| Revenue Canada Taxation | Revenu Canada Impôt | OVERSEAS EMPLOYMENT TAX CREDIT | T626 Rev. 92 |

For use by an individual who was resident in Canada in a taxation year and who, throughout a qualifying period:

(1) was employed by a specified employer, other than for the performance of services under a prescribed international development assistance program of Canada (see Regulation 3400).

(2) performed all or substantially all the duties of employment outside Canada:

(a) in connection with a contract under which the specified employer carried on business outside Canada with respect to:
(i) the exploration for or the exploitation of petroleum, natural gas, minerals or other similar resources, or
(ii) any construction, installation, agricultural or engineering activity, or,
(b) for the purpose of obtaining, on behalf of the specified employer, a contract to undertake any of the activities referred to in (i) or (ii).

QUALIFYING PERIOD means a period of more than 6 consecutive months, that commenced before the end of the taxation year and included any part of that year, throughout which the requirements in (1) and (2) above are met.

SPECIFIED EMPLOYER means a person resident in Canada, a partnership in which interests that exceed in aggregate value 10% of the fair market value of all interests in the partnership are owned by persons resident in Canada or corporations controlled by persons resident in Canada, or a corporation that is a foreign affiliate of a person resident in Canada.

Additional information may be obtained from the current version of Interpretation Bulletin IT-497 entitled *"Overseas Employment Tax Credit."*
One completed copy of this form is to be associated with a T1 return for the taxation year.

DETACH HERE

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STEP I – TO BE COMPLETED BY EMPLOYER

(1) I _____ (Authorized Officer) hereby certify that _____ (Employer)

has met the requirements of paragraph 122.3(2)(a) of the Income Tax Act as a specified employer and carried on business outside Canada with respect to activities outlined in clause 122.3(1)(b)(i)(A), (B) or (C) of the Act. I hereby further certify that _____

_____ (Employee), a Canadian resident, was employed by the above employer outside Canada for at least six consecutive months from

_____ to _____ (Qualifying Period). The employer also undertakes to provide Revenue Canada, Taxation, upon request, such information as may be necessary to substantiate the accuracy of the information contained herein.

Date _____ 19 ____   _____
                                                                        Signature of authorized officer

STEPS II to V – TO BE COMPLETED BY EMPLOYEE OR EMPLOYEE'S AUTHORIZED AGENT

STEP II – CALCULATION OF EMPLOYMENT INCOME FOR THE PORTION OF THE QUALIFYING PERIOD INCLUDED IN THE TAXATION YEAR

(2) Number of days in the qualifying period that are in the taxation year* .... (A)

(3) Gross salary, wages and other remuneration for the period referred to in (A) .... $ _____ (B)

(4) Deduct: Employment deductions related to amount (B)   Wholly   Partly

(5)   Salesman's expenses .... $ _____ $ _____

(6)   Travelling expenses .... _____   _____

(7)   Annual union or professional dues .... _____   _____

(8)   Registered pension plan contributions .... _____   _____

(9)   Other deductions (Specify) .... _____   _____

(10)   Total .... $ _____ $ _____ (C)

(11) Net salary, wages and other remuneration for the period referred to in (A) (Amount (B) minus (C)) .... $ _____ (D)
* During which you were resident or carried on business in Canada.
Note: Employment deductions partly related to the period referred to in (A) should be apportioned in the same ratio that the number of days therein bears to 365.

STEP III – CALCULATION OF CREDIT LIMITATIONS

(12) Enter the number of days in (A) above _____ X $80,000 .... = $ _____ (E)
                                                         365

(13) Enter the amount in (D) above .... $ _____ X 80% .... = $ _____ (F)

(14) Net income for the taxation year (line 236 of T1 return) .... $ _____

(15) Add: Amount if any, of forward averaging withdrawal (form T581) included in computing taxable income for the taxation year .... _____
Notes: (a) if the amount at line (5) of form T581 is positive, enter the amount from line (6) of that form at line (15) above
         (b) if the amount at line (5) of form T581 is negative, enter any positive amount from line (7) of that form at line (15) above. If line (7) of form T581 is also negative, enter nil at line (15) above.

(16)   Sub-total (lines (14) and (15)) .... $ _____

(17) Deduct: Any deduction for net capital losses of other years (line 253 of T1 return) .... $ _____

(18)   Shares deductions under paragraph 110(1)(d.2) or 110(1)(d.3) .... _____

(19)   Employee home relocation loan deduction (line 248 of T1 return) .... _____

(20)   Capital gains deduction (line 254 of T1 return) .... _____

(21)   Income exempt under paragraph 110(1)(f) .... _____

(22)   Total (line 16) minus (lines 17 to 21) .... $ _____ (G)

STEP IV – CALCULATION OF BASIC FEDERAL TAX

(23) Enter taxable income (line 260 of T1 return) .... $ _____

(24) On the first _____ tax is .... _____

(25) On remaining _____ tax at _____ % is .... _____

(26)   Total .... $ _____

(27) Add: Tax adjustments (see line 500 of guide) .... _____

(28)   Total .... $ _____

(29) Subtract: Total non-refundable tax credits (line 350 of T1 return) .... _____

(30)   Total .... $ _____ (H)

(31) Subtract: Overseas employment tax credit (amount (I) from Step V below) .... _____

(32)   Total .... $ _____

(33) Subtract: Federal dividend tax credit (See line 502 of guide) .... _____

(34)   Total .... $ _____

(35) Subtract: Minimum tax carry-over (see line 504 of guide) .... _____

(36) Basic federal tax (enter this amount on line 506 on Schedule 1 of T1 return) .... $ _____
Notes: (a) A Foreign Tax paid in respect of income subject to an Overseas Employment Tax Credit must be excluded in computing any Foreign Tax Credit to which you may be entitled.
         (b) If you are otherwise entitled to a Foreign Tax Credit, the amount at line 31 must be added to the "Federal Tax plus any Dividend Tax Credit" in the multiplier (on Schedule 1) of the Foreign Tax Credit calculation.
         (c) The amount at line 31 must be added to "Basic Federal Tax" at line (A), of the Individual Surtax Calculation (on Schedule 1).
         (d) A claim for the Overseas Employment Tax Credit may result in the application of Minimum Tax. You should also complete form T691 "Calculation of Minimum Tax" to determine if Minimum Tax is payable.

STEP V – CALCULATION OF OVERSEAS EMPLOYMENT TAX CREDIT

(37) Enter the lesser of (E) and (F) $ _____ X amount (H) $ _____ .... = $ _____ (I)
        Enter amount (G) $ _____

CERTIFICATION

I hereby certify that, to the best of my knowledge, the information above is accurate and complete.

EMPLOYEE'S SOCIAL INSURANCE NUMBER
_____ _____ _____

_____   _____   _____
EMPLOYEE'S OR AUTHORIZED AGENT'S SIGNATURE   DATE   TELEPHONE NUMBER

Form authorized by Minister of National Revenue

(Français au verso)