this amount for a legally married spouse or a common-law partner. The worker must use the **spouse or common-law partner's net world income** to calculate the non-refundable tax credits available.

Amount for an eligible dependant

A worker who is single, divorced, widowed, or separated (and not living in a common-law relationship) can only claim the amount for the worker's non-resident child if the child is:

- under 18 years old;
- living at any time during the year with the worker in a home the worker maintains; and
- related to the worker by blood, marriage, or adoption.

Note
The worker can't claim this amount for any other relative (such as a niece, nephew, brother, or sister) even though he or she meets the three conditions above.

To claim the amount for an eligible dependant, the liaison officer has to complete **Schedule 5,** ***Details of Dependant***, and attach it to the worker's return. Schedule 5 can be found in the General income tax and benefit package and in the benefit package for non-residents and deemed residents of Canada. Both are available on our Web site at **www.cra.gc.ca**.

TD1 forms – Questions and answers

What if the worker's earnings are less than the personal amounts?

If you are a liaison officer, make sure that the total of the worker's eligible non-refundable tax credits is entered on line 12, "Total claim amount," on all TD1 forms. The employer will use the amount on line 12 and the payroll deductions tables to determine the correct amount of tax to deduct, if any.

What if the worker's earnings are more than the personal amounts?

If a worker's expected earnings are more than the personal amounts claimed on the TD1 forms, the liaison officer should make sure the employer deducts income tax from **the start of that year**. This way, the employer will not have to withhold excessive amounts of tax in the last few pay periods.

What if the worker's earnings are expected to be close to the personal amounts?

The employer should keep track of the worker's income to know when the worker's earnings exceed the personal amounts claimed on the TD1s. As soon as the worker **earns more than the personal amounts claimed**, the employer has to deduct tax from the total employment income the worker earns (generally claim code "0").

Alternatively, the employer can deduct income tax from **the start of that year**. This way, the employer will not have to withhold excessive amounts of tax in the last few pay periods if the worker's earnings exceed the personal amounts claimed on the TD1s.

What if a worker arrives without TD1 forms or with forms that have not been certified?

If a worker arrives without TD1 forms or if the worker's TD1 forms have not been certified with an official stamp, the employer must withhold income tax based on net claim code "0." However, this can result in excessive tax deductions if the worker qualifies to claim personal amounts. The liaison officer should verify the claim and submit revised and certified TD1 forms as soon as possible.

On receipt of the amended TD1 forms, the employer can begin to withhold tax according to the payroll deductions tables, based on the new total claim amounts shown on line 12 of the TD1 forms. We may be able to refund to the worker part or all of the excess income tax withheld by the employer. However, we will refund this amount only after an income tax return has been filed on the worker's behalf.

What if both spouses or both common-law partners work in the Seasonal Agricultural Workers Program?

If both spouses or both common-law partners work in the Seasonal Agricultural Workers Program, the liaison officer should attach a note to each of their TD1 forms. If both spouses or both common-law partners are employed, the full spouse or common-law partner amount can be claimed only if the net world income of one of them is less than the spousal net income threshold (see the chart on page 8). A partial claim may be allowed if the net world income of one of them is more than the spousal net income threshold but less than the spouse or common-law partner amount.

More about TD1 forms

- An employer who hires a worker without certified TD1 forms should contact the worker's liaison officer to ensure that certified forms will be submitted as soon as possible.
- An employer should not accept TD1 forms that have been physically altered. If an employer receives an altered Form TD1, the employer should ask the liaison officer to complete and submit a new form for the worker.
- As long as the foreign designated government official has certified the original TD1 forms, additional forms do not have to be certified for the same worker unless the worker's personal amounts change.
- The liaison officer has to give the employer copies of the original TD1 forms and any revised TD1 forms. The TD1 forms must be kept for future reference, and copies must be included with the worker's income tax return.
- Employers have to keep copies of original and revised TD1 forms they receive to support the payroll deductions and income tax withheld.

T4 information return and slips

You have to file your T4 information return by the **last day of February following the calendar year to which the information return applies**. If the last day of February is a Saturday or Sunday, your information return is due the next business day.

Box 29 – Employment code

Enter code "**15**" in box 29 of the T4 slips prepared for the seasonal agricultural workers you employ.

For more information, see Guide RC4120, *Employer's Guide – Filing the T4 Slip and Summary.*

Distributing T4 slips

You must give workers two copies of their T4 slip on or before the last day of February following the calendar year to which the slips apply:

- send by mail to their last known address;
- deliver in person; or
- distribute electronically (for example, by email) if you have received the worker's written consent.

Print the two T4 slips that you have to give to each worker on one sheet. For security purposes, do not print your Business Number (box 54) on these copies.

> **Note**
> If T4 slips are returned as undeliverable, we suggest that you retain the slips with the worker's file.

Penalties

If you fail to file your T4 information return or to give the T4 slips to your workers on time, the penalty for each failure is $25 a day, with a minimum penalty of $100 and a maximum of $2,500.

Non-refundable tax credits for 2007

Form TD1	Basic personal amount	Spouse or common-law partner amount	Amount for an eligible dependant	Spouse or common-law partner or eligible dependant net income threshold amount	Total personal amount
Federal (TD1)	$8,929	$8,929	$8,929	N/A	$17,858
Nova Scotia (TD1NS)	$7,481	$6,352	$6,352	$635	$13,833
Prince Edward Island (TD1PE)	$7,412	$6,294	$6,294	$629	$13,706
New Brunswick (TD1NB)	$8,239	$6,996	$6,996	$700	$15,235
Ontario (TD1ON)	$8,553	$7,262	$7,262	$726	$15,815
Manitoba (TD1MB)	$7,834	$6,482	$6,482	$649	$14,316
Saskatchewan (TD1SK)	$8,778	$8,778	$8,778	$878	$17,556
Alberta (TD1AB)	$15,435	$15,435	$15,435	N/A	$30,870
British Columbia (TD1BC)	$9,027	$7,729	$7,729	$773	$16,756

Notes

Under proposed changes, the spouse or common-law partner amount, amount for an eligible dependant, and the related threshold amount, are revised as shown in the chart, effective July 1, 2007.

Workers employed in Quebec only submit a federal Form TD1.

Seasonal agricultural workers are currently employed in Nova Scotia, Prince Edward Island, New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, and Quebec.

The total personal amount is the basic personal amount plus the spouse or common-law partner amount **or** the amount for an eligible dependant.

Provincial non-refundable tax credits are subject to change according to provincial budgets and resulting legislation.

Waiver from withholding tax

We can grant a waiver from withholding tax in certain situations. If a tax treaty exists between Canada and a worker's home country, a certain amount of employment income may be exempt from Canadian tax, based on the dependent personal services provision of the treaty.

If a worker is already entitled to claim personal amounts that are higher than the treaty-exempt amount, liaison officers should not request a waiver. However when a waiver would be beneficial, a liaison officer can request a waiver on behalf of that worker. The liaison officer can get this waiver from one of our tax services offices and must then give it to the worker's employer. As long as the worker's earnings are not more than the treaty amount, the employer is not required to withhold tax from the worker's earnings.

However, the employer must continue to deduct CPP contributions and EI premiums. For more information, see Guide T4001, *Employer's Guide – Payroll Deductions and Remittances*.

Tax treaties exist between Canada and the following countries: Barbados, Jamaica, Mexico, and Trinidad and Tobago. Workers from these countries may meet the treaty requirements for exempt income. The threshold amounts in the treaties are as follows:

- CAN$10,000 for workers from Barbados;
- CAN$5,000 for workers from Jamaica;
- CAN$1,500 for workers from Mexico, if the worker is present in Canada for less than 183 days; and
- CAN$8,500 for workers from Trinidad and Tobago, if the worker is present in Canada for less than 183 days.

If a worker's employment income is less than the threshold amount, the entire employment income amount is exempt from Canadian income tax. However, if a worker's employment income is more than the exempt amount, the entire amount of employment income is subject to Canadian income tax, not just the amount that is more than the treaty-exempt amount.

When will a waiver not benefit a worker?

Liaison officers should request a waiver on behalf of a worker only if it will benefit that worker. Otherwise, the additional paperwork can create confusion and possible errors in the withholding of tax.

Generally, the personal amounts claimed on a TD1 are higher than any amount claimed on a waiver. In this situation, a waiver should not be requested. Two additional situations when a waiver **will not** benefit a worker are as follows.

- If a worker from Mexico or Trinidad and Tobago expects to be in Canada for more than 183 days in the year, the provision of the tax treaty allowing the specified amount of exempt income does not apply. In this case, the liaison officer should not request a waiver for the worker.
- If a worker expects to earn more than the treaty-exempt amount, the liaison officer should not request a waiver since the full amount of income will be subject to tax. Liaison officers for workers from Jamaica or Mexico will usually not request waivers since the income earned by a worker will usually be more than the exempt amount. In most cases, it would be more beneficial for the worker to claim personal amounts.

When will a waiver benefit a worker?

A waiver will benefit a worker from **Barbados** if:

- the worker is single and earns more than the basic personal amount of $8,929, but less than $10,000; or
- the worker does not meet the 90% rule and earns less than $10,000.

A waiver will benefit a worker from **Trinidad and Tobago** if the worker does not meet the 90% rule and earns less than $8,500.

Waivers will also benefit workers from **Jamaica** and **Mexico** who do not meet the 90% rule and earn less than the $5,000 or $1,500, as specified in the respective tax treaties.

Liaison officers and waivers

If a waiver will benefit the worker, the liaison officer should provide it to the employer at the beginning of employment. The liaison officer should also provide the employer with completed and certified TD1 forms.

Employers and waivers

The employer should keep track of the worker's income to know when the waiver no longer applies. As soon as the worker **earns more than the treaty-exempt amount**, the employer has to deduct tax from the total employment income the worker earns (claim code "0").

Transferring a worker to another employer

In some situations, a worker may be transferred from one employer to another. To make sure the transition is smooth, the previous employer, the new employer, and the liaison officer have certain responsibilities.

Liaison officers and transfers

When a worker is transferred to another employer, the liaison officer should:

- make sure that copies of the original TD1 forms accompany the worker;
- inform the new employer of the worker's earnings to date (the liaison officer or previous employer has to provide a statement of the worker's earnings up to the date of transfer to ensure the new employer will withhold the required amount of income tax);

- follow the procedures set out in this guide when providing revised TD1 forms; and
- obtain a new waiver for a worker who is taking advantage of a tax treaty and give the new employer the new waiver that shows the amount of earnings limit still available under the applicable tax treaty. The amount still available is the treaty-exempt amount **minus** the worker's earnings up to the date of the transfer.

Employers and transfers

When a worker is transferred to another employer, the new employer is responsible for:

- determining the amount of tax to withhold based on the total claim amount (line 12) on the TD1 forms that accompany the worker;
- making sure that the liaison officer or previous employer provided a statement of the worker's earnings up to the date of the transfer so that the new employer can withhold the required amount of income tax; and
- getting a new waiver, if applicable. The new waiver will show the amount of earnings limit still available under the tax treaty. The amount still available is the treaty-exempt amount **minus** the worker's earnings up to the transfer date.

If the TD1 forms show personal amounts higher than the income limit on the waiver, the new employer doesn't have to withhold income tax until the worker's earnings are more than the personal amounts.

If a Form TD1 has been revised, the new employer is only responsible for withholding tax based on the total claim amount (line 12) on the revised Form TD1.

Filing an income tax and benefit return for a worker

Who must file?

A return must be filed on behalf of a foreign seasonal agricultural worker if:

- the worker is requesting a refund of income tax, CPP contributions overpayment, or EI premiums overpayment;
- the worker has to pay income tax for the year in which the employment income was earned; or
- we send the worker a request to file an income tax return.

Note
If a worker who earns more than the basic personal amount ($8,929 in 2007, $8, 839 in 2006) does not file a return, that worker may receive a request to file from the CRA.

There are other reasons why a worker has to file an income tax return. For more information, see the *General Income Tax and Benefit Guide*.

Who should file?

A return should be filed on behalf of all foreign seasonal agricultural workers:

- to ensure workers receive a refund or any excess tax withheld or overpayment of CPP contributions;
- to allow workers to claim applicable deductions or exemptions to reduce their tax;
- to allow CRA to update the workers' CPP contributions for future pension purposes; and
- to confirm the amounts claimed on the TD1s.

A liaison officer may file the income tax return on behalf of a foreign seasonal agricultural worker.

Alternatively, a worker can choose to have someone other than a liaison officer file a return on his or her behalf. This person should attach Form T1013, *Authorizing or Cancelling a Representative*, to the return and make sure the worker signs the return.

Which return to file?

Workers from Mexico, Barbados, Jamaica, and Trinidad and Tobago should file a *General Income Tax and Benefit Return* **for the province or territory where they were employed**.

Workers from countries within the Organization of Eastern Caribbean States (OECS) who were in Canada **less than 183 days** are considered non-residents and should file a *General Income Tax and Benefit Return* **for the province or territory where they were employed.**

Workers from an OECS country who were in Canada for **183 days or more** are considered deemed residents. These workers should file a *General Income Tax and Benefit Return for Non-Residents and Deemed Residents of Canada* to report their world income. Their return must include a note giving the dates they came into and left Canada.

Multiple jurisdictions (MJ)

In certain situations, a worker may be subject to taxation in two or more jurisdictions (employed in more than one province in the same tax year). Form T2203, *Provincial and Territorial Taxes for 200_ – Multiple Jurisdictions* must be completed and included with the worker's income tax return. This will ensure that their income, non-refundable tax credits and tax payable are allocated correctly to the appropriate tax jurisdiction.

Two situations where Form T2203 is required are as follows:

- The worker receives employment income from more than one province in the same tax year. The provincial tax rates and non-refundable tax credits for each province will be used to calculate the tax payable for that province, using the T2203 form.
- The worker receives employment income from a province and also receives CPP (or certain other Canadian source pension type income) in the same tax year. The worker can elect under Section 217 of the *Income Tax Act* to include the CPP income on their

income tax return. The CPP income will be subject to federal tax and non-resident surtax. The employment income will be subject to federal and provincial tax. The federal and provincial tax rates and non-refundable tax credits (NRTC) will be used to calculate the tax payable for each jurisdiction, using the T2203 form.

Note
If the CPP payments are more than 10% of the workers income for the year and the worker does not elect to file under Section 217, the worker will not meet the 90% rule and will not be able to claim most NRTCs.

For more information, visit our Web site at **www.cra.gc.ca,** or see pamphlet T4145, *Electing under Section 217 of the Income Tax Act.*

Time limit for refunds

A worker can usually claim an **income tax** refund within three years of the due date of the original return. In some situations, this time limit may be extended. For more details, contact your tax services office.

To receive a refund of a **CPP contributions overpayment**, we have to receive the request for refund within four years of the end of the tax year.

To receive a refund of an **EI premiums overpayment**, we have to receive the request for refund within three years of the end of the tax year.

Filing income tax returns

Information about your residence – page 1:

On the first line, enter the province or territory where the worker earned employment income in Canada. If the worker is from an OECS country and is in Canada for more than 182 days, enter "Other" on the first line.

On the second line, enter the name of the country where the worker normally resides. This does not apply if the worker is from an OECS country and is in Canada for more than 182 days, since the *General Income Tax and Benefit Return for Non-Residents and Deemed Residents of Canada* has only one line for residence.

Do not complete a date of entry or departure.

Send the returns to:

Returns Processing Division
International Tax Services Office
Canada Revenue Agency
2204 Walkley Road
Ottawa ON K1A 1A8

Be sure to write "seasonal agricultural worker" at the top of page 1 of each return. Also, if the worker is electing under Section 217, write "Section 217" at the top of page 1.

The following schedules and forms **must be attached** to each return:

- **Form 1248** (Schedule D), *Information About Your Residency Status*;
- **Schedule 1**, *Federal Tax*, to claim federal non-refundable tax credits;
- provincial or territorial **Form 428** to claim provincial or territorial non-refundable tax credits and to calculate your provincial tax (except for deemed residents and workers employed in Quebec);
- copies of the certified federal and provincial or territorial **TD1 forms** and any tax waivers;
- **T4 slips**;
- **Schedule A**, *Statement of World Income* (Form 5013-SA);
- **Schedule 5**, *Details of dependant* (only if the worker is claiming the eligible dependant amount);
- **Form T1013**, *Authorizing or Cancelling a Representative* (only if this information requires updating or has changed); and
- **Form T2203 –** *Provincial and Territorial Taxes for 200_ – Multiple Jurisdictions,* only if filing an MJ return when a worker, in the same tax year, has:
  - received employment income from more than one province; or
  - received employment and CPP (or similar Canadian source pension) income and elects under section 217 for pension income.
- **Schedule C,** *Electing under Section 217 of the Income Tax Act*, only if filing an MJ return and electing under Section 217 for CPP or similar Canadian source pension income.

Goods and services tax/harmonized sales tax (GST/HST) credit

A seasonal agricultural worker from an OECS country may be entitled to the GST/HST credit.

To qualify for the GST/HST credit, the worker must be considered a **deemed resident** of Canada in both the previous year and the current year. An income tax return must be filed for the worker for each year.

A deemed resident of Canada may also be entitled to claim the GST/HST credit for his or her spouse or common-law partner and children. For more information, see the section called "Goods and services tax/harmonized sales tax (GST/HST) credit application" in the *General Income Tax and Benefit Guide for Non-Residents and Deemed Residents of Canada*.