



Step I – Must be fully 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 in connection with a contract under which the employer carried on a business outside Canada conducting one of 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;
checkbox any construction, installation, or agricultural or engineering activity; or
checkbox an activity performed under contract with the United Nations.

or

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

Please provide details: e.g., country, name of the project.

If a waiver on withholding had been requested with respect to this credit, please provide the name of the Tax Services Office where the waiver request was processed: _____

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 account number () Telephone 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 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
 divided by 365

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 (note c) (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 of 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
 divided by amount G \$ _____