



Step I – To be completed by the employer

Employer certification

I, \_\_\_\_\_ (authorized officer), certify that \_\_\_\_\_ (employee's full name), social insurance number \_\_\_\_\_, was employed by \_\_\_\_\_ (employer's full name) throughout a period of more than six consecutive months that began before the end of the taxation year and included any part of that year.

The employer has met the requirements of subsection 122.3(2) of the Income Tax Act as a specified employer and is one of the following (check one):

- checkbox a person resident in Canada;
checkbox a partnership in which persons resident in Canada or corporations controlled by persons resident in Canada own interests which exceed 10% of the fair market value of all interests in the partnership; or
checkbox a corporation that is a foreign affiliate of a person resident in Canada.

The employee:

(1) was employed, other than for performing services under a prescribed international development assistance program of the Government of Canada, outside Canada for a continuous period extending from \_\_\_\_\_ to \_\_\_\_\_

and

(2) throughout that period performed all or substantially all (90% or more) of the duties of employment outside Canada:

(A) in connection with a contract under which the employer carried on a business outside Canada conducting the following activities outlined in clause 122.3(1)(b)(i) (A),(B), or (C) of the Income Tax Act (check one):

- checkbox the exploration for, or exploitation of, petroleum, natural gas, minerals, or other similar resources; or
checkbox any construction, installation, or agricultural or engineering activity (please provide details; e.g., country, name of the project)

\_\_\_\_\_
\_\_\_\_\_

or

(B) for the purpose of obtaining, on behalf of the employer, a contract to undertake any of the above activities.

The employer also undertakes to provide to Revenue Canada, on request, any necessary information to substantiate the accuracy of the information on this form.

Date \_\_\_\_\_ 19 \_\_\_\_\_

Signature of authorized officer

Employer's business number

**Step II – Calculation of employment income**

1. Number of days in the period referred to in (I) of Step I during which you were resident in Canada ..... **620** ..... A

2. Gross salary, wages, and other remuneration for the period referred to in A ..... \$ ..... B

3. Deduct: Employment deductions related wholly to amount B:

4. Sales expenses ..... \$ ..... |

5. Travelling expenses ..... |

6. Annual union or professional dues ..... |

7. RPP contributions ..... |

8. Other deductions (please specify) ..... |

9. **Total** ..... \$ ..... C

10. Net salary, wages and remuneration for the period referred to in A (amount B minus amount C) ..... **621** \$ ..... D

Note: You should apportion employment deductions partly related to the period referred to in A in the same ratio as the number of days relates to 365.

**Step III – Calculation of credit limits**

11. Enter the number of days in A above ..... X \$80,000 ..... = \$ ..... E

12. Enter the amount in D above \$ ..... X 80% ..... = \$ ..... F

13. Net income for the taxation year (line 236 of T1 return) ..... \$ ..... |

14. Add: Forward-averaging withdrawal (Form T581) included in calculating taxable income for the taxation year ..... |

Notes: If the amount on line 5 of Form T581 is positive, enter the amount from line 6 of that form on line 14 above. If the amount on line 5 of Form T581 is negative, enter any positive amount from line 7 of that form on line 14 above. If line 7 of Form T581 is also negative, enter nil on line 14 above.

15. Subtotal (lines 13 and 14) ..... \$ ..... |

16. Deduct: Any deduction for net capital losses of other years (line 253 of T1 return) ..... \$ ..... |

17. Amounts for shares deductible under paragraph 110(1)(d.2) or 110(1)(d.3) ..... |

18. Employee home relocation loan deductible under paragraph 110(1)(j) ..... |

19. Capital gains deduction (line 254 of T1 return) ..... |

20. Payments of income deductible under paragraph 110(1)(f) ..... |

21. **Total** of line 15 minus lines 16 to 20 ..... \$ ..... G

**Step IV – Calculation of basic federal tax (see Schedule 1, Detailed tax calculation)**

22. Enter taxable income (line 260 of T1 return) ..... \$ ..... |

23. On the first ..... tax is ..... |

24. On the remaining ..... tax at % is ..... |

25. **Total** (lines 23 and 24) ..... \$ ..... |

26. Add: Tax adjustments (see line 500 of guide) ..... |

27. **Total** (lines 25 and 26) ..... \$ ..... |

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

29. **Total** ..... \$ ..... H

30. Subtract: Overseas employment tax credit (amount I from step V below) ..... |

31. **Total** ..... \$ ..... |

32. Subtract: Federal dividend tax credit (see line 502 of guide) ..... |

33. **Total** ..... \$ ..... |

34. Subtract: Minimum tax carry-over (see line 504 of guide) ..... |

35. Basic federal tax (enter this amount on line 506 on Schedule 1 of T1 return) ..... |

Notes: a) A foreign tax paid on income subject to an overseas employment tax credit must be excluded in calculating any foreign tax credit to which you may be entitled.  
 b) If you are otherwise entitled to a foreign tax credit, the amount on line 30 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 on line 30 must be added to basic federal tax on 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**

36. Enter the lesser of E and F \$ ..... X amount H \$ ..... **635** ..... • I  
 Enter amount G \$ .....