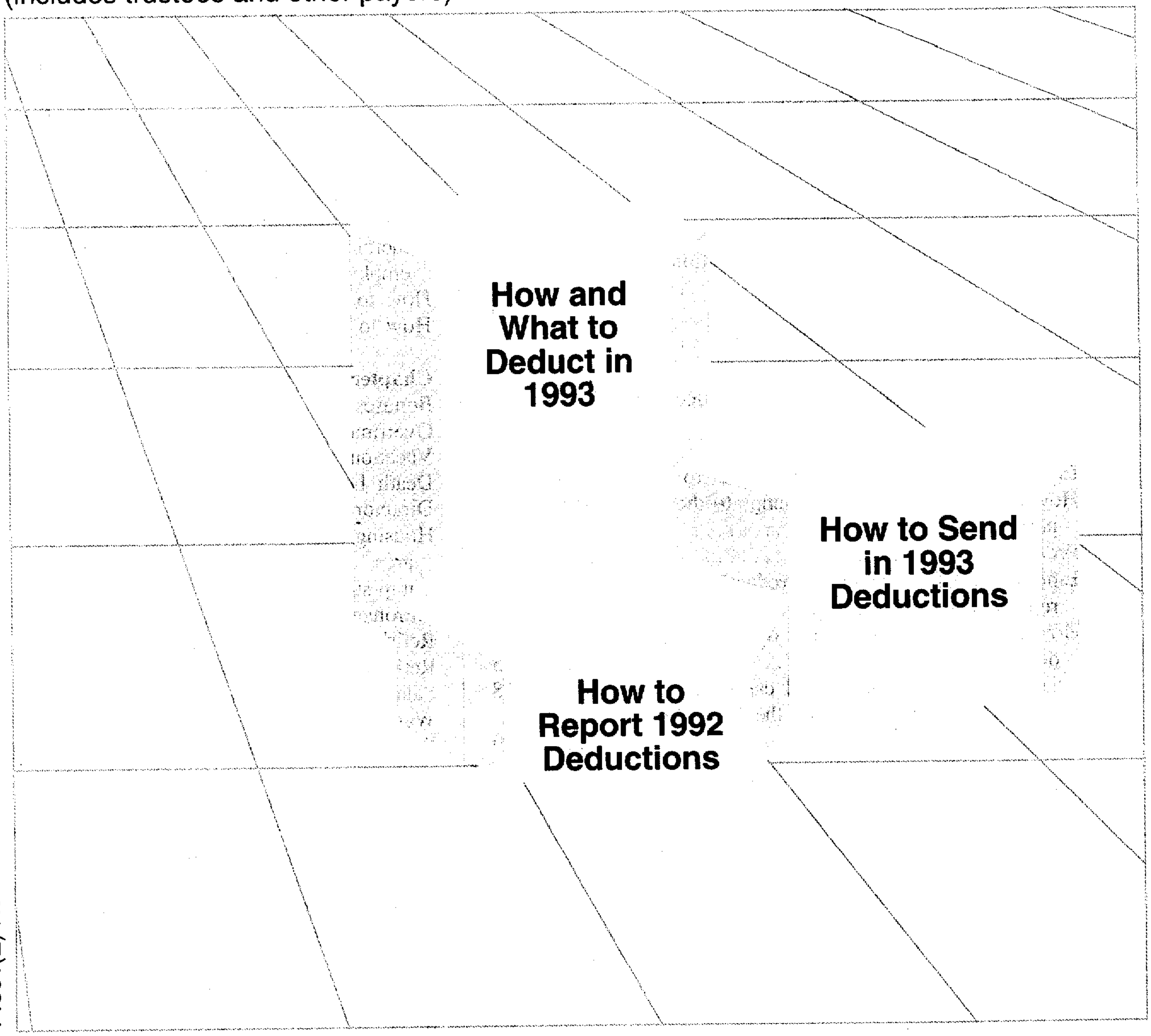
Revenue Canada Taxation
Revenu Canada Impôt

1992 - 1993

Employers' Guide to Payroll Deductions

(includes trustees and other payers)



How and What to Deduct in 1993

How to Send in 1993 Deductions

How to Report 1992 Deductions

T4001(E) Rev. 92

Canada

Cette publication est disponible en français

Contents

This guide uses plain language to explain the most common tax situations. If you need more help after you read this guide, please contact your district taxation office.

We welcome your suggestions

We review this guide each year. If you have any comments or suggestions that would help us improve the information it contains, we would like to hear from you.

Please send your comments to:

Tax Forms Directorate
875 Heron Road
Ottawa, Ontario K1A 0L8

What's New?

The "What's New" section explains the changes that have taken place since the publication of the 1991-1992 guide. Major changes are shaded in green.

This guide includes tax changes announced by the Minister of Finance. These had not yet become law at the time of printing. However, we are getting ready to apply them.

Revenue Canada, Taxation takes an active interest in the environment. In order to save paper, we want to reduce the number of unnecessary guides that are mailed to you. If you receive more than one guide because you have more than one account number, we ask that you complete the ***Cancellation / Reinstatement Form*** at the back of this guide. This will let us know how many guides you no longer need.

You can now send us your source deductions using **Electronic Funds Transfer (EFT)**. Revenue Canada, Taxation is using **Electronic Data Interchange (EDI)** to process certain remittances. Contact your financial institution or district office for more information.

The **PD7A remittance form** for employers who remit once a month has been re-designed and reduced from a four-part form to a three-part form. In addition, we have included space for you to report your "gross monthly payroll," and the "number of employees in the last pay period." For more information, see page 23, "Remittance forms."

Accelerated remitters will be able to use more recent information to determine how often they send in source deductions. For more details, see "How to Send in Deductions" in Chapter 5.

Under proposed changes to the *Income Tax Act,* **accelerated remitters** with an average monthly withholding amount of $50,000 or more and payroll services companies can no longer make their remittance payments at a district office or taxation centre. They now have to make these payments directly to a Canadian financial institution.

The "Employer Visits" program is being introduced in 1993. Through this program, employers can ask for a visit from us to assist them with any problems they may have concerning payroll deductions. Contact your district office for more information.

If you want to give authorization to allow a representative to discuss your tax matters, you can complete ***Consent Form* T1013**. This speeds up the process of getting the information to your representative without delay. You can get this form from your district office.

Under the *Fairness legislation*, we are able to **waive, cancel, or reduce interest or penalties** that are a result of factors beyond your control.

T4A Footnote Codes — This year, the use of **footnote codes** applies to all the boxes on the T4A. See Chapter 6 for more information.

Box 48, "Payments to DPSP" is no longer on the T4 Supplementary for 1992. Employers still have to report the DPSP registration number in box 50 of the T4, and the pension adjustment (PA) in box 52.

Changes to the **1993 TD1** form:

- The 1993 TD1 form reflects the reduction to the **Northern Residents Deductions** claim for employees who live in prescribed areas. For more information, see the *Employers' Guide to Housing and Travel Assistance Benefits in Prescribed Areas.*
- Beginning in 1992, the **education tax credit** has increased to 17% of $80. It was 17% of $60. Part-time students who are eligible for the disability tax credit, or who cannot be enrolled full-time because of their impairment (certified by a doctor), can now also claim this credit.
- Starting January 1, 1993, a **new child tax benefit** replaces Family Allowances, and the amount for dependent children, which have been removed from the TD1. The child tax benefit will not appear on the TD1. The net claim codes take this into account.
- Starting January 1, 1993, and as long as other requirements are met, a person who lives **common-law** will be:
  - able to claim the married credit; and
  - unable to claim the equivalent-to-married credit.

For 1993 and later years, a common-law spouse of a person is: "a person of the opposite sex with whom the individual is currently cohabitating in a conjugal relationship." To be considered common-law spouses, the two individuals have to:

- have had such a relationship for at least 12 months; or
- be the natural or adoptive parents of the same child.

Problem Resolution Program

We are continually looking at ways to make it easier for you to file your information returns, deduct and send in your remittances, and resolve any problems you may have.

We deal with the majority of your questions and concerns through our enquiries services. If you have a problem, you should call, write, or visit your district office or taxation centre. However, if we do not resolve the problem to your satisfaction, you can contact a Problem Resolution Program coordinator.

You can find the telephone number of the coordinator of the Problem Resolution Program at your district office or taxation centre in the telephone listings at the back of this guide.

Common Questions and Answers

1. **The first pay of 1993 is January 2, 1993. Do I include this pay in *1992* or *1993* earnings?**

   Include the income in the 1993 earnings. Employment income is taxable in the year that a person receives it.

2. **I hired a casual labourer. Do I have to make deductions in this case?**

   If the labourer works for your business as an employee, you have to make deductions. If a casual labourer works for you, but not for your business, you do not have to make deductions. An example is someone who cuts your grass at home on a casual basis.

3. **I hired several students for the summer. They are going back to school, so do I have to make deductions?**

   There are no special rules for students. Treat them as you would any other employee. You may have to deduct Canada Pension Plan (CPP) contributions, Unemployment Insurance (UI) premiums and income tax. This depends on many factors, such as age, TD1 information, earnings, and hours worked. See Chapters 2, 3, and 4 to figure out the deductions you should make.

4. **If my employee wants to have additional tax deducted, what should I do?**

   Have the employee complete item 17 on the TD1 form. This authorizes you to deduct the additional tax.

5. **Is strike pay taxable?**

   Strike pay is not taxable, whether or not employees carry out picketing duties. Payments for services performed during a strike are taxable if the member is an employee or a consultant to the union.

6. **Should I include the cost of books in the taxable benefit for tuition fees?**

   Include the cost of books in the taxable benefit for tuition fees. However, if the cost of the course already includes the cost of the books, do not include it a second time.

7. **How much of the stock option amount should I footnote?**

   Footnote 25% (one-quarter) of the amount of the stock option benefit.

8. **What should I do with copy 1 of the supplementaries if I file my information return on magnetic media?**

   If you print your supplementaries on 4 ply slips, you can either keep copy 1 in your files, or discard it. Do not mail copy 1 to your taxation office. We encourage you to use 3 ply slips, which you can get on request.

Chapter 1 — General Information

This guide gives you:

- the information you need to report the income tax, Canada Pension Plan (CPP) contributions, and Unemployment Insurance (UI) premiums that you withheld for 1992;
- the information you need to deduct and send in these amounts for 1993;
- a brief description of the forms you need to do this; and
- a reference list of interpretation bulletins and information circulars you can get from us.

Note

There are examples in this guide. The rates we use in the examples are for illustration only. Please see the *Payroll Deductions Tables* for the current rates. We issue these tables in January and July.

Who should use this guide?

You should use this guide if you are:

- an employer;
- a trustee; or
- another type of payer.

Instructions in this guide generally apply to employers. This guide also covers situations for certain self-employed people, such as taxi and other drivers, and barbers and hairdressers (see Chapter 8, "Special Situations"). If you are self-employed, and you would like information about your coverage under the Canada Pension Plan, see your *General Tax Guide*. We also cover situations for executors, administrators, and directors in this guide.

We also have a *Small Business Employers' Kit* that gives you the basic information you need to meet your responsibilities. You can use the *Small Business Employers' Guide to Payroll Deductions* which is in this kit if:

- you pay only salary, wages, bonuses, vacation pay, and/or tips to employees;
- you provide only board and lodging benefits to your employees; and
- you are not an accelerated remitter (if you do not have to send in deductions more than once a month).

If you meet these conditions, contact your district office to get the kit.

Your responsibilities

As an employer, you have to:

- deduct income tax, CPP contributions, and UI premiums from amounts you pay to your employees (see "Employer-employee relationships" on page 7 if you are not sure if someone is your employee);
- send in these amounts **and** your share of CPP contributions and UI premiums that you have to pay on behalf of your employees (throughout the year); and
- report all these amounts on an information return by the end of February of the following calendar year.

When to send in deductions

Except as we note below, deductions must be received on or before the 15th day of the month after the month that you paid the remuneration. Your payment must be received by a district office, taxation centre, or Canadian financial institution. If the due date falls on a Saturday, Sunday, or holiday, your remittance is due on the next working day.

Note

Accelerated remitters in Threshold 2 (see below) and payroll service companies have to make their payments to a Canadian financial institution. They cannot make their payments at a district office or taxation centre.

There are two groups of large employers that have to send in deductions more than once a month. They are **accelerated remitters**. To determine if you are an accelerated remitter, take the total amount you had to send us in 1991, and divide it by the total number of payments (maximum 12) you had to make in that year. This will give you your "average monthly withholding amount."

Threshold 1

Employers with an average monthly withholding amount of $15,000 to $49,999.99.

Payday occurs during:	Remittance must be received by:
1st — 15th of the month	25th of the same month
16th — end of the month	10th of the following month

Threshold 2

Employers with an average monthly withholding amount of $50,000 or more.

Payday occurs during:	Remittance must be received:
1st — 7th of the month	Within 3 days from the last day
8th — 14th of the month	in each period.
15th — 21st of the month	Do not count Saturdays,
22nd — end of the month	Sundays, and holidays.

When a trustee deducts, reports, and sends in deductions

In the event of an employer's liquidation, assignment, or bankruptcy, the trustee in bankruptcy is the agent of the bankrupt for purposes of the *Canada Pension Plan and Unemployment Insurance Act*.

If a bankrupt employer has deducted CPP, UI, or income tax from amounts paid to employees before the bankruptcy and has not sent in these amounts, they are held in trust for her Majesty. The amounts form no part of the estate in bankruptcy, and should be kept separate from the estate. If these amounts are not kept separate from the bankrupt employers' money or the assets of the estate, we will file a claim for those amounts under the *Bankruptcy Act*. We will also file a claim for any amounts not sent in such as the employers' portion of CPP contributions, UI premiums, and any penalties and interest that may apply.

If a trustee carries on the bankrupt employer's business, the trustee has to deduct and send in the necessary CPP contributions, UI premiums, and income tax.

Penalties and interest

As an employer or payer, you hold payroll deductions in trust for the Receiver General. Therefore, you have to keep these amounts separate from the operating funds of your business. They should not be part of an estate in liquidation, assignment, receivership, or bankruptcy.

If you fail to deduct or remit required amounts

If you fail to deduct and send in the tax, CPP contributions, or UI premiums, you are liable for the full amount that you should have deducted from the employees' remuneration, **plus** your share of CPP contributions and UI premiums that you should have paid on behalf of your employees.

If you fail to comply with the above requirements, you may be prosecuted. You could be fined from $1,000 up to $25,000, or you could be fined and imprisoned for a term of up to 12 months.

If you receive an assessment for failing to deduct CPP contributions or UI premiums, you can recover the employees' premiums and contributions from the employees' pay. Your employer share is your responsibility.

You **cannot recover** the amounts for pay periods that go back more than 12 months.

To recover the employee amounts, you can deduct from the future wages of those employees. The deductions can be equal to, but not more than, the amount you should have deducted from each payment. See the example given below.

Example

An employer did not deduct or send in CPP contributions and UI premiums that should have been deducted as follows:

	Did not deduct	
Month	CPP	UI
January	$ 3.40	$ 8.50
February	3.40	8.50
March	4.10	8.50
April	4.70	8.50
Total	$15.60	$34.00

From an audit of the records, we issue an assessment on May 23 for:

	Employee	Employer	Total
CPP contributions	$15.60	$15.60	$ 31.20
UI premiums	34.00	47.60(1)	81.60
Total			$112.80(2)

(1) 1.4 times employee premiums

(2) plus interest and penalty

The employer can recover $15.60 for CPP, and $34.00 for UI from the employee as follows:

	Current deduction		+	Employer's recovery		
	CPP	UI		CPP	UI	
May	$ 4.70	$ 8.50		$ 3.40	$ 8.50	(for January)
June	4.70	8.50		3.40	8.50	(for February)
July	5.10	8.50		4.10	8.50	(for March)
August	5.10	8.50		4.70	8.50	(for April)
Total				$15.60	$34.00	

Penalties

We may assess a penalty of **10%** of the amount you should have deducted or withheld the first time:

- the withheld amounts are sent in and received late;
- you withhold the amounts but do not send them in; or
- you fail to deduct the amounts required.

If you are subject to a penalty for any of these occurrences and the same actions continue during the same calendar year, the penalty **may** increase to **20%**. These penalties apply on amounts over $500. In cases of wilful delay or deficient payments, penalties may be levied on amounts under $500.

Interest

Interest can be charged from the day your payment is due. For due dates, see "When to send in deductions" on page 6 in this chapter.

If you fail to file information returns

Information returns are T4, T4A, T4A-NR, and T4F Supplementary information slips **and** the related Summaries. These Summaries are the T4, T4A, T4A-NR, and T4F Summaries. You have to file an information return and give information slips to your employees by the end of February of the following calendar year. If you fail to do this, the penalty is $25 a day with a minimum penalty of $100 and a maximum of $2,500, for each failure.

Social insurance number (SIN)

You have to get a SIN from every employee, or you should at least be able to prove that you have made a reasonable effort to do so. You must also correctly report your employees' SIN on the T4, T4A and T4F Supplementaries. Individuals have to give their SIN to all information slip preparers. A penalty of $100 per failure applies to both parties if they do not meet these requirements. If an employee will not apply for a SIN, you still have to make deductions.

SINs are used to record and identify the employee's CPP contributions, UI premiums, and benefit payments. This is important if the person ever applies for any benefits under these plans. Health and Welfare Canada maintains Canada Pension Plan records under an account number identified by the employee's SIN. It is essential that you correctly copy this number and the employee's surname from the employee's social insurance card. Also, for Unemployment Insurance purposes, you must record the correct SIN on Form EMP 2106, *Record of Employment* (see page 19 for an explanation), which you can get from your Canada Employment Centre. Failure to do this can result in a fine of up to $2,000, imprisonment for up to six months, or both.

SIN beginning with a "9"

If you hire people that you know are not Canadian citizens or permanent residents, you have to make sure that the first digit of their social insurance number is "9". They also have to have a temporary work permit stating they will work for you only. Under the *Immigration Act*, you cannot hire such persons if they are not authorized to work for you. If you do, you may be penalized under this Act.

Employer-employee relationships

You are probably an employer if:

- you pay a salary, wages (including advances), bonuses, vacation pay, or tips to your employees; or
- you provide a benefit such as board and lodging to your employees.

Generally, a person who performs services for you is your employee (engaged under a contract of service). An employer-employee relationship exists if you have the right to control and direct the person or people who perform the services for you. If you are not sure whether someone is your employee, you can get a ruling from the Source Deductions section of your district office. You will find the addresses and phone numbers at the back of this guide.

Estate executors and administrators

Fees paid to executors and administrators are either "income from office or employment," or "business income." This depends on whether the executor or administrator acts in this capacity in the regular course of business. For more information about your obligations as an executor or administrator, see "Amounts subject to CPP contributions" in Chapter 2, and "Employment by a trustee" in Chapter 8. Information Circular 337 also contains additional information.

Director's liability

If a corporation fails to deduct, withhold, or send in amounts (CPP, UI, or tax), the **directors** of the corporation at the time the corporation had to do this may have to, along with the corporation, pay the amount due. The amount due includes interest and penalties.

The director will not be personally responsible if positive action is taken to ensure the corporation makes the necessary deductions or remittances. If you need more information on this subject, see Information Circular 89-2, available from your district office.

How to appeal an assessment

If you receive an assessment for CPP, UI, or income tax deductions that you do not agree with, you have 90 days after the date of the assessment to appeal. To appeal the **income tax** that we say you owe, you can:

- file Form T400A, "*Objection*" or
- write to the Chief of Appeals in your district office or taxation centre (we list the addresses at the back of this guide). State the reasons you do not agree with the assessment, and give all related facts.

To appeal the **CPP contributions** or **UI premiums** that we say you owe, you have to file Form CPT100.

You may want to talk to your district office before you make a formal appeal. This could solve your problem and take up less of your time.

How to appeal a CPP or UI ruling

When there is doubt as to whether or not you should deduct CPP contributions or UI premiums, a district office can issue a ruling to resolve the issue. An employer, employee, or representative can appeal the ruling if they do not agree with it. To do this, they have to file Form CPT100. This has to be done on or before April 30 of the year that follows the year that the question relates to.

What provincial table should you use?

To know which provincial tax tables to use, you have to determine your employees' province or territory of employment. This depends on whether or not you require an employee to report for work at your place of business:

- If the employee reports for work at your place of business, the province or territory of employment is the province or territory where your business is located. To withhold payroll deductions, use the tax table for that province or territory of employment.

  Example 1
  Your head office is located in Ontario, but you require your employee to report to your place of business in Manitoba. In this case, use the *Manitoba Payroll Deductions Table*.

  Example 2
  Your employee lives in the province of Quebec, but you require the employee to report to your place of business in New Brunswick. In this case, use the *New Brunswick Payroll Deductions Table*.

- If you do not require the employee to report to work at your place of business, the employee's province or territory of employment is the province or territory in which your business is located, and from which you pay your employee's salary.

  Example
  Your employee does not have to report to any of your places of business, but you pay the employee from your office in the province of Quebec. In this case, use the *Quebec Payroll Deductions Table*. The employee is not subject to CPP contributions, but could be subject to Quebec Pension Plan contributions.

Employment in the province of Quebec

The province of Quebec collects its own provincial pension plan contributions. In this guide, references to the Canada Pension Plan do not apply if:

- the employee has to report to the employer's place of business located in the province of Quebec; or
- the employee does not have to report to your place of business but is paid from your place of business located in the province of Quebec.

For more information on the Quebec Pension Plan, contact Revenu Québec, 3800 Marly Street, Sainte-Foy, Quebec G1X 4A5.

Note
You may still have to deduct UI premiums.

Do you have a computer?

If you have a computer, you may want to use it rather than the manual tables to calculate your employees' deductions at source. If you do, get the publication, *Formulae for Federal and Provincial Payroll Deductions for Computer Users — Income Tax Deductions, Canada Pension Plan Contributions and Unemployment Insurance Premiums*. This gives the formulas and tables for computer users. To order your copy, contact your district office. Please have your employer account number handy. Once you are on the mailing list, we will automatically send you this publication each year.

If the computer formulas you wish to use are different from the ones in the Machine Computation Tables, you have to submit them to your district office for approval. You may also want to consider filing your information return on tape or diskette. If you do, get the booklet *Computer Specifications for Data Filed on Magnetic Media* from your district office.

Keeping records

Every employer and payer who has to withhold or deduct taxes, CPP contributions, or UI premiums has to keep records and books of account. Each must also allow officers of Revenue Canada to verify these books and records on request.

Usually, you have to keep books and records for at least six years from the end of the year to which they relate. If you want to destroy these books and records before the six-year period is up, use Form T137, "*Request for Destruction of Books and Records*," to ask for permission to do so. You can get this form at your district office. You will find district office addresses at the back of this guide. If you need more information, see Information Circular 78-10, *Books and Records Retention/Destruction*.

If you cease to deduct

If you no longer have any employees subject to deductions, please notify the appropriate taxation centre or district office before your next payment is due. If you have no employees for the time being, complete and mail Form PD7A to let us know when you expect deductions to begin again.

Changes to an employer entity

If you change your business entity (sole proprietorship, partnership, or corporation), you become a new employer. Therefore, you need a new employer account number to send in and report employee deductions.

If your business ends

If your business ends, you have to send in your payroll deductions within seven days. You also have to prepare the necessary information slips within 30 days. You can find information on how to do this in Chapters 5 and 6.

Deadlines to remember

You have to send in your deductions by the **15th day of the month** after the month you make the deductions. This does not apply if you are an accelerated remitter.

By the **last day of February** of each year, you have to:

- give your employees or former employees their information slips for the year before; and
- send your information returns to Revenue Canada, Taxation.

If your **business ends**, you have:

- **30 days** to prepare the necessary information slips; and
- **7 days** to send in your deductions to Revenue Canada, Taxation.

Record of Employment

If an employee has an interruption of earnings, you have to give that employee a *Record of Employment* **within five days**.

Chapter 2 — Canada Pension Plan Contributions

You have to deduct Canada Pension Plan (CPP) contributions from the remuneration of an employee if that employee:

- is 18 years old but not 70 years old or over;
- is in pensionable employment during the year; **and**
- does not receive a Canada or a Quebec Pension Plan retirement or disability pension.

Employees have to meet **all three** of these conditions before you deduct CPP contributions from their remuneration.

You, as an employer, have to match and send in whatever CPP contributions you deduct from your employees.

If you are not certain about your situation, contact your district office.

Amounts subject to CPP contributions

Generally, you deduct CPP contributions from these amounts:

- salary, wages, or other remuneration, commissions, bonuses, and the value of board and lodging (other than an exempt allowance paid to an employee at a special work site or remote location);
- certain rent-free and low-rent housing, interest-free and low-interest loans, personal use of employer's or leased automobile, certain gifts, prizes and awards, holiday trips, and subsidized meals;
- honoraria due to employment or office, share of profit paid by an employer, incentive payments, director's fees, fees paid to board or committee members, and executor's and administrator's fees earned to administer an estate (as long as the executor or administrator does not act in this capacity in the regular course of business);
- certain tips and gratuities that employees and officers receive for the services they perform;
- remuneration received while on furlough, sabbatical, vacation, sick or retirement leave, lost time pay from a union, vacation pay, payments received under a supplementary unemployment benefit (SUB) plan which does not qualify as a SUB plan under the *Income Tax Act* (Section 145), and payments for sick leave credits;
- wage loss benefits that a trustee or insurance company pays directly to an employee from a wage loss replacement plan where the employer funds a portion of the plan;
- benefits derived from stock option plans; and

- workers' compensation payments you pay to an employee for an injury. Deduct CPP from the amount that is more than:
  1. the maximum dollar amount paid by the Workers' Compensation Board (a top-up amount); or
  2. the equivalent maximum dollar amount paid by the Workers' Compensation Board.

Note

If you still pay any of the above payments to a former employee for services that person performed while an employee, you should deduct CPP contributions from the payments. Use the rate in force at the time you make the payment.

Amounts not subject to CPP contributions

There are certain types of employment from which you should not deduct CPP contributions. There are also types of payments from which you should not deduct CPP contributions.

Types of employment

Do **not** deduct CPP contributions from payments for these types of employment:

- employment by an employer in agriculture, an agricultural enterprise, horticulture, fishing, hunting, trapping, forestry, logging, or lumbering;

  Exception

  Deduct CPP if the worker is:
  1. paid $250 or more in a year; and
  2. to be paid cash remuneration for 25 or more working days in a calendar year. The 25 or more working days do not have to be consecutive;

- casual employment, if it is for a purpose other than your usual trade or business;
- employment as a teacher on exchange from a foreign country, if the Canadian Education Association arranged the exchange;
- employment of a spouse if you cannot deduct the remuneration paid as an expense under the *Income Tax Act*;
- employment of a member of a religious order who has taken a vow of perpetual poverty. This applies whether the remuneration is paid directly to the order, or by the member to the order;

  Exception

  Deduct CPP contributions if the employment is:
  1. in a province that provides a comprehensive pension plan; and
  2. pensionable under the provincial pension plan of that province;

- employment of your child or a child that you maintain if no cash remuneration is paid;
- employment of a person whom you do not regularly employ, where that person assists you in a rescue operation, or helps you reduce the effects of a disaster;
- employment of a person in connection with a circus, fair, parade, carnival, exposition, exhibition, or other similar activity, **except** for entertainers, if that person:
  1. is not your regular employee; and
  2. works for less than seven days in the year;
- employment by a government body as a census taker or election worker if that person:
  1. is not a regular employee of the government body; and
  2. works for less than 25 days.

Note

When the employee works 25 days or more, the employment is pensionable from the first day of work.

Types of payments and benefits

Do **not** deduct CPP contributions from:

- pension payments, lump-sum payments out of a pension plan, death benefits, amounts allocated under a profit-sharing plan or paid under a deferred profit-sharing plan, benefits received under a supplementary unemployment benefit (SUB) plan which qualifies as a SUB plan under the *Income Tax Act* (section 145), and retiring allowances or severance payments received upon or after retirement from an office or employment in recognition of long service, or for loss of office or employment;

- wage loss replacement benefits that an employee receives from a trustee or insurance company;

- payments made after an employee dies, except for amounts earned and owing before the date of death;

- workers' compensation payments if you pay your employee:
  - the equivalent amount of a Workers' Compensation Board (WCB) award for an injury; or
  - an amount equivalent to a WCB award when your employee does not qualify for a WCB award. There are situations when contributions are required. See ''Amounts subject to CPP contributions'' on page 9;

- benefits for a clergy members' residence, when the clergy members get a tax deduction for their residence.

Specific CPP coverage cases

Coverage by a foreign employer

If you are a foreign employer who does not have a place of business in Canada, you can apply to cover employment in Canada under the Canada Pension Plan. This extension of coverage is at your option. You can apply for it (use Form CPT13) even if your country does not have a social security agreement with Canada.

You can get additional information on extended coverage from a CPP/UI rulings officer at your district office. We list these offices at the back of this guide.

International agreements with foreign governments

Canada has reciprocal social security agreements with other countries. The purpose of these agreements is to ensure that an employee is covered by one plan only (CPP or a foreign social security plan).

If you need information on the *Canada-United States Social Security Agreement*, see Information Circular 84-6.

Canada has agreements with these 24 countries:

Country	Date into force	Coverage (months)	CPT form number
Australia	September 1, 1989	none	none
Austria	November 1, 1987	24	112
Barbados	January 1, 1986	24	none
Belgium	January 1, 1987	24	121
Cyprus	May 1, 1991	24	none
Denmark	January 1, 1986	24	none
Dominica	January 1, 1989	24	none
Finland	February 1, 1988	24	128
France	March 1, 1981	36	52
Germany	April 1, 1988	60	130
Greece	May 1, 1983	24	54
Iceland	October 1, 1989	24	none
Ireland	January 1, 1992	24	none
Italy	January 1, 1979	24	51
Jamaica	January 1, 1984	24	none
Luxembourg	April 1, 1990	24	none
Malta	March 1, 1992	36	none
Netherlands	October 1, 1990	24	none
Norway	January 1, 1987	36	127
Portugal	May 1, 1981	24	55
Saint Lucia	January 1, 1988	24	none
Spain	January 1, 1988	24	125
Sweden	January 1, 1986	24	129
United States	August 1, 1984	60	56

You can get application forms for coverage or extension of coverage under the Canada Pension Plan from your district office. We list these offices at the back of this guide.

Note

If you have questions that concern coverage under the Quebec Pension Plan in other countries, contact the Direction de l'administration des ententes de sécurité sociale, 355, rue Sainte-Catherine Ouest, 6^{e} étage, Montréal, Quebec H3B 1A4.

How to deduct contributions

Both you and your employees have to make CPP contributions. You have to deduct CPP contributions from the amounts you pay your employees. In addition, you, as an employer have to contribute the same amount that you deduct from your employees' remuneration. The contribution that you make is on behalf of your employees.

Note

When you calculate the contributions to deduct from your employees, do **not** take into account any contributions that a former employer deducted in the same year.

You may have places of business in the province of Quebec and another province. If you transfer an employee from Quebec to the other province, you can take into account the Quebec Pension Plan contributions you deducted in the year from that employee. The total contributions to both plans should not go over the maximum contribution for the year. In such a case, note that you have to prepare **two** T4 Supplementaries. One is for the remuneration earned in the province of Quebec that shows the QPP deducted; and one is for the remuneration earned in the other province that shows the CPP deducted.

Employees' contributions

You deduct employees' contributions from salary, wages, or other remuneration. This includes any taxable benefits you pay or provide. Each year, we determine:

- a maximum amount of pensionable earnings from which you deduct CPP (for 1992, this was $32,200);
- a basic yearly exemption, that is, a base amount of the yearly pay from which you do not deduct CPP contributions (for 1992, this was $3,200); and
- a rate you use to calculate the amount you deduct from your employees (for 1992, this was 2.4%).

There are two ways to determine the contributions you deduct: the table method or the manual calculation method.

Table method

Use the Canada Pension Plan tables in the *Payroll Deductions Tables** to figure out the amount you should deduct from your employees' remuneration. These amounts already include the "basic exemption" for the year. To use these tables:

- Find the page that corresponds to your pay period. For example, if you pay the employee weekly, go to the "Weekly Pay Period" table.
- Look down the "Pay" column for the bracket that includes the employee's gross pay (this includes any taxable benefits).
- Find the amount in the "CPP" column beside this, which is the amount of contributions to withhold from an employee's pay. You, as an employer, must pay this same amount as your employer contribution.

* The *Payroll Deductions Tables* include the tax, CPP, and UI deductions for weekly, bi-weekly, semi-monthly, and monthly pay periods. Use the *Supplementary Payroll Deductions Tables* for 10, 13, and 22 pay periods.

Manual calculation method

Step 1 — Calculate the "basic exemption" that applies. To do this, divide the yearly basic exemption by the number of your pay periods.

Step 2 — Deduct the result from the employee's gross pay.

Step 3 — Multiply the remainder by the CPP rate. Remember to not go over the maximum for the year. The result is the amount of contributions to withhold from the employee. You have to pay an equal amount as your employer contribution.

Example 1

Weekly salary	$500.00
Taxable benefit	$ 50.00
Total	$550.00

Step 1 — $3,200 (basic exemption) ÷ 52 = $61.54.

Step 2 — $550 − $61.54 = $488.46.

Step 3 — $488.46 × 2.4% = $11.72

In this case, you have to send in CPP contributions of:

Employee's contribution	$11.72
Employer's contribution	$11.72
Total	$23.44

When to prorate the basic exemption

There are situations when you will have to prorate the basic CPP exemption. Use months to prorate the exemption when:

- an employee turns 18 in the year (use the number of months after the month the employee turns 18);
- an employee turns 70 in the year (use the number of months up to and including the month the employee turns 70);
- a retirement pension is payable to an employee under the Canada Pension Plan or the Quebec Pension Plan (use the number of months before the month the pension is payable). See "Employees between 60 and 70 years of age" on page 13;
- a disability pension is payable to an employee under the Canada Pension Plan or the Quebec Pension Plan (use the number of months before the month the pension is payable); or
- an employee dies in the year (use the number of months up to and including the month of death).

Example 1

Brent turned 18 on May 15. He receives $2,000 per month ($24,000 per year). This amount is less than the maximum pensionable earnings ($32,200) that are subject to CPP contributions.

January — May:
- no CPP contributions

June — December (7 months):
- Pay period: monthly
- Earnings: $2,000
- Basic CPP exemption (yearly): $3,200
- Prorate basic exemption per month:
  $3,200 ÷ 12 = $266.67
- Monthly deduction: $2,000 − $266.67
  = $1,733.33 × 2.4% = $41.60

Brent's CPP contributions for the year should not go over $291.20 (7 months × $41.60).

Example 2

Fred turned 70 on February 15. He receives $800 per week ($41,600 per year). This amount is more than the maximum pensionable earnings ($32,200) that are subject to CPP contributions.

January — February:
- Pay period: weekly
- Earnings: $800
- Maximum contribution for the year:
  2/12 ($32,200 − $3,200) × 2.4% = $116
- Basic CPP exemption (yearly): $3,200
- Prorate basic exemption per week:
  $3,200 ÷ 52 = $61.54
- Weekly deduction:
  $800 − $61.54 = $738.46 × 2.4% = $17.72

Fred's CPP contributions for the year should not go over $116. His employer should stop deducting CPP contributions when this amount is reached.

March — December:
- no CPP contributions.

If an employee always works on a **commission basis**, prorate the basic exemption on a **daily basis**.

Example

Mariah is your employee, and she always works on a commission basis. You pay her only when she completes a sale. This does not occur at regular intervals. On June 1, you paid her a commission of $700. Her last commission was paid on March 20. The number of days between each pay is 73 days. This is how you prorate the basic exemption:

- Prorate the basic annual exemption:
  73 ÷ 365 (days) × $3,200 = $640
- You have to deduct CPP contributions of:
  ($700.00 − $640) = $60 × 2.4% = $1.44
- The amount you have to send in is:

Employee's contribution	$1.44
Employer's contribution	1.44
Total	$2.88

For 27 or 53 pay periods

If your pay period is 53 weekly or 27 bi-weekly pay periods, and you use the contribution tables, you have to make a manual adjustment to each of the 53 or 27 pay periods. The tables prorate the basic exemption over 52 or 26 pay periods. When you use the tables for 53 or 27 pay periods, the contribution turns out to be less than it should be in each pay period. To fix this, you have to make the following adjustment to each of the 53 or 27 pay periods:

	Weekly	Bi-weekly
Year's basic exemption ($3,200) (52 and 26 pay periods)	$61.54	$123.08
Year's basic exemption (53 and 27 pay periods)	60.38	118.52
Difference subject to an extra 2.4%	$ 1.16	$ 4.56
	× 2.4%	× 2.4%
Contribution to be added to the regular contribution for each of the 53 and 27 pay periods	$ 0.03	$ 0.11

Employees from 60 to 70 years of age

Employees who are between 60 and 70 years old may apply to receive a CPP retirement pension. You have to deduct CPP contributions from these employees up to the month before the month that the pension becomes payable.

If a person is 60 or over but not yet 65, to qualify, that person has to entirely or almost entirely stop working.

Health and Welfare Canada sends an award letter to those who get a pension which indicates the date the pension becomes payable. The employee has to produce this letter to prove that contributions are no longer required.

An employee may work after the age of 60 and not apply for a CPP retirement pension. You have to deduct contributions until the end of the month before the employee receives the retirement pension, or until the end of the month in which the employee turns 70, whichever occurs first.

Chapter 3 — Unemployment Insurance (UI) Premiums

You and your employee have to pay UI premiums on remuneration from insurable employment. Insurable employment is most employment in Canada under a contract of service. There are some exceptions to this (see below). Some employment outside Canada is also insurable (see page 50).

Amounts subject to UI premiums

You have to deduct UI premiums from most remuneration (this includes taxable benefits) that you pay or provide to an employee. It can be paid in cash, or partly in cash and partly in kind. This includes any allowance you may pay your employee for vocational training under a government training plan or by Veterans Affairs Canada, as long as you pay remuneration to the employee in addition to the allowance. For Workers' Compensation Award payments, see page 45 in Chapter 7.

Employment and earnings not subject to UI premiums

There are some types of employment that are excepted from insurable employment. There are also some types of payments that are exempt from UI premiums. **Do not deduct** UI premiums from the following types of employment or payments. If you need more information, contact the Source Deductions section of your district office.

Types of employment from which you do not deduct UI premiums

Even if there is a contract of service, payments from the following types of employment are **not insurable**, and you do not deduct UI premiums from them:

- employment where a person's cash earnings in any week are less than 20% of the maximum weekly insurable earnings, **and** the person works less than 15 hours in a week;

Note

Deduct UI premiums if your employee's cash earnings in a week are 20% or more of the maximum weekly insurable earnings **or** your employee works 15 or more hours in a week.

- casual employment, if it is for a purpose other than your usual trade or business;
- employment where you and your employee do not deal with each other at arm's length. Related people do not deal with each other at arm's length. However, an employee who does not deal with you at arm's length can be in insurable employment if it is reasonable to assume that you would have negotiated a similar contract with a person that you deal with at arm's length. This decision is based on the terms and conditions of employment, and the remuneration paid for the work done;
- employment by a corporation of a person who controls more than 40% of the voting shares of that corporation;
- employment that is an exchange of work or service;
- employment by an employer in agriculture, an agricultural enterprise, or horticulture where the person receives no cash remuneration and works less than seven days with the same employer during the year;

Note

If the employee works for seven days or more, the employment is insurable from the first day of work.

- employment of a person in a rescue operation, as long as you do not regularly employ that person for that purpose;
- employment of a person in connection with a circus, fair, parade, carnival, exposition, exhibition, or other similar activity, **except** for entertainers, if that person:

1. is not your regular employee; and
2. works for less than seven days in the year;

Note

Employment for seven days or more is insurable from the first day of work.

- employment by a government body as a census taker or election worker if that person:

1. is not a regular employee of the government body; and
2. works for less than 25 days;

Note

When the employee works 25 days or more, the employment is insurable from the first day of work.

- employment in Canada under an exchange program, if the employee is not paid by an employer who resides in Canada;
- employment of a member of a religious order who has taken a vow of perpetual poverty. This applies whether the remuneration is paid directly to the order or by the member to the order;
- employment if the unemployment insurance laws of any state of the United States, the District of Columbia, Puerto Rico, or the Virgin Islands, or where the *Railroad Unemployment Insurance Act of the United States* requires premiums to be paid;
- employment in Canada of a non-resident person, if the Unemployment Insurance laws of any foreign country require premiums to be paid for that employment;
- employment by a foreign government or an international organization, **except** where the foreign government or international organization agrees to cover its Canadian employees under Canada's UI legislation. In this case, the employment is insurable. The Canada Employment and Immigration Commission has to agree;
- employment of a claimant on a Job Creation project that the Canada Employment and Immigration Commission has approved. If participating employers on a Job Creation project pay any amount, do not deduct UI premiums from that amount.

Payments exempt from UI premiums

Do not deduct UI premiums from the following types of payments:

- a payment you make under a supplementary unemployment benefit (SUB) plan;
- when you do not pay cash remuneration for a pay period, the value of board, lodging, and all other benefits the employee receives or enjoys in that pay period;
- the value of lodging received or enjoyed by a clergy member in respect of employment as a clergy member;

  Note

  If the clergy member receives a cash allowance for lodging, include the allowance in insurable earnings.

- any amounts that the *Income Tax Act* excludes from income in paragraph 6(1)(a) or (b) or subsection 6(6). We discuss these in Chapter 7, "Special Payments." The Source Deductions section of your district office can give you more information about these amounts.

How to allocate insurable earnings to the proper pay period

1. You have to allocate the earnings you pay to an employee to the pay period in which they are **earned**. This includes salary, wages, and employee paid leave such as vacation.
2. Allocate the following earnings to the pay period in which they are **actually paid**:
   - overtime pay;
   - retroactive pay increases;
   - bonuses;
   - gratuities;
   - accumulated sick leave credits;
   - shift premiums;
   - incentive payments;
   - cost of living allowances;
   - separation payments;
   - wages in lieu of notice; and
   - remuneration not paid in respect of a pay period.

   Do not do this when a person:
   - is on unpaid leave;
   - has left employment; or
   - has been dismissed or laid off.

   When this happens, allocate the earnings to the **last pay period** that regular salary, wages, or commissions were paid.

If you need more information, contact the Source Deductions section of your district office.

Premiums

Both you and your employees have to pay UI premiums on the employees' earnings from insurable employment. You have to deduct the employees' UI premiums from the amounts you pay your employees. In addition, you, as an employer have to pay 1.4 times the amount that you deduct from your employees' remuneration (unless you qualify for a premium rate reduction, see below). For example, if your employees' premiums for a month are $100, your premium is 1.4 times $100, which is $140.

Each year, Employment and Immigration Canada determines:

- an employee premium rate;
- minimum and maximum insurable earnings; and
- maximum premiums for each pay period.

You can find these amounts in the *Payroll Deductions Tables*.

Employer's UI premium rate reduction for wage-loss replacement plans

Some employers maintain an approved wage-loss replacement plan that allows them to pay their employer's share of UI premiums at a reduced rate. Employers have to get an additional account number so that they can make a separate remittance for employees covered by the plan.

To register the wage-loss plan, you have to complete Form EMP2642, *Initial Application for Premium Reduction*. This form is available from any Canada Employment Centre, and you have to complete one each year to receive the reduction. You have to send it in no later than September 30 for the reduction to start January 1 of the next year.

Send the form to:

Employment and Immigration Canada
Employer Registration Division
P.O. Box 11000
Bathurst, New Brunswick E2A 4L8

Telephone: 1-800-561-7923

For wage-loss replacement plans, you have to file a separate T4 return, summary, and related supplementaries for each account number. Report the employees that qualify you for a premium rate reduction under the separate account number for remittances under these plans. Report all other employees under the other account number. If the employee was in more than one category during the year, file two T4 Supplementaries for that employee.

How to determine the amount of UI premiums to deduct

There are two ways to determine the premiums to deduct: the table method and the manual calculation method.

Table method

Use the Unemployment Insurance Tables in the *Payroll Deductions Tables* to figure out the amount to deduct from your employees' remuneration. To use these tables:

- Look down the "Pay" column for the bracket that lists the employee's gross pay (including taxable benefits).
- Find the amount in the "UI Premium" column beside this, which is the premium you deduct from the employee's pay. Remember, do **not** deduct more than the maximum for the pay period, which is the amount shown at the bottom of each page of the UI tables. You, as an employer, have to pay 1.4 times this amount as your employer premium (unless you qualify for a premium reduction).

Manual calculation method

- Calculate the employee's insurable earnings for the pay period. In most cases, the gross pay including taxable benefits is the insurable earnings. Remember, do not go over the maximum insurable earnings for that pay period.
- Multiply your employee's insurable earnings for the pay period by the UI premium rate. The result is the UI premium to deduct for that pay period. Remember, do not go over the maximum premium for that pay period. You, as an employer, have to pay 1.4 times this amount as your employer premium (unless you qualify for a premium reduction).

Daily payroll — It is important to keep a record of individual insurable earnings, along with time records for each of your employees. Do not deduct UI premiums until your employee:

- earns at least the minimum weekly insurable earnings; or
- works 15 hours or more in that week. A week is seven consecutive days that begin on and include Sunday.

Once the employee's earnings or hours worked go over the weekly minimum, calculate the UI premiums based on the employee's total insurable earnings for that week.

Weekly payroll — A weekly payroll is seven consecutive days, the last day of which is your payroll ending date. Deduct UI premiums from the total remuneration of an employee who is paid on a weekly pay period basis if:

- the earnings equal or go over the weekly minimum amount; or
- the employee worked more than the minimum required hours for a weekly pay period.

Do not deduct UI premiums from earnings that are over the weekly maximum.

Bi-weekly payroll — A bi-weekly payroll is 14 consecutive days, the last day of which is your payroll ending date. Deduct UI premiums from the total remuneration of an employee who is paid on a bi-weekly pay period basis if:

- the earnings equal or go over the bi-weekly minimum amount; or
- the employee worked more than the minimum required hours for a bi-weekly pay period.

Do not deduct premiums from earnings that are above the bi-weekly maximum.

If your employee:

- has no earnings in one pay week; or
- the total of the employee's earnings and hours worked are under the bi-weekly minimums,

you have to determine the employee's actual earnings and hours worked in each pay week in the pay period to calculate the required UI premiums. Use the weekly payroll minimums.

Example 1
The minimum bi-weekly insurable earnings in 1992 is $284. Larry earns $100 in the first pay week of a bi-weekly period, and $200 in the second pay week for a total of $300. The total is over the bi-weekly minimum, so it is insurable, and premiums are required.

Example 2
The maximum bi-weekly insurable earnings in 1992 is $1,420. Natasha earns $800 in the first pay week of a bi-weekly pay period, and $700 in the second pay week, for a total of $1,500. The total is over the bi-weekly maximum, so only $1,420 is insurable earnings, from which premiums are required.

Example 3
The minimum bi-weekly hours in 1992 is 30 hours. Boris works 5 hours in the first pay week of a bi-weekly pay period, and 25 hours in the second pay week, for a total of 30 hours. His total earnings in the bi-weekly pay period are insurable up to the bi-weekly maximum, even if the earnings are under the bi-weekly minimum. This is because Boris worked the bi-weekly minimum number of hours.

The following bi-weekly pay period table gives some examples to illustrate how this works

Pay period ending	Pay week in pay period	Hours	Weekly remuneration	Gross remuneration	Insurable earnings	Insured weeks	Deductions at 3.0%	Insurable weeks on Record of Employment
October 14	1	14	70.00					
	2	14	70.00	140.00	Nil	Nil	Nil	Nil
October 28	1	15	75.00					
	2	15	75.00	150.00	150.00	2	4.50	2
November 11	1	14	70.00					
	2	14	220.00(1)	290.00	290.00	2	8.70	2
November 25	1	14	70.00					
	2	14	202.00(2)	272.00	202.00	1	6.06	1
December 9	1	12	60.00					
	2	15	75.00	135.00	75.00	1	2.25	1
December 23	1	—	Nil					
	2	40	800.00(3)	800.00	710.00	1	21.30	1

The amount represents regular pay plus a bonus payment of (1) $150, (2) $132, and (3) $600.

Note

When there are more than 52 weekly pay days, or more than 26 bi-weekly pay days in a calendar year, you have to pay additional premiums to cover the extra pay periods. These additional premiums and insurable earnings over the maximums have to appear on the employee's T4 Supplementary slip (see Chapter 6 for more details).

Semi-monthly payroll — In a semi-monthly payroll, your payroll ending dates fall on the 15th of each calendar month, and the last day of each calendar month. Deduct premiums from the total remuneration of an employee who is paid on a semi-monthly basis if:

- the earnings equal or go over the semi-monthly minimum; or
- the employee worked more than the minimum required hours for a semi-monthly pay period.

Do not deduct premiums from earnings that are above the semi-monthly maximum.

If your employee:

- has no earnings in one pay week; or
- the total of the employee's earnings and hours worked are under the semi-monthly minimums,

you have to determine the employee's actual earnings and hours worked in each pay week in the pay period to calculate the required UI premiums. Use the weekly payroll minimums.

Examples — Semi-monthly payroll — pay period December 1-15 inclusive

Week or part week ending in pay period	Hours worked	Gross remuneration	Insurable earnings	Insurable period	Insurable equivalent weeks	Deduction at 3.0%	Insurable weeks to enter in item 16 of the Record of Employment
Example 1							
December 3	10	50.00					
December 10	14	70.00					
December 15	16	80.00					
Total	40	200.00	200.00	One semi-monthly	2 1/6	6.00	3*
Example 2							
December 3	—	—	—				
December 10	25	130.00	130.00		1	3.90	
December 15	30	150.00	150.00		1	4.50	
Total	55	280.00	280.00	Two weeks	2	8.40	2
Example 3							
December 3	6	30.00	—		—	—	
December 10	12	60.00	—		—	—	
December 15	12	144.00(1)	144.00		1	4.32	
Total	30	234.00	144.00	One week	1	4.32	1
Example 4							
December 3	—	—	—		—	—	
December 10	20	100.00	100.00		1	3.0	
December 15	10	50.00	—		—	—	
Total	30	150.00	100.00	One week	1	3.0	1

(1) Regular pay was calculated at $12.00 per hour.

* For a *Record of Employment* issued when you use a semi-monthly pay period:

1. For one pay period the number of weeks in the ''Insurable equivalent weeks'' column is rounded up, as in Example 1.
2. When the *Record of Employment* covers more than a single pay period, first total the number of insurable weeks, then round up that figure.

Monthly payroll — In a monthly payroll, your payroll ending date falls on the last day of each calendar month. Deduct UI premiums from the total remuneration of an employee who is paid on a monthly pay period basis if:

- the earnings equal or go over the monthly minimum; or
- the employee worked more than the minimum required hours for a monthly pay period.

Do not deduct premiums from earnings that are above the monthly maximum.

If your employee:

- has no earnings in one pay week; or
- the total of the employee's earnings and hours worked are under the monthly minimal,

you have to determine the employee's actual earnings and hours worked in each pay week in the pay period to calculate the required UI premiums. Use the weekly payroll minimums.

Examples — monthly payroll — pay period December 1-31 inclusive

Week or part week ending in pay period	Hours worked	Gross remuneration	Insurable earnings	Insurable period	Insurable equivalent weeks	Deduction at 3.0%	Insurable weeks to enter in item 16 of the Record of Employment
Example 1							
December 3	12	60.00					
December 10	14	70.00					
December 17	15	75.00					
December 24	15	75.00					
December 31	15	75.00					
Total	71	355.00	355.00	One month	4 1/3	10.65	5*
Example 2							
December 3	—	—	—		—	—	
December 10	25	130.00	130.00		1	3.90	
December 17	24	120.00	120.00		1	3.60	
December 24	5	25.00	—		—	—	
December 31	12	60.00	—		—	—	
Total	66	335.00	250.00	Two weeks	2	7.50	2
Example 3							
December 3	—	—	—		—	—	
December 10	14	168.00(1)	168.00		1	5.04	
December 17	—	—	—		—	—	
December 24	—	—	—		—	—	
December 31	14	168.00(1)	168.00		1	5.04	
Total	28	336.00	336.00	Two weeks	2	10.08	2

(1) Regular pay was calculated at $12.00 per hour.

* For a *Record of Employment* issued when you use a monthly pay period:

1. For one pay period the number of weeks in the "Insurable equivalent weeks" column is rounded up, as in Example 1.
2. When the *Record of Employment* covers more than a single pay period, first total the number of insurable weeks, then round up that figure.

Other pay periods and special cases

If you pay the following types of remuneration on a regular basis (e.g., weekly, bi-weekly), treat them the same way as other earnings when you can match them up with the pay period in which they are earned:

- commissions, when it does not involve a drawing account;
- drawings, when a periodic settlement of account is not made;
- piecework; and
- remuneration you pay to an employee who works for a period of 52 consecutive weeks when you pay the remuneration in 10 or 22 payments.

If you cannot match the following earnings with the pay period in which they are earned, treat them on a yearly basis:

- commissions you pay at irregular intervals;
- combination of drawings or regular salary and commissions;
- sums debited to a drawing account at irregular intervals;
- piecework, when settled at irregular intervals; and
- remuneration you pay to an employee who works for a period of 52 consecutive weeks if:

  1. the payments do not extend over the entire 52-week period; and
  2. you paid them in other than 10 or 22 payments.

Under the yearly basis, you have to calculate the premiums from the first dollar on each payment up to the maximum insurable earnings for the year. Once you reach the maximum, do not deduct any more premiums.

Prorate the maximum insurable earnings when your employee:

- starts to work for you after January 1; or
- leaves your employment before the end of the year.

Example 1
Matthew's employment began on April 15, 1993. This is how you calculate his maximum insurable earnings for the year:

35 ÷ 52 (weeks) × yearly maximum insurable earnings

Note
There are 35 weeks from April 15 to December 31.

Example 2
Shawn's employment ended on June 30. He earned $40,000. He has overpaid UI premiums because the adjusted maximum insurable earnings for six months is less than $40,000. His employer should refund this overpayment to him. In addition, his employer should reduce the next payment made in the year to Revenue Canada, Taxation by:

- Shawn's UI overpayment; and
- the employer's UI premium related to Shawn's overpayment.

If you cannot refund the employee's UI overpayment, show the full deduction and the adjusted insurable earnings on the employee's T4 Supplementary. If you cannot recover your share of the premium from any future payment for that year, apply to us for a refund. Complete Form PD24 to do this. You can get this form and any information you may need from your district office.

If you pay insurable earnings to a person in a year after the one in which the employment occurs, use the premium rate and maximum insurable limits in effect at the time you paid the earnings.

Certain workers are not employees, but are considered to be in insurable employment. Examples of such workers are **taxi and passenger vehicle drivers**, and **barbers and hairdressers**. See page 47 in Chapter 8, "Special Situations," for more information.

Unemployment Insurance and the *Record of Employment* (ROE)

You have to complete Form EMP 2106, *Record of Employment* (ROE), when an employee stops working for you (this is an "interruption of earnings"). This happens when an employee leaves because of pregnancy, injury, illness, adoption leave, layoff, or leave without pay.

The ROE is used to decide if a person is eligible for benefits, the amount of benefits, and how long the person can collect them. It is important that you correctly enter the information from your payroll records onto the ROE. If you have any questions about the types of earnings to include in the area called "Additional Monies Paid or Payable on or after Termination of Employment," contact your local Canada Employment Centre.

When do you issue a *Record of Employment*?

You have to issue a *Record of Employment* **within five days** of the day the employee has an interruption of earnings. You can get *Record of Employment* forms and the guide called *How to Complete the Record of Employment* from your Canada Employment Centre.

Insurable weeks to be shown on the *Record of Employment*

In the sections of this chapter called "Semi-monthly payroll" and "monthly payroll," the numbers in the "Insurable equivalent weeks" column of the charts may not be the same as those in the "Insurable weeks to enter on Record of Employment" column. If the ROE covers a single pay period only (i.e., semi-monthly and monthly), round off the number in the "Insurable weeks" column. When the ROE covers more than a single pay period, total the number of insurable weeks, then round off that number. For example, one complete semi-monthly pay period equals 2 1/6 actual insurable weeks. The number of weeks to enter on the ROE is three. If a person completes 10 full semi-monthly pay periods, this equals 21 2/3 insurable weeks. The number of insurable weeks to enter on the ROE is 22.

Chapter 4 — How to Deduct Income Tax

As an employer, you are responsible for deducting income tax from the remuneration you pay your employees. There are forms that help you know how much income tax to deduct. These are:

- Form TD1 (for most employees);
- Form TD1X (for employees paid commissions); and
- Form TD3F (for fishermen).

Form TD1 — *Personal Tax Credit Return*

Form TD1 gives you the credits that employees claim when they file their income tax return. It has different net claim codes that depend on the credits the employee claims.

Individuals who receive employment or pension income have to complete and file a TD1 form with their employer or payer. If a person does not do this, you should deduct tax as if that person is single. Use "net claim code" 1.

Employees should complete a new TD1 if their personal situation changes (if they marry, etc.). They should do this within seven days of the change in their situation. If they do not do this, they may be subject to a penalty of $25 for each day that it is late. The minimum penalty is $100. The maximum is $2,500.

It is a serious offence to knowingly accept a TD1 form that contains false or deceptive statements. If you think a TD1 form contains incorrect information, contact the chief of Source Deductions at your district office.

Make sure you have completed TD1 forms on hand for **all** your employees. Our officers at Revenue Canada, Taxation may want to see them.

Net claim code O

This represents **no claim amount** allowed. Non-resident employees use this when they include less than 90% of their total world income to calculate the amount of taxable income they earned in Canada.

Net claim code X

When a person's credits fall into this category, you have to manually calculate the tax to deduct. See "Step-by-step calculation of tax deductions" in the *Payroll Deductions Tables*.

Net claim code E

If employees certify on their TD1 that their total income for the year will be less than their "net claim amount," do not deduct any tax.

Request for additional tax deductions

People can elect to have more tax deducted from the remuneration they receive in a year. They have to file a new TD1 form that shows how much more tax they want to have deducted. The amount should be a multiple of $5 (e.g., 5, 10, 15, 20) per pay period. The amount deducted stays the same until a person files a new TD1.

You should inform part-time employees that they can request more income tax to be deducted on the TD1 form. This may avoid a tax liability when they file their income tax return, especially if they have worked part-time for different employers in the year.

Deductions for living in a designated area

A person who lives in a designated community during a continuous period of at least six months that begins or ends in the taxation year can claim a deduction from income when filing a tax return. For 1993, the deduction is equal to the lesser of:

1. 20% of net income for the year; or

2. a $7.50 basic residency amount for each day in the period the person lived in the "prescribed northern zone" **plus** an additional residency amount of $7.50 a day in the period the person lived in the "prescribed northern zone," if the individual maintained and lived in a "self-contained domestic establishment," and no one else claims a basic residency amount for living in the same dwelling for the same period; and

3. for residents who lived in a prescribed area that is not also in the "prescribed northern zone," the deduction is reduced to two-thirds of the deduction available to residents of the northern zone; and

4. for residents in the "prescribed intermediate zone," the deduction is one-half of the deduction available in the northern zone.

People who can claim the deduction for living in a "designated area" should claim it on their TD1 form. To determine the amount of tax to deduct from these people:
- divide the total deduction for the year (on the TD1 form) by the number of pay periods in the year;
- subtract the result from the gross earnings for each pay period; and
- go to the tables.

For more information, see the *Employers' Guide to Housing and Travel Assistance Benefits in Prescribed Areas*. You can get this at your district office.

Form TD1X — *Statement of Remuneration and Expenses*

Employees who are paid on a commission basis in total or in part should fill out this form. They can base their *Statement of Remuneration and Expenses* on:
- their previous year's figures if they were paid on a commission basis in that year; or
- the current year's estimated figures.

Employees should complete and give you the TD1X form:
- on or before January 31; or
- within one month of when they start employment; or
- within one month of the date their personal situation changes; or
- within one month of the date any change occurs that will substantially change the amounts previously reported.

Form TD3F — *Fisherman's Election for Tax Deductions at Source*

When a fisherman sells a catch, the fisherman can elect to have tax deducted from the proceeds of the sale. To do this, the fisherman should file Form TD3F with the payer. The rate to deduct is 20%. The "designated employer" or "buyer" has to follow the rules in this guide to deduct, send in, and report these amounts. You should file one copy of Form TD3F at your district office.

When to reduce tax deductions at source — Undue hardship

People can ask you to deduct less tax from their employment earnings or pension income. The adjusted tax that you deduct cannot be less than the tax they would owe when they file their income tax return.

To make this request, they have to write to the chief of Source Deductions at their local district office. They should explain the reasons they want less tax deducted (e.g., alimony, RRSP, etc.), and provide documents to support the reduction. For example, if individuals make regular alimony or maintenance payments, they should provide a copy of the decree, order, or agreement that the payments are made under. If individuals regularly contribute to an RRSP during the year, they should provide documents to show the amount they are contributing.

You need a **letter of authority** from the district office before you can deduct less tax. Keep this letter with your payroll records for examination by our officers.

How to calculate tax deductions at source

This section shows you the procedures to use when you calculate the income tax to deduct from your employees. You can use the tables in most cases. For employees who earn more than the maximum amount shown in the tables, you need to calculate the tax manually (see "Step-by-step calculation of tax deductions" in the *Payroll Deductions Tables*).

Amounts subject to tax deductions

You have to deduct income tax from:

- salary, wages, and commissions;
- bonuses, vacation pay, and gratuities;
- pensions, retiring allowances, and death benefits;
- benefits under a Supplementary Unemployment Benefit Plan; and
- additional amounts paid by an employer who participates in an Employment and Immigration Canada Job Creation project.

Note

Salary or wages include an advance against future earnings, the value of free board and lodging, and any other taxable allowances or benefits that you should prorate to your pay period.

Once you determine the gross remuneration (this includes taxable benefits) for the pay period, **subtract** the following amounts before you determine the tax to deduct:

- employees' contributions to a registered pension plan (RPP);
- union dues;
- deduction for living in a designated area (from the TD1 form). Prorate this amount for the pay period (for more information, see "Deductions for living in a designated area" on page 20); and
- deductions authorized by the district office, (see "When to reduce tax deductions at source — Undue hardship" on page 20).

Do not subtract the CPP contributions and UI premiums from the gross remuneration to determine the amount of tax to deduct.

Example

Davin is paid $500 per week (52 pay periods per year). He receives taxable benefits of $50. He belongs to an RPP, pays union dues, and lives in a designated area. He has also made a request to have less income tax deducted by his employer for the alimony he pays. To know how much income tax to deduct from the amounts Davin receives, his employer will do the following:

Regular pay (weekly, 52 pay periods)		$500
Plus any taxable benefits		$ 50
Gross pay		$550
Minus deductions for:		
- RPP contributions	$25.00	
- union dues	$ 5.50	
- living in a designated area ($7.50 per day × 7 days)	$52.50	
- alimony payments	$25.00	$108
Amount subject to tax withholding at source		$442

Registered pension plan (RPP) contributions

1. All employee contributions for current service to an RPP are deductible by the employee as long as they are made according to the provisions of the plan as registered. Report these contributions on the T4 slips.

   For information on how to report RPP contributions, see page 29, "Box 20 — Registered pension plan contributions."

2. Past service contributions to an RPP for service after 1989 are also fully deductible if made according to the provisions of the plan as registered.

3. Past service contributions are deductible by the employee for service **before 1990** when the employee was **not a contributor** if:

   - the contributions are for service during a year when the employee was not a contributor to any plan; or
   - the contributions are for service during a year when the employee was not a contributor to this plan, and they were contributed under a written agreement entered into before March 28, 1988.

   The deduction available to the employee for a year is the least of:

   - the amount contributed in the previous years for past-service contributions while the employee was not a contributor, minus the amounts the employee deducted for previous years for these contributions;
   - the annual deduction limit ($3,500); and
   - $3,500 multiplied by the number of years of service (includes part-years of service) to which the contributions relate, **minus** the amounts the employee has already deducted for past-service contributions while not a contributor for those years.

   Past service contributions are deductible by the employee for service **before 1990** while the employee **was a contributor** if:

   - the contributions are for service during a year when the employee was a contributor to this plan; or
   - the contributions are for service during a year when the employee was a contributor to a different plan, but they are not being paid under a written agreement entered into before March 28, 1988.

   The deduction available to the employee for a year is the least of:

   - all contributions the employee paid in the year and prior years for past service while a contributor, **minus** all amounts the employee deducted for these contributions for previous years; and
   - $3,500 **minus** the sum of:
     1. the contributions the employee deducts for the year for service performed after 1989 (this includes contributions for current and past service after 1989); and
     2. the contributions the employee deducts for the year for past service before 1990 while the employee was not a contributor.

How to calculate tax deductions using the tables

The tax deduction tables in the *Payroll Deductions Tables* are for weekly, bi-weekly, semi-monthly, and monthly pay periods, and for commission earnings. If your pay periods are daily, 10 monthly, 13 pay periods, or 22 pay periods, use the *Supplementary Payroll Deductions Tables.* You can get these from your district office.

a) **Tax deductions from regular remuneration (TD1)** — Once you determine the amount that is subject to tax deductions:

- Turn to the table for your pay period. For example, if you pay an employee once a month, go to the "Monthly Tax Deductions" table.
- Look down the "Pay" column on the left for the bracket that includes the employee's remuneration that you are going to deduct tax from.
- Follow the line across to the "Net claim code" column that applies (this is on the employee's TD1 form).
- The amount shown at this point on the table is the amount of tax you have to deduct.

b) **Tax deductions from commission remuneration (TD1X)** — If you pay an employee on a commission basis or a salary-plus-commission basis, you have a few options for deducting tax.

- **Employees who earn commissions without expenses**

If you pay commissions to an employee at the same time you pay salary, add the amount of the commission to the salary, then use the regular tax table method.

If you pay commissions on a periodic basis, you may want to use the "bonus" method to determine the tax to deduct from the commission payment. The section "Bonuses and retroactive pay increases" on page 40 in Chapter 7 tells you how to do this.

- **Employees who earn commissions with expenses**

Employees who incur expenses to earn commission income have to fill out a TD1X form. To calculate the amount of tax to deduct:

  - Use the total remuneration amount (commissions and salary) and the total revised expense amount (on the TD1X form).
  - Go to the "Tax Deductions from Commission Remuneration Table" in the *Payroll Deductions Tables* to get the decimal fraction (percentage figure) that you should use. If the employee receives straight commission, apply the decimal fraction to each "gross" amount of commission you pay the employee. If the employee receives a salary with a commission, apply the percentage to both.

Remember to apply the decimal fraction to any amount credited to the employee's commission or salary account that the employee is entitled to receive under the employment contract (e.g., taxable benefits).

If an employee does not file a TD1X form, calculate the tax to deduct as if the employee has no expenses.

For tax deductions on other types of income such as bonuses, director's fees, lump-sum payments, and retiring allowances, see Chapter 7.

How to calculate tax deductions when you cannot use the tables

There are times when you cannot use the tax deduction tables to determine the amount of tax to deduct. These include:

- when a person reports a "net claim code" X on a TD1;
- when a person reports a total revised expense amount that is more than $59,000 on a TD1X;
- when a person's gross annual income amount is more than $183,612;
- when a person's gross annual commission amount is more than $567,000; or
- when a non-resident's income for the pay period is under the minimum or over the maximum amount in the tables.

In these cases, you have to manually calculate the tax to deduct. For instructions, go to the "Step-by-step calculation of tax deductions" in the *Payroll Deductions Tables*.

Chapter 5 — How to Send in Deductions

Except as we note below, deductions of income tax, CPP contributions, and UI premiums must **be received** on or before the 15th day of the month after the month that you pay the remuneration. Your payment has to be received by a district office (unless you are an accelerated remitter), taxation centre (unless you are an accelerated remitter), or Canadian financial institution. If the due date falls on a Saturday, Sunday, or holiday, your remittance must be received by the next working day.

Note

Payments that were due on January 15, 1993 (for deductions made in December 1992) are late if you pay them when you file the T4 information return. A late remitting penalty will apply. Pay advances are subject to deductions in the period for which you pay them.

We consider an NSF cheque to be a failure to remit. A penalty will automatically result.

Accelerated remitters

As we explain on page 6 in Chapter 1, there are two groups of large employers that have to send in deductions more than once a month. These are accelerated remitters.

To determine if you are an accelerated remitter, use the total amount you had to send us in 1991. Divide this by the total number of payments (maximum 12) you had to make in that year. This gives you your **average monthly withholding amount**. If you fall into one of these groups, you are an Accelerated Remitter:

Threshold 1

Employers with an average monthly withholding amount of $15,000 to $49,999.99.

Threshold 2

Employers with an average monthly withholding amount of $50,000 or more.

Under proposed changes to the Income Tax Regulations, you will be able to use more recent information to determine how often you send in source deductions. You will be able to base your deductions on your monthly average remittance for the preceding year if it is to your advantage.

If you want to use this option, contact the Source Deductions section of your local district taxation office. They will review your account and confirm in writing when your deductions must be received.

For information on when you have to send in your deductions, see "When to send in deductions" on page 6 in Chapter 1.

If a corporation is associated with one or more corporations in 1993, and the total deductions in 1991 of all the associated corporations average $15,000 or more each month, **all** the associated corporations are accelerated remitters. The definition of associated corporations in the *Income Tax Act* applies.

If you are an accelerated remitter, use the remittance booklet, PD7A-RB. We will mail these booklets to you each year in December. If you need more booklets, or you did not receive yours, contact your nearest district office.

New remitters

If you have never sent in income tax deductions, CPP contributions, or UI premiums before, contact the Source Deductions section of your district office. They will ask you to complete Form PD20, *Employer Registration*, give you an employer number, and tell you how to send in your deductions.

When you make your first payment, send a cheque or money order to your taxation centre or district office payable to the Receiver General. Include a letter that states:

- that you are a new remitter;
- the period your remittance covers;
- your full name and address (employer's legal name);
- your account number, if you have one; and
- the separate amounts of income tax, CPP contributions, and UI premiums that you are sending in.

After you make your first remittance, you will receive a remittance form each month in the mail. If you do not receive a form in time for your next payment, send them in as we describe above. Indicate that you did not receive your remittance form.

If you would like, under the "Employer Visits" program, we will visit you to provide any assistance you may need with respect to payroll deductions. Contact your district office for more information.

Remittance forms

It is important that you complete your remittance form correctly so that we can apply your remittance to your account. The instructions below will show you what form to use.

Monthly remitters: *Form PD7A*

If you send in your remittances monthly, you use *Form PD7A*. We have redesigned the PD7A form and reduced it from a four-part form to a three-part form. In addition, we have included space for you to report your "gross monthly payroll," and the "number of employees in the last pay period."

Gathering this information on the PD7A will lead to a reduction in the number of survey forms sent to small businesses, increased efficiency, and improved government operations. The information collected will help to measure the performance of the Canadian economy and to determine maximum pensionable earnings and the limits of registered retirement savings plans.

"Gross monthly payroll" includes all remuneration that you have paid (salary, wages, commissions, overtime pay, paid leave, taxable benefits and allowances, piecework payments, bonuses, lump sums, and retroactive payments) **before** any deductions (CPP, UI, income tax, pension plan contributions, etc.). It is equivalent to the monthly total of all amounts that would appear in box 14, "Employment income before deductions" on an employee's T4 slip.

"Monthly" refers to the period covered by your PD7A. The period covered depends on the dates that your payroll begins and ends. It does not necessarily have to cover a calendar month from beginning to end. For example, if you determine your monthly payroll by the number of Saturday pay days, use that same period, even if it includes a few days from another calendar month. You **do not have to do** a separate calculation based on the first day to the last day of the month.

"Number of employees in last pay period" refers to people who drew pay during your last pay period in the month. Include any person (part-time, temporary, and full-time employees) for whom you will prepare a T4 slip. This also includes commission agents and working owners of incorporated companies who you paid in the last pay period in the month. Only include the number of employees that you actually paid in the last pay period, and for whom you will prepare a T4 slip.

Do not include persons for whom you will not complete a T4 slip such as occasional employees that are not part of your payroll (casual employees), and persons who did not draw pay in the last pay period in the month such as employees on unpaid leave, any employees not entitled to draw pay, and employees who were no longer employed by you in the last pay period.

Example 1

Weekly pay periods (four in a month):

Pay period	Total remuneration before deductions	Number of paid employees
1	$ 7,000	14
2	$ 5,000	11
3	$ 5,000	10
4	$ 6,000	13
Monthly amount	$23,000	

Report: "Gross Monthly Payroll" = $23,000
"Number of Employees in Last Pay Period" = 13

Example 2

Bi-weekly pay period:

Pay period	Total remuneration before deductions	Number of paid employees
1	$ 7,000	5
2	$ 8,000	6
Monthly amount	$15,000	

Report: "Gross Monthly Payroll" = $15,000
"Number of Employees in Last Pay Period" = 6

Example 3

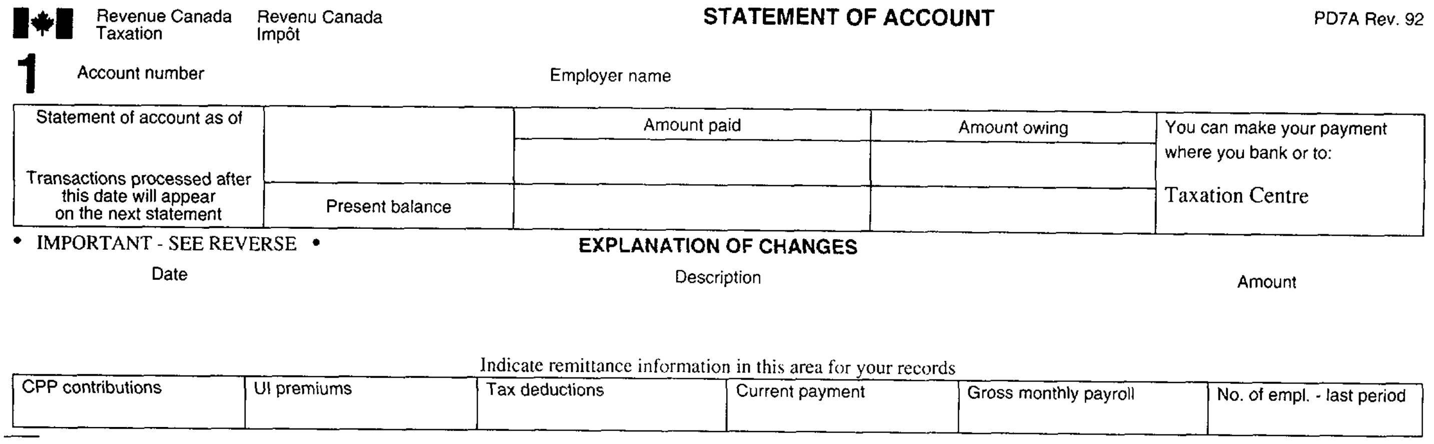
Monthly pay period:

Pay period	Total remuneration before deductions	Number of paid employees
1	$21,000	9

Report: "Gross Monthly Payroll" = $21,000
"Number of Employees in Last Pay Period" = 9

The **due date** is the **15th day** of the month after the month in which your employees received their pay.

- Make sure that your account number is correct.
- Indicate only the month and year you are remitting for.
- Enter the total amount you are remitting (employer and employee portions).



Revenue Canada Taxation Revenu Canada Impôt

STATEMENT OF ACCOUNT

PD7A Rev. 92

1 Account number Employer name

Statement of account as of Transactions processed after this date will appear on the next statement		Amount paid	Amount owing	You can make your payment where you bank or to: Taxation Centre
	Present balance			

• IMPORTANT - SEE REVERSE •

EXPLANATION OF CHANGES

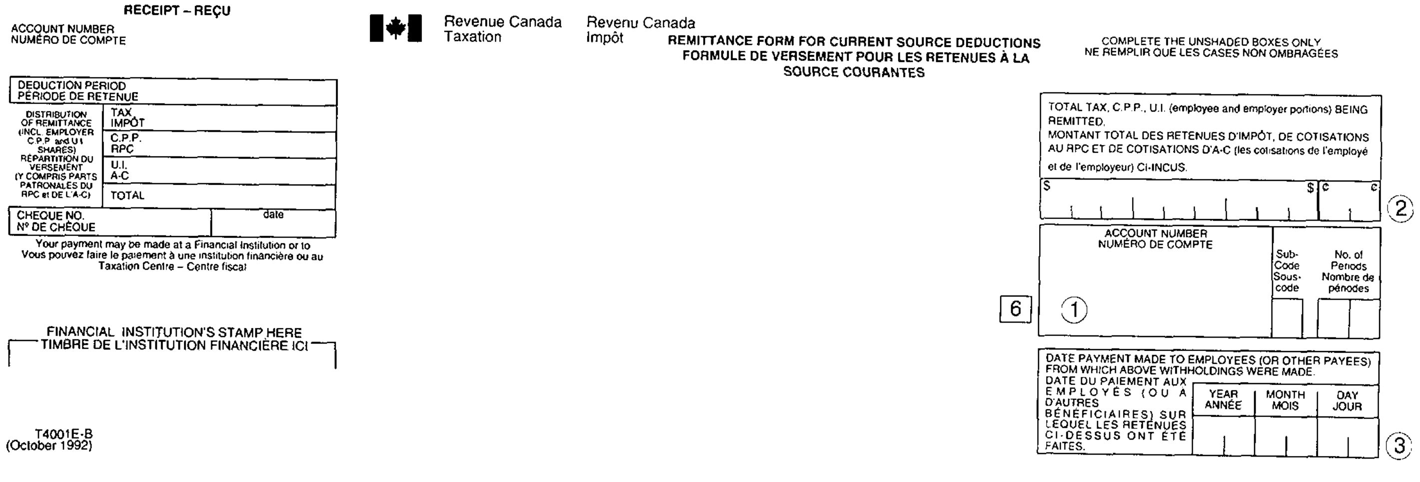
Date	Description	Amount

Indicate remittance information in this area for your records

CPP contributions	UI premiums	Tax deductions	Current payment	Gross monthly payroll	No. of empl. - last period

Accelerated remitters: Form PD7A-RB or PD7A(TM)

1. Make sure that your account number is correct.
2. Indicate the date (YY MM DD) you paid your employees. If two paydays occurred within the same period, indicate the later of the two days.
3. Enter the total amount you are remitting (employer and employee portions).



RECEIPT – REÇU

ACCOUNT NUMBER
NUMÉRO DE COMPTE

DEDUCTION PERIOD PÉRIODE DE RETENUE		
DISTRIBUTION OF REMITTANCE (INCL. EMPLOYER C.P.P. and U.I. SHARES) RÉPARTITION DU VERSEMENT (Y COMPRIS PARTS PATRONALES DU RPC et DE L'A-C)	TAX IMPÔT	
	C.P.P. RPC	
	U.I. A-C	
	TOTAL	
CHEQUE NO. Nº DE CHÈQUE		date

Your payment may be made at a Financial Institution or to
Vous pouvez faire le paiement à une institution financière ou au
Taxation Centre – Centre fiscal

FINANCIAL INSTITUTION'S STAMP HERE
TIMBRE DE L'INSTITUTION FINANCIÈRE ICI

T4001E-B
(October 1992)

Revenue Canada Taxation Revenu Canada Impôt

REMITTANCE FORM FOR CURRENT SOURCE DEDUCTIONS
FORMULE DE VERSEMENT POUR LES RETENUES À LA SOURCE COURANTES

COMPLETE THE UNSHADED BOXES ONLY
NE REMPLIR QUE LES CASES NON OMBRAGÉES

TOTAL TAX, C.P.P., U.I. (employee and employer portions) BEING REMITTED.
MONTANT TOTAL DES RETENUES D'IMPÔT, DE COTISATIONS AU RPC ET DE COTISATIONS D'A-C (les cotisations de l'employé et de l'employeur) CI-INCUS.

$ $ ¢ ¢ ②

6 ACCOUNT NUMBER NUMÉRO DE COMPTE ① | Sub-Code Sous-code | No. of Periods Nombre de périodes

DATE PAYMENT MADE TO EMPLOYEES (OR OTHER PAYEES) FROM WHICH ABOVE WITHHOLDINGS WERE MADE. DATE DU PAIEMENT AUX EMPLOYÉS (OU À D'AUTRES BÉNÉFICIAIRES) SUR LEQUEL LES RETENUES CI-DESSUS ONT ÉTÉ FAITES.	YEAR ANNÉE	MONTH MOIS	DAY JOUR

③

If you did not receive your remittance forms or have lost them, send your cheque or money order payable to the Receiver General to your taxation centre or district office. Give your employer number and the month for which deductions were withheld (regular remitters), or the payday date (accelerated remitters).

Please **do not send cash** in the mail.

Note

If you remit deductions for more than one employer account, you should give a breakdown of the amounts intended for each account so that we credit the proper amounts to the right account.

Statement (remittance form)

We divide the statement into three parts.

Part 1 is a statement of account from Revenue Canada, Taxation. It shows:

- payments we received for your deductions (the line related to the "balance" in the "Amount paid" column shows deductions paid for the current year to date); and
- any amounts you owe (the line related to the "balance" in the "Amount owing" column shows your balance owing on assessments of deductions, which includes penalties and interest).

Keep **Part 1** as a record of your payment when you make your payment at a financial institution. If you mail your cheque or money order (payable to the Receiver General), send Part 3 of the PD7A form to the address of the taxation centre shown on Part 1.

Complete **Part 2** when no more deductions will be sent in. See the instructions on the back of the form.

You have to complete **Part 3**. Always send Part 3 with your payment.

If you receive an assessment notice, use only the remittance form attached to the *Notice of Assessment* to make your payment. Use the PD7A, PD7A-RB and PD7A(TM) for normal remittances of tax, CPP, and UI.

If you no longer have any employees subject to deductions, notify your taxation centre or district office before your next payment is due. If you have no employees for the time being, complete and mail Part 2 of the PD7A form to let us know when you expect deductions to start again.

Service bureaus

Service bureaus or similar institutions can send in a lump-sum payment for the amounts they deduct for their clients. They have to show each client's "employer number," and include a breakdown of the amounts that apply to each account.

Remember that if you use a service bureau or similar institution to send in your deductions, you still have to make sure that the institution withholds your deductions and sends them to us on time.

If your business ends

If your business ends, you have to send in all amounts you deducted for income tax, CPP contributions, and UI premiums to the appropriate taxation centre or district office. You have to do this within **seven days** of the day your business ends. Complete the necessary summaries and supplementaries. Send these to the district office or taxation centre within **30 days** of the day your business ends. If summaries and supplementaries are not available for the current year, use the forms from the year before. Change the year to the current year. If you have any questions, contact the Source Deductions section of your district office.

Chapter 6 — How to Report Deductions

Every employer or payer has to give each employee, pensioner, officer, or independent agent two copies of the T4, T4A, or T4A-NR Supplementary forms, or mail them to the person's last known address. They have to do this each year by the last day of February. The reporting instructions that follow (except T4F Supplementary and Summary) apply to resident and non-resident payers. We sometimes refer to the supplementaries as "slips."

Forms to use and where to get them

T4 Supplementary	To report salary, wages, and taxable benefits paid to employees for services rendered during the year, as well as a pension adjustment (PA) amount for employees who accrued a benefit for the year under your registered pension plan RPP) or deferred profit sharing plan DPSP).
T4A Supplementary	To report other amounts (e.g., pensions, annuities) and to report PA (pension adjustments) by employers and pension plan administrators.
T4A-NR Supplementary	To report amounts paid to non-residents for services performed in Canada (report all amounts in Canadian dollars and cents).
T4 Summary	To report the totals of all amounts you record on the T4 Supplementaries.
T4A Summary	To report the totals of all amounts you record on the T4A Supplementaries.
T4A-NR Summary	To report the totals of all amounts you record on the T4A-NR Supplementaries.

NR4B Supplementary	To report alimony, pensions, annuities, investment income, or retirement compensation arrangement payments when you pay these amounts to non-residents of Canada (for more information, see "Non-resident reporting for 1992" in Chapter 10).
NR4B Summary	To report the totals of all amounts you record on the NR4B Supplementaries.
T4F Supplementary	For use by a designated employer of self-employed fishermen to report the gross and insurable earnings of each fisherman and the UI premiums deducted. Also for use by payers to report remuneration and tax withheld, when a fisherman has asked that tax be withheld (by providing the payers with a completed Form TD3F, *Fisherman's Election for Tax Deductions at Source*).
T4F Summary	To report the totals of all amounts you record on the T4F Supplementaries.

To order forms and publications

Use the T2015C order card that you receive with your personalized T4 Summary to order the T4 forms you need. Use the T2015D order card that you receive with your personalized T4A Summary to order the T4A forms you need. You can get any other forms and publications from your district office.

What is an information return?

An information return is the particular supplementary you are filling out, together with the related summary. A summary alone is not a return.

How, where, and when to file returns

You have to file information returns each year by the **last day of February**.

After you complete your information returns, mail them to the taxation centre for your area. The address of the taxation centre for your area is on the back of copy of the summaries. Each form tells you how to distribute the copies.

Note

Keep our copies of the supplementaries three to a page when you send them to us. This will ensure a faster processing time for your information returns.

Branch offices filing information returns

If the branch office of a company has sent in income tax deductions, CPP contributions, and UI premiums under an employer account that only that branch uses, file the information return (supplementaries and related summaries) of that branch as a separate return.

Breakdown of large returns

Split any return that contains more than 300 supplementaries into bundles of 300 or fewer slips. You also have to provide appropriate sub-totals on each bundle. You can order the segment sheets and get additional instructions from your district office.

Employers who file information returns on magnetic tape or diskette

We encourage employers to file their T4, T4A, and T4A-NR Supplementaries on magnetic tape or diskette if they can.

When you print the data you supply us on tape, we encourage you to use 3 ply supplementaries, which you can get from us. You should try to place your order for these before the end of July. If you use 4 ply supplementaries, you can either keep copy 1 for your records, or discard it.

See the guide *Computer Specifications for Data Filed on Magnetic Media* if you need more information. You can get this guide from your local district office, or you can call 1-800-665-5164.

If you file your return on magnetic media, attach the summary to the T475 transmittal sheet, and mail it with the magnetic media to:

Ottawa Taxation Centre
Magnetic Media Processing Unit
875 Heron Road
Ottawa, Ontario K1A 1A2

Also include the paper copies of any slips that are not recorded on the magnetic media submission.

When your business ends

If your business ends, file your information return with your district office or taxation centre **within 30 days** of the day your business ends. If you have employees who accrued benefits for the year under your RPP or DPSP, you have to calculate the pension adjustment (PA) that applies. You have to report this on the early-filed information slips. If the T4, T4A, T4A-NR, and T4F supplementaries and summaries are not available for the current year, use the forms from the year before. Change the year to the current year.

How to amend or replace supplementaries

You may notice that you made an error when you prepared a T4, T4A, T4A-NR, NR4B, or T4F Supplementary form **after** you file the information returns. If you did, you will need to prepare amended supplementaries. You should clearly identify these as amended supplementaries. Write "amended" on the top, and show the serial number of the original supplementary you filed for cross-reference purposes. When you amend a supplementary form, make sure you complete all the necessary boxes (even the information that was correct on the original). Distribute and file the amended supplementaries the same way you did the originals.

If you correct errors on the supplementaries **before** you file them with us, you do not need to cross-reference the supplementaries. Simply prepare a new slip and delete any incorrect copies from the return. If you do not prepare a new supplementary, initial any changes you make on the slip.

If you have to amend, replace, or cancel a T4F Supplementary, the same procedures apply. Write "amended," "cancelled," or "duplicate," in the area above box 24. Clearly mark an amended T4F Summary as such.

If you issue supplementaries to replace copies that employees lost or destroyed, do not send these copies to us. Clearly identify them as "duplicate" copies, and keep them with your records.

Note

You do not have to file an amended summary when you send in amended supplementaries.

If you amend the pension adjustment (PA) on a T4 to correct or report redetermined PA, repeat all other data on the original information slip on the amended slip, and add any PA previously declared for the year for normal service to the redetermined PA. There may be a need for a redetermined PA if:

- an employee returns from a period of leave of absence or from a period of reduced services; **and**
- you are or will be crediting past service under the RPP to the employee.

If a redetermined PA applies, you have to file an amended T4 or T4A for each affected year **within 60 days** of the date the employee decides to purchase the past service. See the *Employer's Pension Adjustment Calculation Guide* for details.

What happens after you send in your completed information return?

When the taxation centre receives your information return, we check it to see if anything is missing, and if you have prepared it correctly. If anything is missing or incorrect, we will contact you and ask you for more information. After this first check, we will make any corrections and forward the return to our Information Returns Processing System (IPS).

The Information Returns Processing System is responsible for the computer processing of information returns. It records the information slips on our system, and then the slips go through a number of checks. The system identifies any differences (or discrepancies) between the amounts you reported and the amounts you sent in, so that we can correct them.

Additional processing information

Other government departments use T4 information. Most importantly, Health and Welfare Canada uses the information on a T4 to update a person's "Record of Earnings" files. The information on CPP contributions that we send to Health and Welfare determines the Canada Pension Plan benefits that a person will receive.

Why you need to report the proper social insurance number (SIN)

As we discuss on page 7 in Chapter 1, you have to correctly report your employees' social insurance number on the T4, T4A, and T4F Supplementaries. Incorrect social insurance numbers can affect an employee's future CPP benefits if the correct Record of Earnings file is not updated. Also, if you report an incorrect SIN on a T4 that has a pension adjustment amount, the employee may not receive an annual RRSP contribution limit statement, or will receive an inaccurate one. In addition, the information on the employees' *Notice of Assessment* that relates to this will be inaccurate.

If you cannot get a SIN, do not file your information returns later than the last day of February. If you do, you may be subject to a **penalty** for late filing.

Pensionable and insurable earnings review (PIER)

Each year, we review the T4 Supplementary forms (T4s) that you send in with your T4 return to check your calculations. We review these calculations to make sure that the pensionable and insurable earnings you reported match the deductions you sent in.

We check the calculations by matching the pensionable and insurable earnings you reported with the necessary CPP contributions or UI premiums as shown in the *Payroll Deductions Tables*. Then we compare these required amounts with the CPP contributions and UI premiums on the T4s.

If there is a difference between the contributions or premiums required and the ones you reported, we print the figures on a PIER listing.

The listing shows the name of the employee affected and the figures we used in the calculations.

Why is a review important?

We verify these calculations so that your employees will receive proper:

- UI benefits if they become unemployed; and
- CPP benefits if they retire, become disabled, or die.

Note

Shortages in the amounts you report can reduce a person's benefits.

CPP/UI deficiency calculations

We generally calculate the required CPP contributions like this:

$$\left(\begin{array}{c}\text{CPP}\\ \text{pensionable}\\ \text{earnings}\end{array} - \begin{array}{c}\text{CPP basic}\\ \text{exemption}\\ \text{for the year}\end{array}\right) \times 2.4\% = \begin{array}{c}\text{CPP}\\ \text{contribution}\end{array}$$

There may be cases where we would use less than the full CPP basic exemption to calculate the CPP deduction.

If you did not report pensionable earnings in box 26, we base the calculation on box 14 "total earnings," up to the maximum allowable amount.

We calculate the required UI premiums like this:

UI insurable earnings × applicable UI rate = UI premiums

If you did not report insurable earnings in box 24, we base the calculation on box 14 "total earnings," up to the maximum allowable amount.

Note

If there is an "X" in box 28 (CPP or UI exempt) and you reported amounts in boxes 16 and 26 for CPP or boxes 18 and 24 for UI, the system ignores the "X."

Common reporting errors and how to avoid them

The most common reporting errors occur when you do not report amounts correctly on the T4 in these boxes:

- box 24 "UI insurable earnings"
- box 26 "CPP pensionable earnings" or
- box 28 "Exempt" (CPP or UI).

The following steps may help you avoid these reporting errors, and they can serve as a self-check before you send in your information returns.

CPP contributions

Step 1 — Was the employee exempt for the entire reporting period?

If "yes" put an "X" in box 28 and explain.

Note

Leave boxes 16 and 26 blank.

If "no", go to Step 2.

Step 2 — Did the employee turn 18 or 70 years of age in the reporting period?

If "yes", make sure that you:

- started to calculate the contributions and pensionable earnings the month after the month the employee turned 18; or
- stopped calculating the contributions and insurable earnings the month after the employee's 70th birthday.

If "no", go to Step 3.

Step 3 — Did the employee receive CPP or QPP pension benefits during the reporting period?

If "yes", make sure that you calculated the contributions and pensionable earnings based on the number of months before the pension became payable.

If "no", leave box 26 "CPP pensionable earnings" blank. You should also make sure you did not interchange numbers or make addition errors.

Step 4 — Did you deduct contributions from employees' vacation pay, bonuses, director's fees, or other taxable benefits?

If "yes", use the correct table to recalculate the required contributions.

If "no", make sure that you deducted contributions for each type of remuneration subject to CPP.

Unemployment Insurance

Step 1 — Was the employee exempt for the entire reporting period?

If "yes", put an "X" in box 28 (Exempt) and explain.
If "no", go to Step 2.

Note

Leave boxes 18 and 24 blank.

Step 2 — Was the employee's income under the minimum or over the maximum earnings in any pay period?

If "yes", make sure that you did not include:

- amounts under the minimum earnings in the insurable earnings (box 24); or
- amounts over the maximum earnings in the calculation of insurable earnings for the year.

If "no", make sure you did not interchange numbers or make addition errors.

Note

To avoid an error like this, keep separate records for UI insurable earnings, and enter the total at the end of the year in box 24.

General guidelines for completing the Supplementaries (T4, T4A, and T4A-NR)

Before you begin, please note these instructions:

- Complete the supplementaries clearly and in alphabetical order.
- If you had an employee who worked in more than one province during the year, prepare a separate supplementary for earnings and deductions for each province.
- Report all amounts in Canadian dollars and cents, even in boxes where the cents area is shaded.
- Do not show negative dollar amounts on supplementaries. To make any changes to previous years, send us an amended supplementary for the year(s) in question.
- Do not change the headings of any of the boxes.
- If you give employees multiple supplementaries (either because they were employed in more than one province or on different payrolls), apportion the pension

adjustment on the basis of pensionable service or earnings that you report on each supplementary. If you cannot apportion the PA on this basis, you can report it on one supplementary.

How to complete the T4 Supplementary

Complete T4 Supplementaries for all persons who received remuneration from you during the year (as we describe in this guide under box 14, "Employment income before deductions") if:

- you had to deduct income tax, Canada Pension Plan contributions, or Unemployment Insurance premiums from the remuneration; or
- the remuneration was **$500** or more.

Note

You should not issue a T4 Supplementary to a partner or proprietor in an unincorporated business.
A T4 Supplementary should always be made out under the surname of an employee, not under a company name.

Employee

In the shaded area next to the arrow, print or type the employee's surname in capital letters, then the initials. Directly below the name, enter the employee's full address, and include the province and postal code.

Employer name

Enter your operating or trade name on each slip in the space provided.

Box 54 — Account number

Enter the employer account number that you use to send us your employee deductions. This appears at the top left-hand corner of your statement of account, which we issue each month.

Your employer account number is blanked out on the two copies of the T4 that you give to your employees.

Box 56 — Employee number

Enter information such as employee number, department, and unit or payroll number.

Box 10 — Province of employment

Enter the province or territory in which the employee worked.

You can use these abbreviations:

NF — Newfoundland
PE — Prince Edward Island
NS — Nova Scotia
NB — New Brunswick
PQ — Quebec
ON — Ontario
MB — Manitoba
SK — Saskatchewan
AB — Alberta
BC — British Columbia
NT — Northwest Territories
YT — Yukon Territory
US — United States
ZZ — Other

The province of employment depends on whether or not the employee has to report for work at your place of business (see "What provincial table should you use?" on page 8 in Chapter 1).

If the employee worked in Canada but beyond the limits of a province or territory (e.g., an offshore oil rig) enter ZZ.

Note

Remember, for any employee who worked in or whose employment was located in more than one province in the year, complete a T4 Supplementary for each province.

Box 12 — Social insurance number

Enter the social insurance number shown on the employee's social insurance number card. If you need more information on SIN reporting, see "Social insurance number (SIN)" on page 7.

Box 14 — Employment income before deductions

Report the total income before any deductions. Include all salary, wages, bonuses, vacation pay, gratuities, honoraria, director's fees, and executor's and administrator's fees earned to administer an estate (as long as the administrator or executor does not act in this capacity in the regular course of business). Also include commissions, taxable allowances, the value of taxable benefits (include any taxable GST component), and any other payments for services performed during the year. Include these in box 14, even if they appear separately in other boxes.

Box 16 — Employee's pension contribution (CPP/QPP)

Enter the amount you deducted from the employee for contributions to the Canada or Quebec Pension Plans. Make your entry under "Canada Plan" or "Quebec Plan," depending on the province of employment. Enter "nil" in both areas if the employee did not contribute to either plan. **Do not report** your share of CPP contributions on the T4 Supplementary.

If you overdeducted contributions from the employee, **do not adjust** the amounts you report on the T4 Supplementary. We will credit the excess CPP contributions to employees when they file their income tax return. Complete Form PD24 to apply for a refund of your CPP overpayment. Send it in with your T4 return.

Box 18 — Employee's UI premium

Enter the amount you deducted from the employee for premiums for Unemployment Insurance. Enter "nil" if you did not deduct any premiums. **Do not report** your share of UI premiums on the T4 Supplementary.

If you overdeducted premiums from the employee, **do not adjust** the amounts you report on the T4 Supplementary. We will credit the excess UI premiums to employees when they file their income tax return. Complete Form PD24 to apply for a refund of your overpayment. Send it with the T4 return.

Box 20 — Registered pension plan contribution

Enter the total amount the employee contributed to a registered pension plan. Enter "nil" if the employee did not contribute to the plan.

If the total amount you are reporting is a combination of contributions for current and past services, identify the amount that relates to pre-1990 past service in the footnotes area of the T4 slip. Indicate whether the past service contributions made by the employee were made "while a contributor" or "while not a contributor."

The phrase "while a contributor" applies to contributions made during 1992 for past service performed before 1990 if:

- the contributions are for service during a year when the employee was a contributor to this plan; or
- the contributions are for service during a year when the employee was a contributor to a different plan, but they are not being paid under a written agreement entered into before March 28, 1988.

The phrase "while not a contributor" applies to contributions made during 1992 for past service performed before 1990, if:

- the contributions are for service during a year when the employee was not a contributor to any plan; or
- the contributions are for service during a year when the employee was not a contributor to this plan, and they were contributed under a written agreement entered into before March 28, 1988.

Note

- Do not use box 20 to show what you contributed to an employee's registered retirement savings plan. Report **employer** contributions to RRSPs in boxes 14 and 40 on the employee's T4 Supplementary.
- If you have a group registered retirement savings plan for your employees, you will receive official receipts for income tax purposes from the trustee that show each employee's contribution amounts.
- In past years, you did not have to include instalment interest with the amount you have to report in box 20. Effective January 1, 1989, you have to include this interest in box 20. Instalment interest includes interest levied as a finance charge for the buy-back of the pensionable service.
- Do not use box 20 to report lump-sum payments directly transferred to the RPP under section 147.3 of the *Income Tax Act* from a registered pension plan to another registered plan. However, lump-sum transfers which fall under subsection 147.3(10) are exceptions. Report these transfers in box 20.

Box 22 — Income tax deducted

Enter the amount of federal and provincial (except for Quebec) income tax you deducted from the employee during the year. Enter "nil" if you did not deduct any tax.

Do not include any amount you withheld under the authority of a "requirement to pay" for a previous year's tax arrears.

Box 24 — UI insurable earnings

Enter the amount of the employee's insurable earnings on which you have to calculate the Unemployment Insurance premiums. Leave this box blank if there are no insurable earnings, or if they are the same as box 14.

There are maximum insurable earnings for various pay periods. Since these amounts change each year, see the *Payroll Deductions Tables.*

Special application

You have to report retiring allowances or severance pay on a T4A Supplementary. You may also have to report part of these payments in box 24 of a T4 slip.

These payments are insurable earnings for Unemployment Insurance purposes. You have to consider them when you determine the insurable earnings for the last pay period of insurable employment. Follow these rules:

- If a person receives this type of payment, and the last pay period is insurable to the maximum, you do not need to adjust anything. Report the payment on a T4A Supplementary (for instructions on how to complete the T4A, see page 32).
- If a person receives this type of payment, and the last pay period is insurable, but only to an amount less than the maximum for that pay period, you have to use part of this payment to increase insurable earnings so that this pay period is insured to the maximum. In this situation:

  1. include the part of the payment that is insurable earnings in box 24. Include any premium payable in box 18 of the T4 Supplementary form;
  2. report the gross payment on the T4A Supplementary; and
  3. **do not report** any part of the gross payment on the T4 Supplementary.

Do not include benefits for a clergy members' residence that were exempt from insurable earnings in this box. If, however, the clergy member received a cash allowance for the value of the use of the residence, the cash amount is part of insurable earnings. Include the cash amount in this box.

Box 26 — CPP pensionable earnings

In most cases you should leave this box blank. If you incorrectly complete this box, we will ask you to file an amended T4 Supplementary.

Do not complete this box if Quebec Pension Plan contributions are payable. Use this box for Canada Pension Plan purposes only.

Complete this box **only** if you included any of the following types of remuneration in box 14, "Employment income before deductions." For any other situations, leave this box blank.

(a) remuneration paid to the employee:

  - before and during the month the employee turned 18;
  - after the month the employee turned 70;

- during the months the employee received a disability pension under the Canada or Quebec Pension Plan; or
- after a retirement pension becomes payable under either the Canada or Quebec Pension Plans;

(b) remuneration paid to the employee while the employee was engaged in excepted employment (see page 10);

(c) amounts for a clergy members' residence from which you did not deduct CPP contributions. (If the clergy member gets a tax deduction for the residence, do not deduct CPP contributions); and

(d) remuneration paid to a Status Indian located on a reserve before an election was made to cover the employee under the Canada Pension Plan.

Subtract any of the above (a) to (d) amounts from the amount in box 14. Enter the difference in box 26. Do not change the amount in box 14.

If (a) above applies, prorate the pensionable earnings for the period. See "When to prorate the basic exemption" on page 12 in Chapter 2.

Box 28 — Exempt (CPP/QPP and UI)

Do not complete the "CPP/QPP" part of this box if you entered an amount in box 16 or box 26. Enter an "X" under "CPP/QPP" only if the earnings were exempt for the entire period of employment.

Do not complete the "UI" part of this box if you entered an amount in box 18 or box 24. Enter an "X" under "UI" only if the earnings were exempt for the entire period of employment.

Boxes 30 to 40 — Taxable benefits

The instructions for boxes 30 to 40 give a brief outline of what you should enter in each box. We explain these benefits in more detail in Chapter 9 because some of the calculations need long explanations. You may have to include a taxable GST component on some of these benefits. The amount of taxable benefits you report may be affected if the employee is:

- at a special or remote work site; or
- living in a "designated area" (previously called isolated posts).

If you feel that one of these situations applies, see "Housing, board, and lodging" just below, or "Housing and travel assistance benefits in a designated area" on page 42.

Box 30 — Housing, board and lodging

Enter an amount in box 30 if you provide free or subsidized housing, board, and lodging, or meals to an employee. This amount is also included in box 14. As an employer, you have to estimate and report the fair market value of these benefits.

Do not include board and lodging at a special work site or in a designated area. In the space marked "footnotes," enter: "Special work site $ ________."

Note

The amount you report in this box should include any taxable GST component on the benefit.

Box 32 — Travel in a designated area

Medical travel in a designated area — Enter the amount of medical travel assistance provided to employees living in a "designated area" in box 32. This amount is also included in box 14. In the space marked "footnotes," enter: "Box 32, Medical travel $ ________."

Other travel in a designated area — In box 32, enter the amount of other travel assistance provided to employees living in a "designated area." This amount is also included in box 14.

If you need more information, see page 42, "Housing and travel assistance benefits in a designated area."

Note

The amount you report in this box should include any taxable GST component on the benefit.

Box 34 — Personal use of employer's auto

In box 34, enter the benefit from an employer-provided automobile. This amount is also included in box 14. You calculate this in two parts:

- the part of the operating costs you pay that apply to the employee's personal use; and
- a standby charge, which is a benefit that relates directly to the availability and use of the automobile by the employee, officer, or shareholder.

See "Automobile allowances" in Chapter 9 for an explanation of standby charges and operating costs.

Note

The amount you report in this box should include the taxable GST component on the benefit.

Box 36 — Interest-free and low-interest loans

Enter an amount in box 36 if a person receives this type of loan because of an office or employment (or intended employment). This amount is also included in box 14. See page 57 for more information.

Note

There is no taxable GST component on this benefit.

Box 38 — Stock option benefits

In box 38, enter the benefit received by an employee under an agreement by a corporation to issue its shares to the employee. This amount is also included in box 14.

In the footnotes area, enter the amount that the employee is entitled to deduct under paragraph 110(1)(d) or paragraph 110(1)(d.1) of the *Income Tax Act*. This amount will be different from the amount in box 38 because the deduction for the employee is one-quarter of the benefit that you include in box 38. The footnotes area should read:

"Stock option 110(1)(d) $ _______"

or

"Stock option 110(1)(d.1) $ _______."

See page 60 for more information about this benefit, and how to calculate it for T4 reporting purposes.

Note

There is no taxable GST component on this benefit.

Box 40 — Other taxable allowances and benefits

In box 40, enter the amount of any other taxable benefits paid to or conferred on an employee, that you did not include elsewhere on the T4 Supplementary. This amount is also included in box 14. See Chapter 9, "Benefits" for details on how to calculate specific taxable benefits.

Note

The amount you report in this box should include any taxable GST component on the related benefits.

Box 42 — Employment commissions

In box 42, enter the amount of the employee's commissions if the employee sold property or negotiated contracts for you. See Interpretation Bulletin IT-522 for more details. This amount is also included in box 14.

Box 44 — Union dues (completed at employer's option)

Do not use this box if the union issues receipts for union dues directly to employees. It is extremely important that you follow this restriction.

Do not include strike pay paid to union members in this box.

Only use this box if you and the union have agreed that the union will not issue receipts directly to employees. In this case, the return must be accompanied by a "Certificate of Agreement" (see Interpretation Bulletin IT-103).

Enter the amount you deducted from employees for union dues. Include amounts paid to a parity or advisory committee that qualify for a deduction. For more information, see Interpretation Bulletin IT-103.

Box 46 — Charitable donations (completed at employer's option)

Enter the amount you deducted from employees for donations to registered charities in Canada. Enter in the space marked "footnotes," **all** registration numbers obtained from us for the employee's charity trust.

Box 50 — Pension plan or deferred profit-sharing plan registration number

Enter the seven-digit registration number we issued for the employees' pension plan or deferred profit-sharing plan. Do this even if your plan requires **only employer** contributions. If contributions on behalf of the employee were made to more than one plan, only insert the number of the plan under which the employee has the largest pension adjustment (PA). Enter any additional plan registration numbers (not more than three) on the T4 Summary form.

If you have to make contributions to union pension funds, you **must** include the union's plan number. The union has to give this to you.

Box 52 — Pension adjustment

Enter the amount of the pension adjustment (PA) that the employee earned during the year. If you have to prepare more than one T4 slip for the employee because the employee worked for you in more than one work location, you should report the PA proportionately on each T4 slip. If you cannot apportion the PA on this basis, you can report it on one slip.

If the employee participated in the RPP or DPSP and one of the following applies, enter "NIL" in box 52:

- the calculated PA is negative or zero;
- the employee died in the year; or
- the employee is fully paid up. This happens when the employee no longer accrues benefits in the plan, for example, when the employee has accrued the maximum number of years of service, and no longer contributes to the plan.

There are special calculation rules that apply in some circumstances. These apply to employees who:

- left your employment during the year;
- are on or return from a leave of absence;
- participate in a salary deferral arrangement; or
- work for you part-time.

For more information on how to calculate the PA, see the *Employers' Pension Adjustment Calculation Guide*. If you need more help to calculate the pension adjustment, see your pension plan administrator, or call our Registered Plans Division at these toll-free numbers:

1-800-267-3100 (English)
1-800-267-5565 (French)

In Ottawa: (613) 954-5102 (English)
(613) 954-5104 (French)

How to complete the T4A Supplementary

If you paid any of the following types of payments to a person, you may have to complete a T4A Supplementary (T4A):

- pension or superannuation (box 16);
- lump-sum payments (box 18);
- commissions to a self-employed agent (box 20);
- annuities (box 24);
- retiring allowances (box 26);

- other income (box 28); or
- patronage allocations (box 30).

You have to complete a T4A if:

- this remuneration is more than **$500**; or
- you deducted tax from this remuneration.

The instructions below tell you how to complete each area of the T4A. In many cases, we ask you to enter a footnote code to describe payments or part payments. You can find a complete list of these codes on page 35.

Recipient's name and address

In capital letters, enter the surname of the person to whom you made the payment, followed by the first name and initials. Line up the names with the arrow. Directly below the name, enter the person's full address and include the province and postal code.

Employer's or payer's name

Enter your operating or trade name on each slip in the space provided (at the bottom right corner).

Box 61 — Account number

Enter the employer account number that you use to send us your employee deductions. This appears at the top left-hand corner of your statement of account, which we issue each month.

Your employer account number is blanked out on the two copies of the T4A that you give to the employees.

Box 14 — Pension or recipient's number

The use of this number is optional.

Box 12 — Social insurance number

Enter the social insurance number (SIN) of the person to whom you made the payment. This SIN must be the same as the number that appears on the person's social insurance card. If you need more information on SIN reporting, see "Social insurance number (SIN)" on page 7.

Box 16 — Pension or superannuation

Enter the taxable part of annuity payments you paid to an employee or former employee out of or under a superannuation or pension fund or plan.

Spousal transfers — For the years 1989 to 1994, a married person can transfer to a spousal RRSP up to $6,000 of periodic RPP or DPSP payments received in the year to a spousal RRSP. In this situation, in the "footnotes" area (box 38), enter "Box 16, Transfer of funds, paragraph 60(j.2) $ ________." In the footnote code box, enter code 11.

You have to identify pension benefits paid from a pension fund or plan that is not registered. In the "footnotes" area (box 38), enter: "Box 16, Unregistered $ ________." In the footnote code box, enter code 09. These benefits **cannot** be transferred to a registered plan.

Box 18 — Lump-sum payments

Enter the following payments in box 18:

- The taxable part of a **single payment** out of a pension fund or plan due to a:
  1. withdrawal from the plan, retirement from employment, or death of an employee or former employee; or
  2. termination of, amendment to, or modification of the plan.
- The taxable part of a **single payment** out of a deferred profit-sharing plan due to a withdrawal from the plan, retirement from employment, or the death of an employee or former employee.

If you include lump-sum payments out of pension plans and DPSPs accrued to December 31, 1971, in the space marked "footnotes" (box 38), enter: "Box 18, Accrued to December 31, 1971" $ ________." In the footnote code box, enter code 10.

Do not report direct transfers of RPP lump sum payments to RRSPs, RRIFs, or other RPPs as long as no part of the lump sum has to be included in income by the person for whom the lump sum was transferred. Similarly, do not report direct transfers of DPSP lump-sum payments to RPPs, RRSPs, or other DPSPs as long as the lump sum was transferred according to subsection 147(19) of the *Income Tax Act*. Form T2151, *Record of Direct Transfer of a "Single Amount" (Subsection 147(19) or Section 147.3)* is used to document the direct transfer of the lump-sum payment on the employee's behalf. The receiving carrier should not issue receipts. The transferring administrator has to keep the necessary documents to support the transfer.

Use box 18 to report the total of amounts allocated or reallocated in the year under a DPSP or a revoked plan to a person described in paragraph 147(2)(k.2) of the *Income Tax Act* for either:

- employer contributions made to the plan after December 1, 1982; or
- amounts forfeited in the plan if these amounts are withdrawn from the plan during the year.

If there has been an allocation under section 147(10.3) of the *Income Tax Act* in a previous year, and payment was made in the current year, you have to report the amount of the payment. In the space marked "footnotes" (box 38) enter: "DPSP — not eligible for transfer." In the footnote code box, enter code 08.

Box 20 — Self-employed commissions

Enter the amount of commission paid to an independent agent.

Box 22 — Income tax deducted

Enter the amount of federal, provincial (except for Quebec), and territorial income tax you deducted. Do not include any amount withheld under the authority of a "requirement to pay" which applies to previously assessed tax arrears of the employee. Enter "nil" if you did not deduct any tax.

Box 24 — Annuities

Enter the total annuity payments under an income-averaging annuity contract (IAAC) and the yearly taxable part of other annuity payments.

If you include IAAC payments in this box, in the area marked "footnotes" (box 38), enter: "Box 24, IAAC $ ________." In the footnote code box, enter code 10.

Report annuity payments from other sources on the T4A as follows:

- Report annuity payments from a superannuation or pension fund or plan (other than a life annuity) in box 28.
- Report annuity payments from a DPSP or proceeds of disposition (or deemed disposition) of an IAAC in box 28. See Information Circulars 77-1 and 79-8 for more details.

Report on a T5 Supplementary:

- annuity payments for accrued income that you include when you calculate a person's income under the provisions of section 12.2 of the *Income Tax Act*; or
- other annuity payments to which paragraph 56(1)(d.1) of the *Income Tax Act* applies.

Report annuity payments to a non-resident on an NR4B Supplementary.

Box 26 — Retiring allowances

Enter the total amount of retiring allowances (including severance pay).

If the allowance includes an amount not eligible for transfer to an RRSP or RPP, in the space marked "footnotes" (box 38), enter: "Box 26, Non-eligible $ ________." In the footnote code box, enter code 12. For more information, see page 44.

Box 28 — Other income

Enter the following types of payments in box 28:

1. Annuity payments from an annuity that was purchased with a refund of premiums from an RRSP (for more information on this type of annuity, see Information Circular 79-8).

2. (a) Instalment or annuity payments under a deferred profit-sharing plan (DPSP). In the space marked "footnotes" (box 38), enter "Box 28, annuity or instalment payments $ ________." In the footnotes code box, enter code 13.

   (b) Payments under a revoked deferred profit-sharing plan.

   In the space marked "footnotes" (box 38) enter: "Box 28, DPSP annuity or instalment payments $ ________" or "Box 28, Payments from a revoked DPSP." In the footnote code box, enter code 15.

3. Benefits under a trust that provides health and welfare benefits to employees. See Interpretation Bulletin IT-85.

4. Any other amounts paid to Canadian residents where income tax has been deducted. You should not report these amounts elsewhere on the T4A or on any other information return.

5. The proceeds of disposition or deemed proceeds of disposition of an income-averaging annuity contract.

6. Scholarships, fellowships, bursaries, prizes, and research grants. In "footnotes" (box 38), enter the following footnote codes and descriptions: Code 04 = research grants; Code 05 = scholarships, bursaries, or fellowships. You will find more information in Interpretation Bulletin IT-75.

7. Do not report certain payments made under an insured wage-loss replacement plan, even if you made a contribution to the plan. To find the types of payments you should report, see Interpretation Bulletins IT-54 and IT-428.

8. A training allowance paid under the *National Training Act*. The part paid for personal living expenses while the employee is living away from home for training is not a taxable allowance.

9. Payments under the *Labour Adjustment Benefits Act* or a benefit payable under an *Appropriation Act* to compensate for loss of office or employment, such as in the textile and leather-tanning industries.

10. The gross amount of any payment on or after the death of an employee in recognition of the employee's service in an office or employment. In "footnotes" (box 38), enter: "Box 28, Death benefit." In the footnote code box, enter code 06.

11. Payments out of an employee benefit plan, except for:
    - the part that is a death benefit, or would be a death benefit except for the deduction provided in the definition of "death benefit" (see 10 above);
    - a return of amounts the employee contributed to the plan, or contributions returned to the heir or legal representative of a deceased employee; or
    - a superannuation or pension benefit for services rendered by a person in a period throughout which the person was not resident in Canada.

    If such a superannuation or pension benefit from an employee benefit plan is paid in a lump sum, report it in box 18. The payment can be transferred to an RPP or an RRSP under paragraph 60(j) if the services for which the payment arose were performed by the recipient or the recipient's spouse. If such a payment is transferred to an RPP or an RRSP, enter in the footnote area "Box 18 —

Benefit for non-resident services transferred under paragraph 60(j)." In the footnote code box, enter code 02.

Report periodic superannuation or pension benefits paid from an employee benefit plan in box 16. These payments **cannot** be transferred to an RPP or an RRSP.

12. Amounts allocated for the taxation year to a person by a trustee under an **"employee trust."** If the income is allocated but not paid immediately, include it in the income of the employee now. Do not report this at the time of payment. For more information, see Interpretation Bulletin IT-502 and its Special Release.

13. Benefits from board, lodging, or transportation supplied by a third party (prime contractor or another subcontractor) to employees of subcontractors (e.g., all workers on a specific site who share common quarters). The person who provides the benefits (third party payer) has to report them on a T4A, unless the benefits are non-taxable allowances for working at a special work site or remote work location (see page 49). See Interpretation Bulletin IT-91R3 and its Special Release for more information.

    If an employee normally lives in a designated area and works at a special work site in a designated area report any non-business travel assistance (includes medical travel assistance) in box 28. Separate the medical travel from the non-business travel, and in the footnotes area of the T4A enter: "Box 28, medical travel $ ________." In the footnote code box, enter code 16.

    If an employee does not normally live in a designated area but works at a work site in a designated area, and meets the residency requirements (see page 50) for the northern residents' deductions on their income tax return, do not include the board and lodging benefits the employee receives while working at the special work site. Include these amounts in the footnotes area of the T4A. In the footnote code box, enter code 13.

Note

Include the amount of any taxable GST component on the related benefits.

14. Payments out of a former employer's own funds of all or part of the premiums or contributions on behalf of a pensioner to a provincial hospital or provincial medical care insurance plan (see Interpretation Bulletin IT-247). See "Premiums under provincial hospitalization and medical care insurance plans and certain Government of Canada plans" on page 60 in Chapter 9 for more details.

Note

For reporting requirements that concern payments from a retirement compensation arrangement (RCA), see the *Retirement Compensation Arrangement Guide*, or contact your district office.

15. Payments under a supplementary unemployment benefit (SUB) plan.

Box 30 — Patronage allocations

Report allocations for customer patronage that total $100 or more. This includes payments made in cash or kind, by certificate of indebtedness, issue of shares, set-off, assignment, or in any other manner.

Box 32 — Pension plan contributions (past service)

Enter the amount of contributions made by a former employee to buy back past service. The plan administrator usually completes the T4A when an employee-employer relationship no longer exists. Include any instalment interest paid for past service contributions. Instalment interest is the portion of contributions that represents the amount charged to finance the buy-back of past service over a period of time. In the footnotes area, enter the amount that applies to pre-1990 past service.

Box 34 — Pension adjustment

Enter the amount of the pension adjustment (PA) the employee has under the RPP during a period of leave or reduced services in the year, for which you report the PA as the pension plan administrator for a multi-employer plan (MEP). See the *Employers' Pension Adjustment Calculation Guide* for more information.

Box 36 — Pension plan registration number

Enter the registration number we issued for the registered plan or DPSP in which the employee participates, and which gave rise to the PA you are reporting. You have to report the pension plan number, even if your plan requires only employer contributions.

Box 38 — Footnotes and footnote codes

Use this area on the T4A Supplementary to record any footnotes that should be noted when you are reporting certain kinds of income or identifying transfers of funds under certain sections of the Act.

When you enter a written footnote, you have to enter the corresponding footnote code in the code box. If there is no written footnote, leave the code box blank, or enter 00. Below, we list the codes and the T4A Supplementary income boxes to which they apply.

Code	Explanation and Use
00	No footnote code required
02	Transfer of funds, paragraph 60(j) — Use this code to describe a transfer amount in boxes 18, 26, or 28.
03	DPSP — Transfer of funds, paragraph 60(k); 1989 and prior only — Use this code to describe a transfer amount in boxes 18 or 28.
04	Research grant — Box 28 only.
05	Scholarship, bursary, or fellowship — Box 28 only.
06	Death benefit — Box 28 only.
07	Income from wage loss replacement plan — not fully funded by employee premiums — Box 28 only.
08	DPSP — not eligible for transfer — Use this code to describe an amount in boxes 18 or 28.
09	Unregistered Plan — Use this code to describe an amount in box 16, 18, or 28.

10 Dollar amounts reported in footnotes for lump sum payments accrued before December 31, 1971, and IAAC annuities — Use this code to describe amounts in boxes 18 or 24.
11 RPP transferred to spousal RRSP — Use this code to describe amounts in boxes 16 or 28.
12 Non-eligible retiring allowances — Box 26 only.
13 Other footnotes or multiple footnotes — Use this code if you entered a written footnote that does not correspond to codes 02 to 12, 14 to 18, or if more than one code applies.
14 Income subject to Indian Remission Order — Use this code to describe amounts in boxes 16, 18, 26, or 28.
15 Instalment or annuity payments under a deferred profit-sharing plan (DPSP) — Box 28 only.
16 Medical travel (designated area) — Box 28 only.
17 Loan benefit (under subsection 80.4(2)) — Box 28 only.
18 Medical premium benefit — Box 28 only.

How to complete the T4A-NR Supplementary

Complete T4A-NR Supplementaries for every non-resident person (including corporations) to record the payments you made for services the person performed in Canada. This includes fees, commissions, or other amounts we describe in box 18 below. This does not include amounts paid for services performed in the ordinary course of an office or employment. Report these amounts on the T4 Supplementary.

Recipient's name and address

Enter in capital letters the name of the person or the corporation to whom you made the payment. Directly below the name, enter the recipient's full address and include the postal or other code and country.

Employer's or payer's name

Enter your name on each slip in the space provided (bottom right-hand corner of the supplementary).

Box 28 — Account number

Enter the employer account number that you use to send us your employee deductions. This number appears at the top left-hand corner of your statement of account, which we issue each month.

Box 12 and box 14 — Foreign social security number and Canadian social insurance number

Enter the numbers given to the non-resident by the country of residence (box 12) and by Canada (box 14).

Box 16 — Professional name (if it applies)

This box relates to persons in the entertainment and athletic professions. Use this box if the professional name is different from the real name of the payee.

For **"Year,"** enter the calendar year that you made the payment.

Box 18 — Gross income

Enter the gross amount of fees, commissions, or other amounts you paid to a non-resident person or an amount you paid on behalf of other associates for services rendered in Canada. Do not include travel expenses that are in box 20. See Information Circular 75-6 for more information.

Box 20 — Travel expenses

Enter all travel expenses you paid directly to third parties for the non-resident, and travel expenses you reimbursed to the non-resident. Keep vouchers to support these travel expenses. Travel expenses are restricted to reasonable expenses incurred for transportation, accommodation, and meals.

Note

Do not include these amounts in box 18, "Gross income." Include all other expenses paid for or reimbursed to the non-resident payee in box 18.

Box 22 — Income tax deducted

Enter the amount of income tax you deducted.

Box 24 — Province or territory where services rendered

Enter the name of the province or territory where the services were performed. We include abbreviations for provinces and territories on page 29.

Box 26 — Number of days recipient was in Canada during calendar year

Enter the total number of days the non-resident was in Canada. Include weekends, holidays, etc.

General guidelines for completing the Summaries (T4, T4A, and T4A-NR)

Summaries report the totals of the amounts that you reported on the related supplementaries.

Before you begin:

- You have to use a separate summary for each type of supplementary. For example, use a T4 Summary with T4 Supplementaries, a T4A Summary with T4A Supplementaries, and a T4A-NR Summary with T4A-NR Supplementaries.
- If you did not receive a personalized T4 or T4A Summary, get a blank one from your local district office. Enter your employer number, operating name, and address.
- If you need a T4A-NR Summary, you can get one from your local district office. Enter your employer account number, operating name, and address as shown on your PD7A remittance form.
- Report amounts in Canadian dollars and cents on all summaries.
- If you file a summary for a taxation year other than the one printed on the form, cross out the year in the upper-left corner. Enter the correct year directly below it.

- Complete a separate summary for each one of your employer account numbers. Attach each summary to the front of the related T4, T4A, and T4A-NR Supplementaries.
- The totals you report on your summaries must agree with the totals you report on your supplementaries. Errors or omissions can cause unnecessary processing delays.
- A separate summary working copy (copy 3) is available to help you complete the summary in draft form. When you have completed the working copy, transfer the data to copy 1 of the summary. Keep the working copy for your records. Send copies 1 and 2 of the summary and copy 1 of the supplementaries to your taxation centre. We list these on the back of the working copy of the summary.

How to complete the T4 Summary

Total number of T4 slips filed (line 88)

On line 88, enter the total number of all T4 Supplementaries (T4s) that you are including with this T4 Summary.

T4 slips with U.S. addresses

In the space to the right of line 88, enter the number of T4s for employees with an address in the United States that you are filing with this return. File these slips at the end of the return, after the T4s for employees with a Canadian address.

Employment income before deductions (line 14)

Add together the amounts in box 14 on all T4s. Enter the total on line 14.

Registered pension plan contributions (line 20)

Add together the amounts in box 20 on all T4s. Enter the total on line 20.

Pension adjustment (line 52)

Add together the amounts in box 52 on all T4s. Enter the total on line 52.

UI insurable earnings (line 24)

Add together the amounts in box 24 on all T4s. Enter the total on line 24.

Employees' Canada Pension Plan contributions (line 16)

Add together the amounts in box 16, "Canada Pension Plan," on all T4s. Enter the total on line 16. **Do not include Quebec Pension Plan contributions in the above total.**

Employer's Canada Pension Plan contributions (line 17)

Enter the total amount of your share of Canada Pension Plan contributions (as shown in your records) on line 17.

Employees' Unemployment Insurance premiums (line 18)

Add together the amounts in box 18 on all T4s. Enter the total on line 18.

Employer's Unemployment Insurance premiums (line 19)

Enter the total amount of your share of Unemployment Insurance premiums (i.e., total employee premiums × the employer's premium rate) on line 19.

Income tax deducted (line 22)

Add together the amounts in box 22 on all T4s. Enter the total on line 22.

Total deductions reported (line 80)

Add the amounts reported on lines 16, 17, 18, 19, and 22 of the summary. Enter the total on line 80.

Remittances for the year (line 82)

Enter the total amount that you sent in under your employer account number for the year on line 82.

Difference

Subtract line 82 from line 80. Enter the difference in the space provided. If there is no difference between total deductions reported and the amounts you sent in for the year, enter "nil" on line 86, "Balance due." We do not refund you or charge you a difference of less than $2.

Overpayment (line 84)

If the amount on line 82 is more than the amount on line 80, enter the difference on line 84, "Overpayment." If you want us to transfer or refund the overpayment, include a note that explains the reason for the overpayment, and the action you would like us to take.

Balance due (line 86)

If the amount on line 80 is more than the amount on line 82, enter the difference on line 86, "Balance due."

Amount enclosed

If you did not send in the total amount due, attach a cheque or money order to the T4 Summary. Make it payable to the Receiver General for the balance owing. Any balance owing may be subject to a penalty and interest at the prescribed rate for late remitting.

Revenue Canada, Taxation issued registration number(s) for RPP and DPSP

Complete lines 71, 72, and 73 as applicable. Enter the seven-digit registration number(s) we gave you.

Canadian-controlled private corporation or unincorporated employers

On lines 74 and 75, enter the social insurance number of the proprietor(s) or principal owners.

How to complete the T4A Summary

Report only the total of the amounts that you reported on the T4A Supplementaries.

Total number of T4A slips filed (line 88)

Enter the total number of all T4A Supplementaries (T4As) that you are including with this T4A Summary.

T4A slips with U.S. addresses

In the space to the right of line 88, enter the number of T4A slips for people with an address in the United States. File these slips at the end of the return, after the T4As for people with a Canadian address.

Registered Pension or superannuation (line 16)

Add together the amounts in box 16 on all T4As. Enter the total on line 16.

Lump-sum payments (line 18)

Add together the amounts in box 18 on all T4As. Enter the total on line 18.

Self-employed commissions (line 20)

Add together the amounts in box 20 on all T4As. Enter the total on line 20.

Annuities (line 24)

Add together the amounts in box 24 on all T4As. Enter the total on line 24.

Retiring allowance (line 26)

Add together the amounts in box 26 on all T4As. Enter the total on line 26.

Other income (line 28)

Add together the amounts in box 28 on all T4As. Enter the total on line 28.

Patronage allocations (line 30)

Add together the amounts in box 30 on all T4As. Enter the total on line 30.

Pension plan contributions (past service) (line 32)

Add together the amounts in box 32 on all T4As. Enter the total on line 32.

Pension adjustment (line 34)

Add together the amounts in box 34 on all T4As. Enter the total on line 34.

Total tax deductions (line 22)

Add together the amounts in box 22 on all the T4As. Enter the total on line 22.

Remittances (line 82)

Enter the total amount you sent in under this account number for the year on line 82.

Difference

Subtract line 22 from line 82. Enter the difference in the space provided. If there is no difference between the total tax deductions you reported and what you sent in for the year, enter "nil" on line 86, "Balance due." We do not refund or charge a difference of less than $2.

Overpayment (line 84)

If the amount on line 82 is more than the amount on line 22, and no other type of return is due to be filed for this account, enter the difference on line 84, "Overpayment." If you want us to transfer or refund the overpayment, include a note that explains the reason for the overpayment, and the action you would like us to take.

Balance due (line 86)

If the amount on line 22 is more than the amount on line 82, enter the difference on line 86, "Balance due."

Amount enclosed

If you did not send in the total amount, attach a cheque or money order to the T4A Summary. Make it payable to the Receiver General for the balance owing. Any balance owing may be subject to a penalty and interest at the prescribed rate for late remitting.

Revenue Canada, Taxation issued registration number(s) for RPP and DPSP

Complete lines 71, 72, and 73 as applicable. Enter the seven-digit registration number(s) we gave you.

Canadian-controlled private corporations or unincorporated employers

On lines 74 and 75, enter the SIN of the proprietor(s) or principal owner(s).

How to complete the T4A-NR Summary

Report the total of the amounts that you reported on the T4A-NR Supplementaries.

Total number of T4A-NR slips filed (line 88)

Enter the total number of all T4A-NR Supplementaries (T4A-NR slips) that you are including with this T4A-NR Summary.

Gross income (line 18)

Add together the amounts in box 18 on all T4A-NR slips. Enter the total on line 18.

Travel expenses (line 20)

Add together the amounts in box 20 on all T4A-NR slips. Enter the total on line 20.

Total tax deductions reported (line 22)

Add together the amounts in box 22 on all T4A-NR slips. Enter the total on line 22.

Remittances (line 82)

Enter the total amount you sent in under this account number for the year on line 82.

Difference

Subtract line 20 from line 82. Enter the difference in the space provided. If there is no difference between total tax deductions you reported and what you sent in for the year, enter "nil" on line 86, "Balance due." We do not refund or charge a difference of less than $2.

Overpayment (line 84)

If the amount on line 82 is more than the amount on line 22, and no other type of return is due to be filed on this account, enter the difference on line 84, "Overpayment." If you want us to transfer or refund the overpayment, include a note that explains the reason for the overpayment, and the action you would like us to take.

Balance due (line 86)

If the amount on line 22 is more than the amount on line 82, enter the difference on line 86, "Balance due."

Amount enclosed

If you did not send in the total amount due, attach a cheque or money order to the T4A-NR Summary. Make it payable to the Receiver General for the balance owing. Any balance owing may be subject to a penalty and interest at the prescribed rate for late remitting.

Canadian-controlled private corporations or unincorporated employers

On lines 74 and 75, enter the SIN of the proprietor(s) or principal owner(s).

General guidelines for completing T4F returns (self-employed fishermen)

If you are a "designated employer" of a self-employed fisherman, or a buyer with whom a fisherman has filed a TD3F, you have to file an annual T4F return. This return reports the gross earnings, the insurable earnings, UI premiums, and any income tax you deducted. Do not use this form to report CPP contributions for self-employed fishermen. To find out if you are a designated employer and to calculate a self-employed fisherman's earnings, see the pamphlet called *Fishermen and Unemployment Insurance*.

How to complete the T4F Supplementary

Before you begin:

- Make sure you have the correct social insurance number for the fisherman.
- Complete the T4F Supplementaries clearly and in alphabetical order.
- Report all amounts in Canadian dollars and cents.
- Do not change the headings of any of the boxes. Show additional information in the shaded area to the right of box 22. **Do not report** CPP contributions on the T4F. Fishermen report their CPP contributions on self-employed earnings on their income tax return.
- Do not show negative dollar amounts on the T4F Supplementaries. If you have adjustments to make for a previous year, prepare an amended T4F Supplementary for that year.

Name and address of fisherman

Enter the fisherman's surname first, in capital letters, then the initials. Directly below the name, enter the fisherman's full address, and include the province or territory and the postal code.

Name of "designated employer"

Enter the name of the designated employer.

Box 12 — Social insurance number

Enter the social insurance number of the fisherman. For more information on SIN reporting, see " Social insurance number (SIN)" on page 7.

For "**Year**", enter the year the income is earned.

Box 14 — Gross earnings

Enter the gross earnings of the fisherman **who is not** the owner or lessee of the boat or gear. Use the information under the heading "Determining earnings" in the *Fishermen and Unemployment Insurance* pamphlet to calculate this.

If the fisherman is the owner or lessee of the boat or gear, the amount of gross earnings is the value of all the catches delivered.

When a partnership is involved, the gross earnings of each partner (fisherman) is the value of all the catches delivered.

Box 16 — UI insurable earnings

Enter the amount of the fisherman's insurable earnings. For instructions on how to calculate insurable earnings, see the *Fishermen and Unemployment Insurance* pamphlet.
Enter "nil" if there are no insurable earnings.

Box 18 — UI premium

Enter the amount of UI premiums you deducted from the fisherman's earnings. Enter "nil" if you did not deduct any premiums.

Box 20 — UI exempt

Do not complete this box if you have completed box 18 or box 16. Enter an "X" in this box if an exemption applies for the total period of employment or deemed employment. To find out if an exemption applies, see the *Fishermen and Unemployment Insurance* pamphlet.

Box 22 — Income tax deducted

Report the federal income tax you deducted. Do not include instalment payments you sent in for a fisherman, or any amount withheld under the authority of a "garnishee order" or a "requirement to pay" for taxes of a previous year.

Box 24 — Fisherman number

Use of the fisherman's number is optional if you prepare the T4F slips in alphabetical order. If you do not do this, enter all relevant information such as department, unit, payroll, and fisherman number.

How to complete the T4F Summary

In the boxes at the top of the T4F Summary, enter your employer account number, name, and address as shown on the PD7A remittance form. Also enter the name of the taxation centre of the designated employer.

Total number of T4F slips filed (line 88)

On line 88, enter the total number of all T4F Supplementaries (T4F slips) that you are including with this T4F Summary.

Gross earnings (line 14)

Add together the amounts in box 14 on all T4F slips. Enter the total on line 14.

Unemployment Insurance insurable earnings (line 16)

Add together the amounts in box 16 on all T4F slips. Enter the total on line 16.

Unemployment Insurance premiums — Fishermen's (line 18)

Add together the amounts in box 18 on all T4F slips. Enter the total on line 18.

Unemployment Insurance premiums — Designated employer (line 26)

Enter the total amount of your share of UI premiums (as shown in the designated employer's records).

Income tax deducted (line 22)

Add together the amounts in box 22 on all T4F slips. Enter the total on line 22.

Total deductions reported (line 80)

Add the amounts reported on lines 18, 26, and 22 from the summary. Enter the total on line 80.

Remittances (line 82)

Enter the total amount that you sent in under your employer account number for the year on line 82.

Difference

Subtract line 82 from line 80. Enter the difference in the space provided. If there is no difference between total deductions you reported and the amounts you sent in for the year, enter "nil" on line 86, "Balance due." We do not refund or charge a difference of less than $2.

Overpayment (line 84)

If the amount on line 82 is more than the amount on line 80, enter the difference on line 84, "Overpayment." If you want us to transfer or refund the overpayment, include a note that explains the reason for the overpayment, and the action you would like us to take.

Balance due (line 86)

If the amount on line 80 is more than the amount on line 82, enter the difference on line 86, "Balance due."

Amount enclosed

If you did not send in the total amount due, attach a cheque or money order to the T4F Summary. Make it payable to the Receiver General for the balance owing. Any balance owing may be subject to a penalty and interest at the prescribed rate for late remitting.

Chapter 7 — Special Payments

Bonuses and retroactive pay increases

You have to deduct CPP contributions, UI premiums, and income tax deductions from bonuses and retroactive pay increases paid to employees.

CPP contributions

If you have deducted the total yearly maximum contribution from the employee's income, do not deduct contributions. Do not take into account any contributions that a previous employer deducted in the same year.

Example

Jorem receives a retroactive pay increase of $450 on June 30. His wage record for the year indicates that CPP contributions of $300 have been deducted to date.

Maximum contribution for the year	$696.00
Contributions to date for the year	$300.00
Balance that you can deduct for Jorem for the rest of the year	$396.00

Multiply the retroactive pay increase of $450 × the CPP rate of 2.4% =	$ 10.80

Deduct CPP contributions of $10.80 from Jorem's retroactive pay increase. This is the lesser of $396.00 and $10.80.

UI premiums

Allocate bonuses and retroactive pay increases to the pay period in which you actually pay them. See "How to allocate insurable earnings" on page 14.

Income tax

To know how much tax to deduct from bonuses or retroactive pay increases, take the total remuneration for the year (this includes the bonus or increase) and subtract:

- registered pension plan contributions;
- union dues;
- deduction for living in a designated area; and
- deductions that your district office authorized (e.g., alimony payments, RRSP).

If the result is $5,000 or less, deduct 15% tax from the bonus or retroactive pay increase (10% in Quebec).

If the result is more than $5,000, the amount you deduct depends on whether the bonus is paid once a year or more than once in the year. The examples below show you how to do this.

Example 1

Once-a-year bonus payment — Marsha earns a salary of $400 per week. In September, you gave her a bonus of $300. The "net claim code" on her TD1 form is 1.

Step 1 — Divide the bonus by the number of pay periods in the year ($300 ÷ 52 = $5.77).

Step 2 — Add the $5.77 to the current rate of pay of $400. Assume that the rate of pay for the year is $405.77 per week.

Step 3 — Go to the "Weekly tax deductions" table using net claim code 1 to find the increased weekly tax you should deduct because of the additional $5.77 per week:

- tax you deduct on $405.77 per week;
- minus tax you deduct on $400 per week;
- equals tax you deduct on the additional $5.77 per week.

Step 4 — Multiply the additional tax you deduct per week by 52. This gives you the amount of tax to deduct from the bonus of $300.

Example 2

More than one bonus payment a year — Marcos earns a salary of $400 per week. You paid him a monthly bonus of $300 in January, and $780 in February. The "net claim code" on his TD1 form is 1.

Step 1 — Divide the last bonus you paid by the number of pay periods in the year ($780 ÷ 52 = $15).

Step 2 — Add the $15 to the current $400 rate of pay. Divide all previous bonuses you paid in the year by 52 weeks ($300 ÷ 52 = $5.77). Add all three amounts to get an assumed weekly pay for the year of $420.77 ($400 + $15 + $5.77).

Step 3 — Go to the "Weekly tax deductions" table to get the increased weekly tax you should deduct on the additional $15 a week:

- tax you deduct on $420.77 per week;
- minus tax you deduct on $405.77 per week;
- equals tax you deduct on the additional $15.

Step 4 — Multiply the additional tax you deduct per week by 52 to get the amount to deduct on the bonus of $780.

To calculate tax on additional bonuses, **repeat Steps 1 to 4**.

Example 3

Retroactive pay increase — Alayna's pay increased from $440 to $460 per week, retroactive to 12 weeks. This gives an immediate payment of $240 (12 × $20). The "net claim code" on her TD1 form is 6.

Step 1 — Go to the "Weekly tax deductions" table to find the increase in the weekly tax you should deduct because of the increased rate of pay:

- tax you deduct on $460 per week;
- minus tax you deduct on $440 per week;
- equals tax you deduct on the additional $20 a week.

Step 2 — Multiply the increase in the weekly tax you deduct by the number of weeks that the pay increase is retroactive.

Overtime pay

CPP contributions and UI premiums

You have to deduct CPP contributions and UI premiums from overtime pay in the same way as you do for bonuses and retroactive pay increases.

Income tax

Add the overtime pay to the regular pay in the period you are paying the overtime pay. Deduct income tax from the total in the usual manner.

Vacation pay

When you pay vacation pay and your employee takes holidays, you have to deduct CPP contributions, UI premiums, and income tax in the way shown below:

CPP contributions

You have to deduct CPP contributions from vacation pay in the usual manner. See page 9 for more information.

UI premiums

Allocate vacation pay or statutory holidays to the pay period in which it is paid. We explain this on page 14.

Income tax

The tax table you use depends on the rate you use to calculate vacation pay. If you use a rate of:

2% — use the weekly table;
4% — use the bi-weekly table;
6% or 8% — divide the vacation pay by three (6%) or four (8%) and use the weekly table. Multiply the result by three (6%) or four (8%). For other percentages, apply the same principle.

When you pay vacation pay and your employee **does not take holidays**, follow the method shown below when you deduct CPP contributions, UI premiums, and income tax:

CPP contributions

Use the method we explain on page 40 under "Bonuses and retroactive pay increases."

UI premiums

Allocate the vacation pay to the pay period for which it is paid. We explain this on page 14.

Income tax

Use the method we explain on page 40 under "Bonuses and retroactive pay increases."

Note

Include contributions you make to a trust for vacation credits earned by the employee in the employee's income for the same year that you make the contributions. Deduct income tax from this amount as if you had paid the amount directly to the employee. See Interpretation Bulletin IT-389 for more information.

Death benefits

Income tax

If you pay a lump-sum death benefit to a surviving spouse or heir, part of this payment may qualify for a deduction from the person's income when an income tax return is filed. See Interpretation Bulletin IT-508. Do not deduct income tax from this part of the payment.

Use the lump-sum rates shown on page 43 to deduct income tax from the rest of the death benefit. Report the gross amount of the payment on the T4A Supplementary.

Note that you do not deduct CPP contributions or UI premiums from death benefits.

Director's fees

CPP contributions

Prorate the basic CPP exemption over the number of times you pay the fees during the year.

Example

Fouad is the director of your corporation. He does not receive remuneration as an employee. You pay him a director's fee of $1,050 every three months. Calculate the contribution like this:

- Prorate the basic exemption to get the quarterly amount: $3,200 ÷ 4 = $800.
- Amount from which you deduct contributions is $250 ($1,050 minus $800).
- The amount of CPP contribution you send in for this payment is:

Director's contribution ($250 × 2.4%)	$ 6.00
Employer's contribution	$ 6.00
Total	$12.00

UI premiums

When you pay a director's fee to a corporation director, do not deduct UI premiums from the director's fee.

Income tax

If you pay a salary and a director's fee, add the director's fee to the salary for that pay period to calculate the tax to deduct.

If you only pay a director's fee, and you estimate that the total of these fees will not be over the net claim amount on the TD1 form (or the basic personal amount if no TD1 is filed), do not deduct income tax.

If you estimate that a director's fee will be over the net claim amount on the TD1, deduct income tax. Use the "Monthly Tax Deductions" table. Divide the fee by the number of months that have passed since the last payment, or the first day of the year, whichever is later. Find the monthly deduction and multiply it by the number of months that have passed since the last payment, or the first day of the year, whichever is later. This gives you the income tax to deduct from the fee.

For more information, see Interpretation Bulletin IT-377.

Housing and travel assistance benefits in a designated area

Reporting

If you have employees who live in designated areas and you pay them housing and travel assistance benefits, you have to include these amounts on their T4 slips as a taxable benefit. There are four benefits that are usually paid or given to employees in these areas.

1. Medical travel assistance: This benefit is for travel to get medical services that are not available in the area of residence for the employee or members of the employee's household. Include this amount in boxes 32 and 14. Show the total amount of "medical travel" assistance benefits as a footnote separate from "other travel" assistance benefits that you include in boxes 32 and 14.

Note

You have to separate "medical travel" assistance from other travel. If you do not do this, an employee will not be able to get the deduction for medical travel on the income tax return, because we would view all travel assistance as "vacation travel." We would limit the employee's deduction to two trips per year for the employee and members of the household.

2. Other travel assistance: This benefit is for travel for any purpose other than business or medical reasons. It includes vacation, bereavement, and compassionate travel. Include this amount in boxes 32 and 14.
3. The valuation of the housing benefit: You have to value and report all housing benefits you provide to your employees. This benefit includes any utilities you subsidize or provide. Include this amount in boxes 30 and 14.
4. Board and lodging at special work sites that are also a designated area: Do not include on the T4 the board and lodging benefits the employee receives while working at the special work site. Show this amount as a footnote only.

Note

Be sure to include any taxable GST component on the related benefits.

If a **third party** (a prime contractor or another subcontractor) supplies benefits for board, lodging, or transportation to employees of subcontractors, there are special T4A reporting instructions. See page 35 for details.

For more information, get the *Employers' Guide to Housing and Travel Assistance Benefits in Prescribed Areas.*

Lump-sum payments

You can find instructions on how to report lump-sum payments on page 33, in the instructions for box 18 under "How to complete the T4A Supplementary."

Income tax

You have to deduct income tax from a lump-sum payment you pay to an employee:

- on retirement;
- as compensation for loss of office;
- in recognition of long service and not out of or under a superannuation fund or plan; or
- as a retiring allowance.

You also have to deduct income tax from lump-sum payments that:

- are the proceeds of the surrender, cancellation, or redemption of an income-averaging annuity contract;
- are from an RRSP, or a plan referred to in subsection 146(12) of the *Income Tax Act* as an "amended plan"
- are from an RPP (the pension income credit does not apply on these payments); and
- you made during the lifetime of the original annuitant under a registered retirement income fund. This payment cannot be part of the "minimum amount" as defined in paragraph 146.3(1)(b.1) of the *Income Tax Act*. If a lump-sum payment (e.g., a refund of premiums) is paid to a deceased annuitant's spouse because the original annuitant died, you do not have to deduct income tax.

Use these federal and provincial composite rates (except for Quebec):

- 10% (5% for Quebec) — if the payment is not more than $5,000;
- 20% (10% for Quebec) — if the payment is more than $5,000 but not more than $15,000; and
- 30% (15% for Quebec) — if the payment is more than $15,000.

Since the above rates are **only estimates**, employees may have to pay additional tax on this amount when they file their tax return. To avoid this situation, if the employee requests, you can:

- calculate the annual tax to deduct from the employee's yearly remuneration. **Include** the lump-sum payment (see the "Step-by-step calculation of tax deductions" in the *Payroll Deductions Tables)*;
- calculate the annual tax to deduct from the employee's yearly remuneration. **Do not include** the lump-sum payment; and
- **subtract** the second amount from the first amount.

The result is the amount you should deduct from the lump-sum payment.

If you make payments out of deferred profit-sharing plans or employees' profit-sharing plans, contact your district office to discuss how to deduct income tax. For information on how to report these payments, see pages 33 and 34 in "How to complete the T4A Supplementary" in Chapter 6 under the instructions for boxes 18 and 28.

Do not deduct income tax from a lump-sum payment if an employee's total earnings received and receivable during the calendar year, including the lump-sum payment, are less than the "net claim" amount on the employee's TD1 form. This does not apply to lump-sum payments made to non-residents.

Transfer of funds

An employee can transfer a lump-sum payment out of a registered pension plan (RPP) or deferred profit sharing plan (DPSP) to another RPP, DPSP, or to a registered retirement savings plan (RRSP). If the full amount is **transferred directly** (not paid to the employee) to another RPP, RRSP, or DPSP, do not deduct income tax. Form T2151, *Record of Direct Transfer of a "Single Amount" (Subsection 147(19) or Section 147.3)* is used to instruct the administrator to make the direct transfer of the lump-sum payment on the employee's behalf. The receiving carrier should not issue receipts. The transferring carrier has to keep the necessary documents to support the transfer.

If the funds to be transferred pass through the employee's hands, or only a part of the fund is directly transferred, deduct income tax on the amount not directly transferred. Report the amount in box 18 of a T4A information slip. You have to note that this amount is not eligible for transfer to another RPP, RRSP, or DPSP. In the footnotes area of the T4A slip, enter "Box 18, no transfer of funds." In the footnote code box, enter code 13.

Note

Report transfers of qualifying portions of retiring allowances to an RPP, RRSP, or a spousal RRSP (to a maximum of $6,000) on a T4A. Such transfers can be made without payroll deductions being withheld, as long as the individual completes a TD2 form.

An annuitant of an RRSP can request a transfer of funds before the plan matures to another RRSP, a registered retirement income fund, or to an RPP under which the annuitant is a member. These transfers are made under subsection 146(16) of the *Income Tax Act* without income tax being deducted. To do this, they have to complete Form T2033, *Notice of Direct Transfer — Under Paragraph 146(16)(a) or 146.3(2)(e)*. For more details on these transfers, see Information Circulars 72-22 and 79-8.

Pension benefits and lump-sum payments paid after February 15, 1984, from a pension fund or plan that is not registered in accordance with the *Income Tax Act* **cannot** be transferred to a registered plan.

For more information about the transfer of funds between plans, see the *Pension and RRSP Tax Guide*. You can get this from your district office.

Employees' profit-sharing plans (EPSP)

Report payments from EPSPs on a T4PS return instead of a T4 Supplementary. See Interpretation Bulletin IT-379 and Information Circular 77-1 for more information.

Patronage payments

Patronage payments include:

- certificates of indebtedness;
- an application of an amount to the recipient's liability to the payer; and
- shares of a corporation received due to a patronage payment.

You have to apply a withholding tax of 15% on the amount of patronage payments that Canadian residents receive in a particular year. This withholding tax applies only on payments of more than $100. Use Form PD7A to send the amount you deducted to the Receiver General. All payments of more than $100 go in box 30 of a T4A. The income tax deducted goes in box 22. The withholding tax does not apply to Canadian residents who are exempt under section 149 of the *Income Tax Act*.

> **Example**
> You give Bernadette a $250 patronage payment. The amount on which you apply the 15% withholding tax is $150 ($250 – $100). The withholding tax is $22.50 ($150 × 15% = $22.50). Her T4A will show the patronage payment of $250 in box 30, and the tax deducted of $22.50 in box 22.

If you need more details, see Interpretation Bulletins IT-362 and IT-493.

Retiring allowances

A retiring allowance (also called severance pay), is an amount (other than a superannuation or pension benefit) that officers or employees receive:

- on or after they retire from an office or employment to recognize long service; or
- for the loss of office or employment.

It includes:

- payments for unused sick-leave credits; and
- amounts a person receives on termination of their office or employment, even if the amount is for damages (wrongful dismissal).

There are situations where a person can transfer all or part of a retiring allowance to a registered pension plan (RPP), or to a registered retirement savings plan (RRSP).

Note

We publish a pamphlet entitled *When You Retire*, which gives information on the tax measures that affect people who are planning their retirement. You may wish to obtain copies of this pamphlet for your employees, or advise them that they can get one free of charge by calling or visiting their local district taxation office.

CPP contributions

Do not deduct Canada Pension Plan contributions from retiring allowances.

UI premiums

Retiring allowances (except for damages) are insurable earnings for Unemployment Insurance purposes. You have to consider these payments when you determine the insurable earnings for the last pay period of insurable employment.

If you paid the retiring allowance on termination, allocate it to the pay period in which it was paid. Withhold premiums accordingly.

If you paid the retiring allowance after termination (but in the calendar week of termination), the retiring allowance is part of the employee's earnings for the week in which you pay it.

If you paid the retiring allowance after the week of termination, allocate the earnings to the last pay period that the employee received regular wages or salary, as long as that period was insurable.

For information on how to report these amounts and premiums, see page 30, "Box 24 — UI insurable earnings" and its special application.

Income tax

If you pay a retiring allowance to a Canadian resident, you have to deduct income tax from any part that you pay directly to the recipient. Use the lump-sum tax deduction rates to deduct income tax. To find these rates, see "Lump-sum payments" on page 43. (If you pay a retiring allowance to a non-resident of Canada, you have to withhold 25% of the retiring allowance. Send this amount to the Receiver General on behalf of the non-resident.)

Transfer of a retiring allowance to an RPP or RRSP

A person can transfer all or part of a retiring allowance payment to an RPP or RRSP. The amount that is **eligible for transfer** is limited to:

- $2,000 for each year or part-year the retiree worked for you (or a person related to you); **plus**
- $1,500 for each year or part-year of that employment that is before 1989 in which no part of your contributions to the RPP or DPSP had vested in the employee's name when the retiring allowance was paid. You can determine the number of years by referring to the terms of the particular plan. The number of years can be a fraction.

> **Example**
> Harris worked for you for seven years before 1989, and you made contributions in each of those years. If, at the time of the payment, 60% of your contributions had vested in Harris, the number of years eligible for the additional $1,500 amount would be 2.8 (seven minus 60% of seven, or 7 – [7 × 0.6]).

If an employee wants to transfer an eligible amount to an RPP or RRSP, you do not deduct income tax if the employee completes Form TD2. You can get a TD2 form and Information Circular 79-8 from your district office. The information circular explains your responsibilities in detail when this kind of transfer occurs. The employee should be aware that minimum tax may have to be paid. This is explained in the *General Tax Guide* for individuals.

For information on how to report retiring allowances, see the instructions under "Box 26 — Retiring allowances" on page 34.

Retirement compensation arrangements

If, as an employer, you sponsor a retirement compensation arrangement (RCA), or are considering starting one, contact your district office. For more information on a plan like this, see the *Retirement Compensation Arrangement Guide*.

If you set up certain unregistered pension or retirement arrangements, you have to deduct and send in a 50% tax to the Receiver General on any contributions made to a custodian of the arrangement. For more information, see the *Retirement Compensation Arrangement Guide*. You can get this from your district office.

Retirement compensation arrangements are reported on forms T4A-RCA Summary and T4A-RCA Supplementary.

Salary deferral arrangements

A salary deferral arrangement is a plan or arrangement made between an employee and an employer, whereby the employee postpones receiving salary and wages to a later year. You should treat the deferred amount as the employee's employment income in the year the employee earns the amount. Report it on the employee's T4 Supplementary for that year.

Some salary deferral arrangements meet prescribed requirements (referred to as prescribed plans or arrangements). These are excluded from the above salary deferral rules. You should treat the deferred amounts in these cases as income in the year the employee receives them.

To find out how to report pension adjustments under these circumstances, see the *Employers' Pension Adjustment Calculation Guide*. You can get it from your district office.

For prescribed plans:

- deduct CPP contributions:
    1. from the participant's net salary (i.e., the salary, minus the deferred amounts) while the person is working (the period of deferral); and
    2. from the deferred amounts when you pay these to the participant during the leave period.
- the UI rules are:
    1. deduct UI premiums from the participant's gross salary (salary includes deferred amounts) while the person is working (the period of deferral); and
    2. do not deduct UI premiums from the deferred amounts when you pay these to the participant during the leave period.

For more information on prescribed plans or arrangements, see ATR-39, *Deferred Salary Leave Plan*, or contact the Source Deductions section of your district office.

Wage loss replacement plans

When wage loss replacement plan benefits are paid to an employee by a **trustee** or **insurance company**, these payments are subject to income tax, but not CPP contributions, or UI premiums. The trustee or insurance company has to report these payments on a T4A.

Workers' Compensation Board (WCB) awards

There is no income tax, CPP contributions, or UI premiums deducted from amounts awarded by a provincial WCB.

The explanations we give below **apply to 1991** and subsequent years.

There are two types of employers for WCB purposes:

- the regular employer; and
- the self-insured employer.

Regular

If you do not pay your employee an amount over the amount awarded by WCB (top-up amount), do not report WCB award payment advances.

Do not include the amount of a provincial WCB award or of a WCB advance in an employee's income when you prepare the employee's T4 Supplementary for that year.

You have to give your employee a letter that shows the amount of the WCB award that you advanced.

The WCB will give your employee Form T5007, *Statement of Benefits* that shows the amount of the award.

Self-insured

If you pay the WCB benefit directly to your employee, do not include the amount of the benefit in the employee's income when you prepare the employee's T4 Supplementary for that year. However, the amount of such a benefit is subject to UI premiums. As a result, you have to withhold the appropriate UI premiums, and include the amount of the benefit in the employee's insurable earnings when you prepare the employee's T4 slip.

You have to give your employee a letter that shows the amount of the WCB award that you advanced.

The WCB will give your employee Form T5007, *Statement of Benefits* that shows the amount of the award.

Top-up

The top-up is the amount you pay your employee that is over and above the amount awarded by WCB.

Deduct CPP contributions, UI premiums, and income tax from the top-up amount.

When you file the T4, include the top-up amount in "Employment income before deductions," and show the related CPP, UI, and income tax you deducted.

Denial of award

If a WCB later denies an award, you have to send in all amounts for income tax, CPP contributions, and UI premiums that you would usually have deducted. Send this to us on or before the due date of your next remittance.

Regular

Prepare an amended T4 and show the actual payments made (this includes the award) and the increased deductions you now have to make.

Self-insured

Prepare an amended T4 and show the actual payments made (this includes the award) and the increased CPP contributions and income tax deductions that you now have to make.

The following examples show how to treat payments made under a variety of circumstances.

Example 1

Anne was injured at work on July 10, 1992, and was away from work for the rest of the year. Her employer continued to pay her regular wages. The WCB accepted her claim and reimbursed the employer for the amount of the WCB award. Anne's wages in excess of the WCB award are considered to be "top-up."

The **regular employer** has to report on a T4:

- the amounts paid to Anne up to the date of injury (and the related deductions); and
- the top-up amount paid to Anne while she was off work due to the work-related injury (and the related deductions).

The WCB will report on Form T5007 the amount of the WCB award reimbursement.

The **self-insured employer** has to report amounts on a T4 in the same manner as the regular employer.

There are differences between the two types of employers. Advances paid to employees by a self-insured employer are included in insurable earnings and are subject to UI premiums. The WCB will not reimburse the self-insured employer for advances paid to employees. They will hand down an award decision to the self-insured employer that shows the amount of the award the employee is entitled to. The advance paid to the employee, up to the amount of the award, becomes a WCB award and is not subject to income tax. The WCB will report on Form T5007 the amount of the WCB award.

Example 2

Adrian was injured on April 1, 1992, and away from work for three months. His employer did not continue to pay his wages. The WCB accepted the claim and paid Adrian directly. He returned to work on July 2, 1992.

The **regular employer** has to report on a T4:

- the amounts paid to Adrian up to the date of injury (and the related deductions); and
- the amounts paid after Adrian returned to work on July 2, 1992 (and the related deductions).

The WCB will report on Form T5007 the amount of the WCB award paid directly to Adrian.

This example does not affect the **self-insured employer**. The WCB is making the payment.

Example 3

Jenna was injured at work on November 13, 1991, and away from work for the rest of the year. The WCB accepted the claim and paid Jenna directly. Her employer paid the difference between the WCB award and her regular wages (topped-up).

The **regular employer** has to report on a T4:

- the amounts paid to Jenna up to the date of injury (and the related deductions); and
- the top-up amount paid to Jenna while she was off work due to the work-related injury (and the related deductions).

The WCB will report on Form T5007 the amount of the WCB award paid directly to Jenna.

This example does not affect the **self-insured employer**. The WCB is making the payment.

Example 4

Gloria was injured in May 1991 and was paid by the employer's insurance company until May 1992. The WCB accepted the claim in June 1992 and reimbursed the company.

The **regular employer** has to report on a T4 the amounts paid to Gloria up to the date of injury (and the related deductions). The insurance company has to report on a T4A Supplementary the amounts paid to Gloria from the date of the injury to the end of 1991 (and the related deductions).

The WCB accepts the claim in 1992 and reimburses the employer at that time. The WCB has to issue two T5007s to Gloria that show the amount of the WCB award related to 1991 and 1992. If the employer has reimbursed the insurance company, the insurance company will give a "receipt" (i.e., letter) to Gloria. This will allow her to claim a deduction on her income tax return for 1992.

This example does not affect the **self-insured employer**. The WCB is making the payment.

Chapter 8 — Special Situations

There are "special situations" that affect special classes of workers and special types of employment. Unique rules may apply to these special situations. The deductions you make and the way in which you report them will differ from what has been explained earlier in this guide. We discuss these in this chapter.

Barbers, hairdressers, taxi drivers and drivers of other passenger-carrying vehicles

For Unemployment Insurance purposes, there are special rules that cover barbers, hairdressers, taxi drivers and drivers of other passenger-carrying vehicles. If these workers are **employed** under a contract of service (if they are your employees), you deduct CPP, UI, and income tax as you would for regular employees. This is explained in previous chapters.

If these workers are **not employed** under a contract of service, special rules apply. We discuss these below under the heading "Special rules for UI premiums" and "CPP contributions and income tax deductions."

Barbers and hairdressers

This class of workers can include barbers, hairdressers, manicurists, and other people who provide services in a barbering or hairdressing business. The special rules apply only to those workers **who are not** employees.

Drivers of taxis and other passenger-carrying vehicles

At the request of the industry, an Unemployment Insurance Regulation was created to protect taxi and passenger-vehicle drivers who are not hired under a contract of service. This was done because these workers often go through periods without work. This applies to drivers of taxis and other passenger vehicles who:

- do not own the vehicle; or
- do not own or operate the business or public authority.

For these workers, their earnings are insurable, even though they are self-employed.

If you are the operator of the taxi or passenger-vehicle business, we consider you to be the employer of these drivers for UI purposes. For the special rules that apply to these drivers, see "Special rules for UI premiums" and "CPP contributions and income tax deductions" below.

Special rules for UI premiums

If you are the owner or operator of the business, you have to pay both the workers' and your share of Unemployment Insurance premiums when the workers:

- work a minimum of 15 hours per week; **or**
- earn more than the weekly minimum insurable earnings.

There are two ways to determine insurable earnings for the week:

- If you **do not know** how much the person earned in that week, the weekly insurable earnings are the lesser of these two amounts:
  1. the number of days worked in that week multiplied by 2/15 of the maximum insurable earnings; or
  2. 2/3 of the maximum weekly insurable earnings.

  Example

  If a person worked one day in a week, that person will have maximum insurable earnings of the lesser of:

  (a) 1 × 2/15 × regular weekly maximum insurable earnings; or

  (b) 2/3 of the regular weekly maximum insurable earnings.

  If a person worked two days in a week, that person will have maximum insurable earnings of the lesser of:

  (a) 2 x 2/15 × regular weekly maximum insurable earnings; or

  (b) 2/3 of the regular weekly maximum insurable earnings.

  If a person worked three days in a week, that person will have maximum insurable earnings of the lesser of:

  (a) 3 × 2/15 regular weekly maximum insurable earnings; or

  (b) 2/3 of the regular weekly maximum insurable earnings.

  If a person worked four days in a week, that person will have maximum insurable earnings of the lesser of:

  (a) 4 × 2/15 × regular weekly maximum insurable earnings; or

  (b) 2/3 of the regular weekly maximum insurable earnings.

  If a person worked five days in a week, that person will have maximum weekly insurable earnings of the lesser of:

  (a) 5 × 2/15 × regular weekly maximum insurable earnings; or

  (b) 2/3 of the regular weekly maximum insurable earnings.

- If you **do know** how much the person earned in that week, the person's weekly insurable earnings are the lesser of these two amounts:
  1. the total earnings from the person's employment for the week; or
  2. the maximum insurable earnings for that week.

As the employer, you have to send in the UI premiums that you have to pay on behalf of these workers.

When the workers have an interruption of earnings (see page 19), you have to complete a *Record of Employment*, Form EMP 2106, within five days of the last day worked.

CPP contributions and income tax deductions

We consider people who are not employed under a contract of service to be self-employed for CPP and income tax purposes. They are responsible for the payment of their own CPP contributions and income tax. Do not deduct CPP or income tax for these workers.

Complete a **T4 slip** for these workers. Prepare it like this:

Box 18 — UI premium — Enter the amount of the person's premium for Unemployment Insurance.

Box 24 — UI insurable earnings — Enter the amount of the person's insurable earnings on which you calculated the UI premium.

Enter "nil" in all remaining boxes.

For those noted above who are **not employees**, identify the occupation of the worker in a footnote.

Fishermen and UI

Special rules also apply to fishermen. If you are a designated employer for fishermen who have insurable earnings, get these publications from your district office:

- the pamphlet called *Fishermen and Unemployment Insurance*; and
- the *Table of Weekly Unemployment Insurance Premiums*.

Placement agency workers

1. Workers of a placement agency who are employed under a contract of service (even if they are located at a client's premises) are regular employees. The agency has to deduct and send in CPP contributions, UI premiums, and income tax from amounts paid to these employees. The agency also has to report these amounts on a T4 slip in the usual manner.

2. A worker engaged by a placement agency, but not under a contract of service, who is sent by the agency to a client is in insurable and pensionable employment if:
   - the worker is paid by the placement agency; and
   - the client exercises direction and control over the worker.

   The placement agency has to deduct CPP contributions and UI premiums for these workers, but does not deduct income tax. The agency has to prepare a T4 slip for the worker, and enter "Placement agency — S.E." as a footnote on the T4.

3. A worker engaged by a placement agency, but not under a contract of service, who is sent by the agency to a client is not in pensionable or insurable employment if:
   - the client pays the worker; and
   - the client does not exercise direction and control over the worker.

   No CPP contributions, UI premiums, or income tax deductions are required. Also, the client does not have to report the amounts paid to the worker on an information slip.

Employees of a temporary help service firm

Temporary help service firms are service contractors who provide their own employees to clients for assignments. The assignments may be temporary in nature, depending on the client's needs.

Workers of a temporary help service firm are usually employed under a contract of service. As a result, the firm has to deduct income tax, CPP contributions, and UI premiums. The firm also has to send in these amounts, and report them on a T4 slip.

If you have any doubts as to whether an employee-employer relationship exists for CPP and UI purposes, you can get a ruling from the Source Deductions section of your district office. Forms CPT-1 (for employers) and CPT-2 (for workers) are used for this purpose.

Power saw employees

If you are an employer in the forestry business, you usually have employees who, in their contract, are required to use their own power saw at their own expense. When you prepare T4 slips for these employees, you have to enter "power saw employee" in the footnote area of the T4.

You should not reduce the amount in box 14, "Employment income before deductions," by the cost or value of saws, parts, gasoline, or any other materials the employee supplies. Include rental payments paid to employees for the use of their own power saws in box 14.

Status Indian employees

There are four situations that determine the deductions you make in the case of Status Indians. The *Indian Act* defines a Status Indian as "a person who pursuant to the *Indian Act* is registered as an Indian or is entitled to be registered as an Indian."

You are an employer located on a reserve who made an election to provide coverage under the CPP

If you are an employer located on a reserve, you do not have to deduct income tax from salary and wages you paid to a Status Indian. However, under the Canada Pension Plan, you can include in pensionable earnings any non-taxable salary and wages you paid to Status Indians as long as you are an employer located on a reserve (other than those in the province of Quebec).

This is optional to you, as the employer. If you want to provide CPP coverage for Status Indian employees, you have to make an election with us at Revenue Canada, Taxation. Use Form CPT124, *Application for Coverage of Employment of an Indian in Canada under the Canada Pension Plan Whose Income is Exempt Under the Income Tax Act*, to make this election. It is available at all district offices. Once you as an employer have chosen to do this, the election cannot be revoked, and you have to cover all employees.

Coverage under the CPP starts on the day you sign the application, or at a future date as specified by you. Coverage cannot be retroactive to a date before you sign the application.

The employment of a Status Indian who works for you on a reserve is subject to UI premiums.

If you made the election to provide CPP coverage, prepare the T4 in this way:

Box 14: enter the total income before any deductions. In the footnotes area, enter: "non-taxable earnings — Status Indian employee, election under 29.1(1) — C.P.P.R."

Box 16: enter the amount you deducted from the employee's earnings for CPP contributions.

Box 18: enter the UI premiums you deducted from the employee.

Box 24: enter the insurable earnings.

You are an employer located on a reserve who did not make an election to provide coverage under the CPP

If, as an employer located on a reserve, you do not make this election, do not deduct CPP contributions from the employment income. However, the employment is insurable for UI purposes. In this case, you should prepare the T4 in this way:

Box 14: enter "nil" in box 14. In the footnotes area, enter: "Non-taxable earnings — Status Indian employee."

Box 16: enter "nil."

Box 18: enter the amount you deducted from the employee's earnings for UI premiums.

Box 22: enter "nil."

Box 24: enter the UI insurable earnings.

You are an employer located OFF a reserve, and services are performed OFF the reserve

When you are an employer located **off** a reserve and you pay a Status Indian employee for services performed **off** a reserve, deduct CPP contributions, UI premiums, and income tax from the employment income. Complete all boxes on the T4 in the usual way. No footnotes are required.

You are an employer located OFF a reserve, but services are performed ON a reserve

If you are an employer located **off** a reserve and you pay a Status Indian employee to perform services **on** a reserve, you should deduct CPP contributions and UI premiums from the employment income. In this case, the income tax payable is "forgiven" under the Indian Remission Order. Do not deduct income tax from these employees.

In this situation, prepare the T4 in this way:

Box 14: enter the "Employment income before deductions."

Box 16: enter the amount of CPP contributions you deducted from the employee's earnings.

Box 18: enter the UI premiums you deducted from the employee's earnings.

Box 24: enter the "UI insurable earnings."

In the footnotes area, enter: "$ ________ is subject to the Indian Remission Order."

When part of the income is taxable and part of it is not, you can use more than one footnote on the T4. Use the appropriate ones as we explain above.

Indian Remission Order

In addition to granting remission of the income tax payable on employment income earned by a Status Indian on a reserve, the Indian Remission Order forgives income tax payable on the following types of payments received by a Status Indian:

- the proportion of each payment received by a person in the year on account of, instead of payment of, or in satisfaction of, a superannuation or pension benefit under a registered pension plan. This applies as long as the payments are from contributions made by the Indian or the Indian's employer to a pension plan for tax-exempt employment of an Indian working on a reserve;
- a retiring allowance, as long as the payments are from employment income that was exempt from taxation, or for which the income tax was remitted under the Indian Remission Order; and
- training allowances received by an Indian resident on a reserve from a government, municipality, or other public authority.

When you report these amounts on a T4A slip, enter a footnote that states: "Box 16, 18, 26, or 28" (whichever applies) "$ ________ is subject to the Indian Remission Order." In the footnote code box, enter code 14.

Employment at special work sites and remote locations

You may have paid an employee a reasonable allowance to cover:

- travel expenses to a "special work site" or "remote location" or
- board and lodging at a "special work site" or "remote location."

If you did, do not report the amount as taxable income on the employee's T4, and do not deduct income tax from the amount. For this to apply, certain conditions have to be met. If they are not met, the allowance could be a taxable benefit that you have to report on a T4 slip, and you will have to deduct income tax from it.

Note

If the special work site is also a "designated area," identify the amount of the allowance in the footnote area of the T4. See the *Employers' Guide to Housing and Travel Benefits in Prescribed Areas*, which is available at your district office.

The allowances you pay to employees who work at a **special work site** are not taxable if the employee works away from home under **all** these conditions:

- duties at the work site are of a temporary nature, and the work site is at such a distance from the employee's principal place of residence (home), that the employee could not be expected to return to that home daily;
- the employee lives in and maintains a "self-contained domestic establishment" at another location during the period of employment. This establishment has to remain available for occupancy by the employee, and cannot be rented to any other person in the period;
- the board, lodging, and transportation allowances were for a period when the employee was away for at least 36 hours from the place the employee ordinarily lives.

If the employee meets all these conditions, you and the employee should complete Form TD4, *Declaration of Exemption — Employment at Special Work Site*. This allows you to exclude the benefit or allowance from the employee's income. As long as you complete Form TD4, do not report the amounts on the employee's T4 Supplementary.

You can get TD4 forms and Interpretation Bulletins IT-91R3 and its Special Release and IT-254 from any district office. After you complete Form TD4 with the employee, keep it with your payroll records.

If you do not complete Form TD4, or if all the conditions above are not met, treat the amounts as income of the employee. Make the necessary deductions and report the amounts on the employee's T4 slip. This also applies to any part of an allowance for board, lodging, and transportation that is over a reasonable amount.

When a third party supplies any benefits for board, lodging, or transportation to the employees of another employer, the third party has to report the benefits on a T4A, if the allowance is taxable. If the allowance is not taxable, no T4A is necessary.

You may not have to deduct income tax from allowances you pay to employees who work in **remote locations**. There are two types of these allowances. These are (a) board and lodging allowances and (b) transportation allowances. For these allowances to be exempt from income tax, the following conditions have to be met:

(a) For board and lodging allowances to be exempt, the location must be one in which the employee could not reasonably be expected to set up and maintain a self-contained domestic establishment. The reason for this would be the remoteness of the location from any established community. The allowances have to be for a period of at least 36 hours:

  - when the employee's duties require the employee to be away from the employee's principal place of residence; or
  - when the employee has to be at the remote location.

(b) For transportation allowances to be exempt, you have to have paid the allowance for transportation between the remote location we describe in (a) above, and any location in Canada. If the remote work location is situated outside Canada, the allowance for transportation between the remote location and any location in Canada, or in the country of employment, also qualifies for exemption. To qualify, the transportation allowances you paid to an employee must be for a period of at least 36 hours when:

  - the employee had to be away from the employee's principal place of residence; or
  - the employee had to be at the remote location.

When you pay or provide transportation or board and lodging under the above conditions, it is not necessary to report the equivalent value or any goods and services tax (GST) component as remuneration to the employee on the T4 Supplementary. In addition, we do not require Form TD4 when there is an exemption for allowances you pay to employees who work at a remote location. If you need help to determine whether a location qualifies as remote, please contact your district office.

Employment outside or partly outside Canada

CPP contributions

If you are a Canadian employer and you employ someone to work outside Canada, you should deduct CPP contributions if:

- the employee ordinarily reports for work to your place of business in Canada; or
- the employee is a Canadian resident and is paid from your place of business in Canada.

If the employment does not meet both these conditions, the employment outside Canada is not pensionable. Do not deduct CPP on remuneration from that employment.

Under certain conditions, and at your option, you can extend CPP coverage and deduct contributions from employment outside Canada that is ordinarily not pensionable employment. You can get Form CPT8, *Application and Undertaking for Coverage of Employment in a Country Other Than Canada Under the Canada Pension Plan*, from your district office. Special rules apply to employment on ships, trains, trucks, and aircraft. You can also get this information from a CPP/UI rulings officer at your district office.

Form CPT8 does not apply if Canada has a social security agreement with the country in which the employment will take place.

UI premiums

You have to deduct UI premiums from employment income an employee earns outside Canada or partly outside Canada if:

- you, as the employer, are living in Canada, or have a place of business in Canada;
- the person ordinarily lives in Canada;
- the employment is not insurable in the country where the person is employed; and
- the employment is not excepted for any other reason.

Special rules apply to employment outside Canada or partly outside Canada on ships. Contact your district office for more information.

Income tax deduction for overseas employment

A tax credit applies if you employ a resident of Canada to work outside Canada for more than six months in a row. The six months have to begin before the end of the year, and the employment has to be in connection with a contract under which you carried on business outside Canada that relates to:

- the exploration for or exploitation of petroleum, natural gas, minerals, or other similar resources;
- any construction, installation, agricultural, or engineering activity; or
- any prescribed activity.

The amount of the credit is equal to the portion of the employee's tax otherwise payable (TOP) in the year. You calculate this portion by multiplying the TOP by the lesser of:

- $80,000 × n/365 (n = the number of days in the year that the employee worked overseas); or
- 80% of the employee's net overseas income taxable in Canada from that employment;

and dividing the result by the employees' total net income for the year.

The effect of this formula is to give a tax reduction to a maximum of $80,000 of overseas employment income.

Note

The tax otherwise payable (TOP) means the amount of tax to be deducted by using the *Payroll Deductions Tables for In Canada Beyond the Limits of any Province or Outside Canada.*

Example

Mario is a worker who has two dependants. He was employed by a Canadian firm to work on a construction project in Venezuela. He was there for 306 days. His net overseas income for that period of employment was $100,000. His net income for the year was $115,000. Calculate the credit in this way:

TOP = $26,677

Numerator: lesser of
(a) $67,068 ($80,000 × 306/365 days)
(b) $80,000 ($100,000 × 80%)

Credit: $\frac{\$\,67{,}068}{\$115{,}000} \times \$26{,}677 = \underline{\underline{\$15{,}558}}$

Federal tax:

TOP	$ 26,677
Credit	$ 15,558
Net	$ 11,119

The tax credit that applies against the tax otherwise payable is $15,558.

An employee has to make a request to have you reduce the amount of tax you deduct. The employee can make this request through the district office. We will send you a letter to let you know the amount of the tax reduction. Keep this letter for inspection by our officers.

Reporting

Report the total amount of remuneration paid that relates to any employment outside Canada in box 14 of a T4 Supplementary. Do this even if the employee has received authorization from the district office for you to reduce the income tax you deduct from the employee's income. You also have to show the income that qualifies for the reduction and the number of days the employee worked outside Canada. In the footnote area of the T4 Supplementary, enter:

"S.122.3 income: $ ______
Number of days outside Canada: ______."

You will find more information on this subject in Interpretation Bulletin IT-497.

Employment by a trustee

Any trustee who makes a payment has to deduct and send in income tax. This applies if the trustee:

- administers, manages, distributes, winds up, controls, or otherwise deals with the property, business, estate, or income of another person; and
- authorizes or causes a payment to be made on behalf of that other person who performs a function similar to the one a trustee performs.

"Trustee" also includes a liquidator, receiver, receiver-manager, trustee in bankruptcy, assignee, executor, administrator, sequestrator, or any other person who performs a function similar to the one a trustee performs.

The trustee is "jointly and severally" liable for the tax that has to be deducted and sent in on account of such a payment.

For more information, contact the Source Deductions section of your district office.

Chapter 9 — Benefits

There are many different types of benefits that you may or may not have to include in the income of an employee. Whether the benefits are taxable or not depends on the type of benefit, and the reason an employee or officer receives it. We explain each benefit in this chapter, and when the benefit is taxable or not.

You report most taxable benefits on the T4 Supplementary, or in some cases on the T4A Supplementary.

There is a "GST component" on many of the taxable benefits that you include in employment income for income tax purposes. This is a separate taxable benefit that relates to the goods and services tax. This GST benefit is 7% of the amount of the taxable benefit. There is no GST benefit on:

- cash remuneration (such as salary, wages, and allowances);
- a taxable benefit that is an "exempt supply" (defined in the *Excise Tax Act*); or
- a "zero-rated supply" (also defined in the *Excise Tax Act*).

We discuss the GST component when we explain each taxable benefit.

Automobile allowances

If you pay an employee more than what we consider to be a reasonable allowance for the use of an employee-owned automobile, you have to include this allowance in the employee's income. You also have to report this amount on the employee's T4 Supplementary.

We consider an allowance for the use of a motor vehicle to be reasonable only if:

- it directly relates to the number of business kilometres driven in a year; and
- the rate per kilometre is reasonable; and
- you did not reimburse the employee for the expenses that relate to the same use.

You will find more information and details on how to calculate and report this benefit in the *Employers' Guide to Automobile Benefits*. You can get this at any district office.

Note

There is no taxable GST component on these allowances.

Benefit from an employer-provided automobile

An employee or officer receives a taxable benefit if you, or a person related to you, supply an automobile for other than business purposes to:

- the employee (or officer); or
- a relative of the employee.

You have to include this amount in the employee's income.

To make payroll deductions easier, use the formula and examples we provide below to estimate the yearly value of the automobile benefit. You can then prorate the estimated benefit to your pay period. Add the result to salary, wages, and the value of other benefits to get the total remuneration per pay period from which you have to deduct income tax. At the end of the year (or when the employee no longer works for you), recalculate the automobile benefit. Use the actual operating costs and kilometres driven for the taxation year. Report this amount on the employee's T4 slip for that taxation year.

For more information, see Interpretation Bulletin IT-63.

Calculate the benefit from an **employer-provided** automobile in three parts:

1. Calculate the prorata portion of the operating costs that apply to the personal use of the automobile. There is an optional calculation when:
   - the employee uses the automobile "primarily" (more than 50%) to perform the duties of the employee's office or employment; and
   - the employee has let you know in writing before the end of the year that you can calculate the amount of the benefit from the operating costs as one-half of the standby charge in (2) below.
2. Use this formula to calculate a standby charge:

$$\frac{A}{B} \times [2\% \times (C \times D)] + [2/3 \times (E - F)]$$

When factors:

A = the lesser of:

(a) total number of kilometres of personal use by the employee when the automobile was available *; or

(b) the value of factor B as we explain below.

* This amount is the same as amount (b), unless you require the employee to use the automobile in the course of an office or employment, and all or mostly all (at least 90% measured by distance travelled) of the use of that automobile, when it was available, was in the course of an office or employment. This restricts the availability of the reduction in the standby charge to situations where the employee uses the automobile all or mostly all of the time in the course of an office or employment;

$$B = 1000 \times \frac{\text{Total days the automobile was available}}{30}$$

When you divide the total days available by 30, round off the result to the nearest whole number.

Example

Available 130 days ÷ 30 = 4.33 (round to 4)
Available 135 days ÷ 30 = 4.5 (round to 4)
Available 140 days ÷ 30 = 4.67 (round to 5)

If the total days available is less than 30, divide the number of days by 30.

Example

Available 28 days
Amount to use in calculation = 28/30

C = the **cost** of the automobile to you if you **owned** it at any time during the year (for this purpose, "cost" includes provincial sales tax (PST) but not GST);

D = the number of days that the automobile was available to the employee, and you owned the automobile, divided by 30;

Example

You leased an automobile for 245 days of the year and then purchased (owned) the automobile. The auto was available to the employee for the entire year.

$$D = \frac{120 \text{ days owned}}{30} = 4$$

E = the total amounts you paid to **lease** the automobile (includes provincial sales tax but not GST) during those days that the automobile was available to the employee; and

F = the amount included in amount E above that is for insurance, loss, or damage to or liability from the use of the automobile.

3. The GST taxable benefit is an additional benefit that you calculate on top of both the standby charge and the operating cost benefit. Calculate the benefit as 7% of the two amounts above (net of the PST).

Automobile salespersons and leasing agents

There is a reduced standby charge for employees who sell or lease automobiles if:

- the employee's principal employment was to sell or lease automobiles; and
- an automobile that you own was made available to the employee or a person related to the employee; and
- you acquired at least one automobile during the year.

At your option, you can use the rate of 1 1/2% instead of 2% to calculate the standby charge. You can also calculate the cost of the automobile to you as the greater of:

(i) the average cost of all **new** automobiles that you acquired for sale or lease in the year; or

(ii) the average cost of all automobiles that you acquired for sale or lease in the year.

Partnerships

You have to include a standby charge (as in 2 above) plus the related GST component in the income of a partner or an employee of a partner, if a partnership makes an automobile available for personal use to:

- a partner, or a person related to the partner; or
- an employee of a partner, or a person related to this person.

Basic facts about our examples

The facts below show the basic details that apply to all of the examples we provide. We also give additional facts in each example. These examples assume that the employee is **not** going to reimburse you for the personal use of the automobile. If the employee does reimburse you, deduct this amount from the total benefit you calculated.

Purchase price of automobile	$10,000
PST at 10%	$ 1,000
Cost for purpose of standby charge calculation (except for automobile salespersons and leasing agents)	$11,000
GST at 7%	$ 700
Total operating costs (including PST and GST)	$ 3,000
Monthly leasing cost (not including GST)	$ 375
PST included in each monthly lease payment	$ 34
Monthly insurance included in lease	$ 75
Days available to employee or shareholder	365
Total kilometres driven during the period	24,000

Example 1

Employer-owned automobile is used less than 90% in the course of an office or employment

Additional facts — You require Melissa to use the automobile in the course of her office or employment. She used the automobile for 3,000 personal kilometres. As a result, she used the automobile in the course of an office or employment less than 90% of the total distance she travelled (21,000 ÷ 24,000 = 88%).

Applying the formula:

$$\frac{A}{B}\,[2\% \times (C \times D)] + [2/3 \times (E - F)]$$

A = B (because Melissa uses the automobile for business less than 90% of the total distance she travelled)

$$B = 1{,}000 \times \frac{365}{30} = 12{,}000$$

C = $11,000

$$D = \frac{365}{30} = 12 \text{ (rounded to the nearest whole number)}$$

E and F are equal to 0.

The standby charge is equal to:

$\frac{12{,}000}{12{,}000} \times [2\% \times (\$11{,}000 \times 12)] =$ $ 2,640

Operating cost benefit $= \frac{3{,}000}{24{,}000} \times \$3{,}000 =$ 375

Taxable GST component on:

Standby charge
$[2\% \times (\$11{,}000 - \$1{,}000) \times 12] \times 7\% =$ 168

Operating cost benefit (the GST is already included, so you do not have to calculate the GST component on the operating cost benefit) 0

Total benefit = $ 3,183

In this case, the optional method of calculating operating costs is not beneficial to Melissa.

Example 2

Employer-owned automobile is used 90% or more in the course of an office or employment

Additional facts — Alexander, your employee, has to use the automobile in the course of his employment. He used the automobile for 2,000 personal kilometres.

As a result, he used the automobile all or mostly all the time (i.e., at least 90% measured by distance travelled) in the course of his employment (22,000 ÷ 24,000 = 92%).

A = lesser of (a) 2,000 personal kilometres
(b) $1,000 \times \frac{365}{30} = 12,000$

B = 12,000

C = $11,000

D = $\frac{365}{30} = 12$

E and F are equal to 0.

Standby charge
$= \frac{A}{B} [2\% \times (C \times D)] + [2/3 \times (E - F)]$

$= \frac{2,000}{12,000} \times [2\% \times (\$11,000 \times 12)] = \quad \$440$

Operating cost benefit
$= \frac{2,000}{24,000} \times \$3,000 = \quad 250$

Taxable GST component on:

Standby charge
$= \frac{2,000}{12,000} \times [2\% \times (\$11,000 - \$1,000) \times 12] \times 7\% = \quad 28$

Operating cost benefit (the GST is already included, so you do not have to calculate the GST component on the operating cost benefit). 0

Total benefit = $718

How to calculate the total benefit using the optional calculation of operating cost benefit:

Standby charge	$440
1/2 of standby charge	220
Taxable GST component on the standby charge	28
Taxable GST component on the operating cost benefit (220 × 7%)	15
Total benefit	$703

Note that, because Alexander used the automobile primarily (i.e., more than 50%) in the course of his employment, he can use the optional calculation.

Example 3

Employer-leased automobile is used less than 90% in the course of an office or employment

Additional facts — You leased the automobile that Jared has to use in the course of his employment. The personal kilometres he drove were 3,000. As a result, Jared used the automobile less than 90% in the course of his employment (21,000 ÷ 24,000 = 87%). The total PST on the lease payments is $408 (34 × 12).

Standby charge
$= \frac{A}{B} [2\% \times (C \times D)] + [2/3 \times (E - F)]$

A = B (because Jared used the automobile less than 90% in the course of his employment)

B = $1,000 \times \frac{365}{30} = 12,000$

C and D are equal to 0.

E = $4,500 ($375 × 12)

F = $900 ($75 × 12)

Standby charge
$= \frac{12,000}{12,000} [2\% \times (C \times D)] + [2/3 \times (E - F)]$
$= 2/3 (\$4,500 - \$900) = \quad \$2,400$

Operating cost benefit
$= \frac{3,000}{24,000} \times \$3,000 = \quad 375$

Taxable GST component on:

Standby charge
$= 2/3 \times [(\$4,500 - \$408) - 900] \times 7\% = \quad 149$

Operating cost benefit (the GST is already included, so you do not have to calculate the GST component on the operating cost benefit) 0

Total benefit = $2,924

In this case, the optional method of calculating operating costs is not beneficial to Jared.

Example 4

Employer-leased automobile is used 90% or more in the course of an **office** or **employment**

Additional facts — You leased the automobile that Alanna has to use in the course of her employment. She drove 2,000 personal kilometres. As a result, she used the automobile more than 90% in the course of her employment (22,000 ÷ 24,000 = 92%). The total PST on the lease payments is $408 (34 × 12).

Standby charge
$= \frac{A}{B} [2\% \times (C \times D)] + [2/3 \times (E - F)]$

A = lesser of:
(i) personal kilometres driven 2,000
(ii) value of B 12,000

B = $1,000 \times \frac{365}{30} = 12,000$

C and D are equal to 0.

E = $375 × 12 = $4,500

F = $ 75 × 12 = $ 900

Standby charge
$= \frac{2,000}{12,000} [2\% \times (C \times D)] + [2/3 \times (E - F)]$
$= \frac{2,000}{12,000} [2/3 \times (\$4,500 - \$900)]$
$= .1667 [2/3 \times \$3,600]$
$= .1667 [\$2,400] = \quad \$400$

Operating cost benefit
$= \frac{2,000}{24,000} \times \$3,000 = \quad \$250$

Taxable GST component on:

Standby charge $= \frac{2,000}{12,000} \times [2/3 \times (\$4,500 - \$408) - \$900] \times 7\% =$	25
Operating cost benefit (as the GST is already included, you do not have to calculate the GST component on the operating cost benefit)	0
Total	$675

Calculate the total benefit using the optional calculation of operating cost benefit:

Standby charge	$400
Operating cost (50% × $400)	200
Taxable GST component on the standby charge	25
Taxable GST component on the operating cost benefit(200 × 7%)	14
Total benefit =	$639

Since Alanna used the automobile primarily (i.e., more than 50%) in the course of her office, she can use the optional calculation.

Example 5

Employer-owned automobile, used by sales people and leasing agents when (a) automobile is used less than 90% in the course of an office or employment and (b) you acquired new automobiles in the year

Additional facts — Marvin sells automobiles for a living. He has to use an automobile in the course of his employment. He travelled 3,000 personal kilometres. As a result, he used the automobile less than 90% in the course of his employment (21,000 ÷ 24,000 = 87%). You did not incur a PST liability when you bought the automobiles.

Automobile purchase data	Total cost	Average cost
2 new automobiles acquired during the year	$ 30,000	$ 15,000
148 used automobiles acquired during the year	1,480,000	10,000
150 automobiles acquired	$ 1,510,000	$ 10,067

Standby charge (using optional reduced rate of 1.5%):

$$\frac{A}{B}[1.5\% \times (C \times D)] + [2/3 \times (E - F)]$$

A = B (because employment use is less than 90%)

$B = 1,000 \times \frac{365}{30} = 12,000$

C = greater of:

(i) average cost of new automobiles	$15,000
(ii) average cost of all automobiles	$10,067

$D = \frac{365}{30} = 12$

E and F are equal to 0.

Standby charge $= \frac{12,000}{12,000}[1.5\% \times (C \times D)] - [2/3 \times (E - F)]$	
$= 1.5\% \times (\$15,000 \times 12) =$	$2,700
Operating cost benefit $= \frac{3,000}{24,000} \times \$3,000 =$	375

Taxable GST component on:

Standby charge $= 1.5\% \times (\$15,000 \times 12) \times 7\% =$	189
Operating cost benefit (the GST is already included, so you do not have to calculate the GST component on the operating cost benefit)	0
Total benefit =	$ 3,264

The optional calculation of the operating costs is not beneficial to Marvin, because operating costs are less than 50% of the standby charge.

Example 6

Employer-owned automobile used by salesperson or leasing agent when (a) automobile is used 90% or more in the course of an office or employment and (b) you did not acquire any new automobiles during the year

Additional facts — Nazira leases automobiles for a living. She has to use an automobile in the course of her employment. She travelled 2,000 personal kilometres. As a result, she used the automobile more than 90% in the course of her employment (22,000 ÷ 24,000 = 92%). The cost figures we provide in Example 5 apply here, except that you, the automobile dealer, only sell used automobiles (i.e., you have not acquired any new automobiles). You did not incur a PST liability when you bought the used automobiles.

Standby charge

$$= \frac{A}{B}[(1.5\% \times (C \times D)] + [2/3 (E - F)]$$

A = lesser of:

(i) personal kilometres driven	2,000
(ii) the value of B	12,000

$B = 1,000 \times \frac{365}{30} = 12,000$

C = greater of:

(i) average cost of all new automobiles acquired for sale or lease during the year	0
(ii) average cost of all automobiles acquired for sale or lease during the year	$10,000

$D = \frac{365}{30} = 12$

E and F are equal to 0.

Standby charge $= \frac{2,000}{12,000}[1.5\% (\$10,000 \times 12)] + [2/3 \times (E - F)]$	
$= .1667 [1.5\% \times \$120,000]$	
$= .1667 \times \$1,800 =$	$300
Operating cost benefit $= \frac{2,000}{24,000} \times \$3,000 =$	250

Taxable GST component on:

Standby charge

$$= \frac{2,000}{12,000} \times [1.5\% \times (\$10,000 \times 12)] \times 7\% = 21$$

Operating cost benefit (the GST is already included, so you do not have to calculate the GST component on the operating cost benefit)	0
Total benefit =	$571

Calculate the total benefit using the optional calculation of operating cost benefit:

Standby charge	$300
Operating cost (50% × $300)	150
Taxable GST component on the standby charge	21
Taxable GST component on the operating cost benefit (150 × 7%)	11
Total benefit	$482

Since Nazira used the automobile primarily (i.e., more than 50%) in the course of her employment, she can use the optional calculation.

Educational allowances

You have to include amounts you pay to an employee as an educational allowance for the employee's child in the income of the employee for the taxation year.

However, the allowance is **not taxable** if, for employment reasons, an employee has to live in a location where education is not available in the employee's official language. Other conditions also have to be met. If you have any questions, contact the Source Deductions section of your district office.

Note

If any part of the educational services provided are subject to income tax, that part is subject to a taxable GST component of 7% (net of any provincial sales tax).

Employee counselling services

The fees you pay to provide services such as financial counselling or income tax preparation for an employee are usually a taxable benefit to the employee who receives the benefit. This applies whether you pay the fees directly or indirectly.

Note

The taxable GST component on such a taxable benefit is 7% of the amounts included in the benefit (net of any provincial sales tax).

There are employee counselling services that are exempt. **Do not include** the benefits we list below in the employee's income.

Do not include any benefit an employee receives from counselling services for:

- the mental or physical health of the employee or a person related to the employee (this does not include amounts for the use of recreational or sporting facilities and club dues);
- the re-employment of the employee;
- the retirement of the employee;
- tobacco, drug, and alcohol abuse; and
- stress management.

Gifts

A gift, either in cash or in kind, that you give to an employee is a benefit from employment. If, however, the gift is for a wedding, Christmas, or similar occasion and is $100 or less, you do not have to include the amount in the employee's income if you agree not to claim the cost of the gift as an expense when you calculate taxable income.

This policy usually only applies to one gift per employee in a year. We allow two gifts in the year an employee marries, as long as one of them is a wedding gift.

Note

If the gift is all cash, there is no taxable GST component. If any part of the gift is in kind, calculate the taxable GST component on the taxable benefit as 7% of the amounts included in the benefit (net of any provincial sales tax).

Group term life insurance over $25,000 — Employer-paid premiums

If you pay a group term life insurance policy for your employees (or officers), part of the premium may be a taxable benefit. The taxable benefit is the part of the premium that provides for coverage over $25,000. If the employee pays you back for the premiums, reduce this benefit by this amount. For more information, see Interpretation Bulletin IT-227R and its Special Release.

Note

There is no taxable GST component on this benefit.

Holiday trips, other prizes, and incentive awards

A holiday trip, expense-paid vacation, or other award you may give an employee is a taxable benefit from employment. The value of the benefit is the fair market value of the trip or vacation.

If you give an employee a prize, or a sales, business, or work incentive award, the amount the employee receives is income from employment. This applies whether the payment is in cash or in kind.

The $500 exemption that applies to some scholarships, fellowships, and bursaries **does not apply** to an award or prize an employee receives as a benefit from employment, or in connection with a business.

If a manufacturer gives prizes, cash awards, or awards in kind **to a dealer**, the manufacturer does not have to report these on an information slip. When the dealer passes these on to an employee, the dealer has to report the cash payment or the value of the benefit in boxes 14 and 40 on the employee's T4 Supplementary.

If a manufacturer pays a cash award or a prize directly **to the employee** of a dealer or other sales organization, the manufacturer has to report the value of the award or prize as a benefit in box 28, "Other income," on a T4A Supplementary.

You will find more information in Interpretation Bulletin IT-470R and its Special Release.

Note

There is no taxable GST component on the part of a prize or award that you give in cash. However, if any part of the prize or award is in kind, the taxable GST component on the taxable benefit is 7% of the amounts included in the benefit (net of any provincial sales tax).

Housing, board, and lodging

If you provide a house, apartment, or similar accommodation to an employee rent-free or for less rent than the employee would pay on the open market for such accommodation, the employee receives a taxable benefit. As the employer, you have to reasonably estimate the amount of the benefit. This is usually the fair market value for the same type of accommodation if the employee rented from a third party, less any rent the employee paid. Report the taxable benefit on the employee's T4 Supplementary in box 14 and box 30, "Housing, board, and lodging."

If you provide a rent-free or low-rent residence or other accommodation to a **member of the clergy** who is in charge of or ministers to a diocese, parish, or congregation, you have to estimate the value of the benefit and report it on a T4 Supplementary. This also applies to clergy members who are in full-time administrative service by appointment of a religious order or denomination. If the **clergy members** tell you in writing that they will claim a deduction from income for the residence or other accommodation, do not include the value of this benefit in their income for purposes of source deductions.

If you provide **free** board (meals) and lodging to an employee, the employee receives a taxable benefit. You have to value the benefit at its fair market value. You also have to include it in the employee's income, and report it on the employee's T4 Supplementary in box 14 and box 30, "Housing, board, and lodging."

If you provide **subsidized** board (meals) and lodging to an employee, determine the value of the benefit for "board" as we describe under "Subsidized meals" below. The "lodging" benefit is the fair market value of the accommodation, less any amount the employee paid. Report the benefits as we describe below.

We make an exception to the above rules for board and lodging you give to an employee who works at a remote location, or a special work site. We discuss this on page 49, under "Employment at special work sites and remote locations."

Note

Generally, the supply of a house, apartment, or similar accommodation to an employee is not subject to GST if the employee occupies it for at least one month. If you have any doubt whether the accommodation you provide to your employee(s) is a GST taxable supply, contact your nearest Revenue Canada, Customs and Excise office for help.
If GST applies to the accommodation, calculate the taxable GST component as 7% of the amount of the benefit (net of any provincial sales tax) that has to be included in income.

You calculate the taxable GST component on subsidized board (meals) as 7% of the amounts included in this benefit (net of any provincial sales tax).

Subsidized meals

If you provide subsidized meals to employees (e.g., those you may offer in employees' dining rooms and cafeterias), these meals are **not a taxable benefit**, as long as the employees pay a reasonable charge. A reasonable charge is one that covers the cost of the food, its preparation and service. The value of the benefit is the cost of the meals minus any payment made by the employee. Include the taxable benefit in box 14 of the employee's T4 Supplementary, and report it in box 30, "Housing, board, and lodging."

Note

The taxable GST component on subsidized meals is 7% of the amounts included in the benefit (net of any provincial sales tax).

Interest-free and low-interest loans

You have to include in income benefits a person enjoys as a result of interest-free or low-interest loans received because of employment or shareholdings. The benefit is the amount of interest that would have been paid for the year at the prescribed interest rates (see prescribed rates of interest on page 59) **less** the amount of interest that the borrower pays on the loan in the year (or within 30 days after the end of the year). Some loans are excepted from this rule, and special rules apply to home-relocation and home-purchase loans.

Include the benefit in box 14, and enter it in box 36 of the T4 Supplementary. If you file a T4A instead of a T4, enter it in box 28, "Other income," on the T4A Supplementary.

Note

There is no taxable GST component on these benefits.

Loans received because of employment

A taxable benefit to an employee arises if a loan is received because of the employee's employment or intended employment. Any party can receive the loan, including the employee and the employee's spouse. Also, a loan includes any other indebtedness (e.g., the unpaid purchase price of goods or services).

The taxable benefit the employee receives in the taxation year is the total of:

1. interest on each loan and debt calculated at the prescribed rate for the period in the year during which it was outstanding;

and

2. interest on this loan or debt that was paid or payable for the year by you the employer (for this purpose, "employer" is a person or partnership that employed or intended to employ the individual, and also includes a person related to the person or partnership);

minus the total of

3. the interest for the year that the employee, you (or any other party), paid on each loan or debt within 30 days after the end of the year;

and

4. any part of the amount in (2) that is paid back within 30 days after the end of the year by the employee to you, the employer (as we define in 2 above).

Note

Sometimes these rules do not apply. See "Exceptions" below under the heading "Loans received because of shareholdings."

See the current version of Interpretation Bulletin IT-421 for similar taxable benefits that result from loans received because of services performed by a corporation that carries on a personal services business.

Example

Joshua is your employee. He borrowed $150,000 from you. The prescribed rate is 11% for the first quarter of the year, 12% for the second quarter, and 13% for the last two quarters. Joshua paid you $8,000 interest on the loan within 30 days after the end of the year. Also, during the year, a company related to you paid $3,000 interest on the loan on behalf of Joshua. Before the end of the same year, Joshua paid back the company that paid the $3,000. This is how you would figure out the benefit to include in Joshua's income:

1. Prescribed rate × loan amount for the period in the year:		
- 11% × $150,000 × 1/4 =	$ 4,125	
- 12% × $150,000 × 1/4 =	4,500	
- 13% × $150,000 × 2/4 =	9,750	$ 18,375
Plus		
2. Amount paid by third party		3,000
		$ 21,375
Minus		
3. Amount of interest paid ($8,000 + $3,000)	$ 11,000	
4. Amount paid back by Joshua	3,000	14,000
Benefit to Joshua		$ 7,375

Loans received because of shareholdings

Loans received because of shareholdings are taxable benefits when the following conditions are met:

1. the loan is received by a person or a partnership (except when the person is a corporation resident in Canada, or the partnership is one in which each partner is a corporation resident in Canada);
2. the person or partnership above is:
   - a shareholder of a corporation;
   - connected with a shareholder of a corporation; or
   - a member of a partnership, or a beneficiary of a trust, that was a shareholder of a corporation;

and

3. because of these shareholdings, the person or partnership receives a loan from or incurs a debt to that corporation, a related corporation, or to a partnership of which that corporation or any related corporation was a member.

If these conditions are met, we consider that the person or partnership (i.e., shareholder) received a benefit in the taxation year equal to:

- the interest on each loan and debt calculated at the prescribed rate for the period in the year during which it was outstanding

minus

- the interest for the year paid by any party (e.g., the person or partnership) on each loan or debt in the year, or within 30 days after the end of the year.

Note

A "person" includes an individual, a corporation, or a trust.

See "Exceptions" below.

Exceptions

There is no benefit to the borrower for loans received because of employment or shareholdings in the following situations:

1. The rate of interest on the loan or debt equals or is more than the rate that parties who deal with each other at arm's length would have agreed upon at the time the debt arose. This is the rate that would apply on a commercial loan for a purpose other than for an office, employment, or shareholding. This does not apply if any part of the interest from the loan or debt is paid by a party who is not the borrower.
2. All or part of the loan is included in the income of a person or partnership. In this case, the rules concerning benefits do not apply to the amount included in income.

Loans for home purchase or home relocation

A loan for home relocation is a loan you give to an employee or an employee's spouse when:

- the employee moves to start work at a new location in Canada;

- the loan is used to buy a new home that is at least 40 kilometres closer to the new work location than the employee's old residence;
- the employee or the employee's spouse receives the loan because of the employee's employment; and
- the employee designates the loan to be a home-relocation loan.

When an employee includes in income a taxable benefit from "loans received because of employment" for a home-relocation loan, the employee can deduct the least of the following three calculations:

1. the difference between the interest for the year at the prescribed rate (see this page) for the period the loan was outstanding, and the interest paid on the loan in the year or within 30 days after the end of the year;
2. interest calculated at the prescribed rate on a $25,000 loan; and
3. the benefit that you included in the employee's income for "loans received because of employment" in the year.

Note

The deduction for the home-relocation loan is only available for **five years**, not for the life of the loan.

A home-purchase loan is any part of a loan to an employee that the employee uses to acquire, or repay another loan that was used to acquire, a dwelling to house that employee (or a person related to that employee). This also applies to shareholders or a person related to the shareholder.

For a home-purchase loan or a home-relocation loan, the amount of interest that you calculate as a benefit for "Loans received because of employment" should not be more than the interest that would have been charged at the prescribed rate in effect when the loan was made or the debt incurred.

A home-purchase loan or a home-relocation loan may have a term of repayment that is more than five years. In this case, we consider the balance owing at the end of five years from the day the loan was made to be a new home-purchase loan that the person receives on that date. To figure out the benefit, use the prescribed rate in effect at that time.

How to report benefits

Report the benefits in this way:

- If an employee receives a loan or incurs a debt because of employment (see "Loans received because of employment" above), report the benefit on a T4. Enter the amount of the benefit in box 36, and include it in box 14 of the employee's T4 Supplementary. You have to identify the amount the employee can deduct (see "Loans for home purchase or home-relocation" above). In "footnotes," enter: "box 36, Home loan $ ____."
- If a person or partnership that was a shareholder (or was related to the shareholder) receives a loan or incurs a debt (see "Loans received because of shareholdings" above), report the benefit on a T4A. Enter the amount in box 28, "Other income," on the borrower's T4A Supplementary. In the space marked "footnotes," enter: "Box 28 $ ____ benefit under subsection 80.4(2)." In the footnote code box, enter code 17.

Deductibility of deemed interest benefit

The taxable benefit that you include in the income of a person (see "Loans received because of employment" or "Loans received because of shareholdings" above), is interest payable for the year by the borrower. If the borrower (e.g., employee) uses the funds to earn income from business or property, the borrower may be able to deduct this interest from income. You still have to include the full benefit in the earnings you report on the T4 or T4A slip.

Prescribed rates of interest

The prescribed rates of interest are as follows:

Quarterly rates							
Quarter	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**
1st	9%	9%	9%	11%	13%	13%	9%
2nd	11%	8%	9%	12%	13%	11%	8%
3rd	10%	8%	9%	13%	14%	10%	7%
4th	9%	9%	10%	13%	14%	9%	6%

Medical expenses paid by an employer

If you pay for or provide an amount to pay for an employee's medical expenses in a taxation year, these amounts are a taxable benefit to the employee. You can find more information on this in Interpretation Bulletins IT-509 and its Special Release, and IT-519.

Note

Some medical expenses that qualify for the medical expense credit may be subject to GST. Please direct any questions about this to your nearest Revenue Canada, Customs and Excise office. Any taxable GST component on such a taxable benefit is 7% of the amounts included in the benefit (net of any provincial sales tax).

Municipal officer's expense allowance

A municipal corporation or board may pay an expense allowance to an elected officer to perform the duties of that office. The amount of the allowance determines whether or not you should include the excess amount in income.

If the expense allowance is **more than one-third** of the total salary and allowances, the excess amount is a taxable benefit. Enter it in box 40, and include the amount in box 14 of the T4 slip.

Note

There is no taxable GST component on such an allowance.

If the expense allowance is **not more than one-third** of the officer's total salary and allowances, do not include this amount in the officer's income. In the "footnotes" area of the T4 slip, enter: "Municipal officer's allowance, not included in box 40, $ ____."

If you need more information, get Interpretation Bulletin IT-292 from your district office.

Premiums under provincial hospitalization and medical care insurance plans and certain Government of Canada plans

If an **employee** has to pay premiums or contributions to a provincial authority for a hospital or medical care insurance plan or both, the amount you pay is a taxable benefit to the employee when you:

- pay all or part of these amounts out of your own funds; or
- pay an amount to the employee for these premiums.

Also, any amounts you, as a former employer, pay as a contribution to a provincial health services insurance plan for a retired person is a taxable benefit. Report this benefit in box 28 of a T4A Supplementary. In the "footnotes" area, enter: "Box 28, "Medical premium benefit: $ ____." In the footnote code box, enter code 18. If you need more information, see Interpretation Bulletin IT-247.

Any amount that the Government of Canada pays for premiums under a hospital or medical care insurance plan for employees and their dependants serving outside Canada is a taxable benefit. This also applies to dependants of members of the RCMP and Armed Forces serving outside Canada.

Note

There is no taxable GST component on this type of benefit.

If you, as an **employer**, have to pay amounts to a provincial or territorial authority that administers a hospital or medical insurance plan, the payments you make are not a taxable benefit to employees.

Registered retirement savings plans (RRSPs)

Contributions you make to an employee's RRSP are a taxable benefit to the employee. This does not include an amount you withheld from the employee's remuneration.

Note

There is no taxable GST component on this benefit.

Stock options

When a corporation agrees to issue its shares to an employee, the employee receives a benefit in the taxation year that the employee acquires shares under the agreement. The benefit is the difference between the fair market value of the shares when the employee acquires them, and the amount paid or to be paid for them. In addition, a benefit can accrue to the employee if the employee's rights under the agreement become vested in another person, or if the employee transfers or sells the rights.

Include this benefit in box 14, and report it in box 38 of the T4 Supplementary. Indicate the deduction that the employee can claim in the "footnotes" area of the T4. Amounts in the "footnotes" area and box 38 **will not be the same**. The amount in the "footnotes" area is one-quarter of the amount you include in box 38.

Note

There is no taxable GST component on this benefit.

There are two sections in the *Income Tax Act* that entitle an employee to claim a "stock option and shares deduction." These are paragraphs 110(1)(d), and 110(1)(d.1). You have to indicate the correct section in the "footnotes" area of the T4.

Paragraph 110(1)(d)

The employee can claim a deduction under paragraph 110(1)(d) of the *Income Tax Act* if:

- after February 15, 1984, a corporation agreed to sell or issue to the employee a share of its capital stock, or the capital stock of another corporation that it does not deal with at arm's length;
- the employee dealt at arm's length with the above corporations immediately after the agreement was made;
- the share was a prescribed share at the time of its issue or sale, whatever the case may be; and
- the price of the share is not less than its fair market value at the time the agreement was made.

The deduction to the employee is one-quarter of the amount of such benefits that arise because shares were acquired, or rights for shares were transferred or otherwise disposed of after 1989. In the "footnotes" area of the T4, identify the amount of the deduction that the employee can claim under paragraph 110(1)(d) of the *Income Tax Act*. To do this, enter: "Stock option 110(1)(d) $ ____." This amount is one-quarter of the amount in box 38.

Paragraph 110(1)(d.1)

We consider the employee to have received the benefit in the year the employee disposes of the shares, and **not** in the year the employee acquires them if:

- the corporation was a Canadian-controlled private corporation at the time the agreement was made;
- the employee acquired shares after May 22, 1985; and
- the employee dealt at arm's length with the corporation immediately after that time.

In this case, the employee can claim a deduction under paragraph 110(1)(d.1) of the *Income Tax Act* if:

- the shares are disposed of in the year;
- the employee did not dispose of the shares within two years of acquiring them; and
- the employee did not deduct an amount under paragraph 110(1)(d) for the benefit.

The deduction that the employee can claim is one-quarter of the amount of the benefit for shares disposed of or exchanged after 1989. In the "footnotes" area of the T4, identify the amount of the deduction the employee can claim under paragraph 110(1)(d.1). To do this, enter: "Stock option 110(1)(d.1) $ ____." This amount is one-quarter of the amount in box 38.

Note

"Arm's length" refers to parties that are not related in any manner other than as employer and employee.

If you need more information on stock options and shares, see Interpretation Bulletin IT-113.

Travelling expenses

If a spouse accompanies an employee on a business trip, the amount you pay back to the employee for the spouse's travelling expenses is a **taxable benefit** to the employee.

The amount is **not a taxable benefit** to the employee if the spouse went at your request, and was mostly engaged in business activities during the trip. You will find more information in Interpretation Bulletin IT-131.

Note

The taxable GST component on such a taxable benefit is 7% of the amounts included in the benefit (net of any provincial sales tax).

Travelling allowances to part-time employees

There are other travelling expenses that are **not taxable**. If you give a reasonable allowance for, or reimburse travelling expenses to, a part-time employee, you do not have to include the amount in the employee's income. This applies as long as you and the part-time employee are not related to each other. Also, this only applies to the period that the part-time employee had other employment or carried on a business. The part-time employee must perform the duties at a location no less than 80 kilometres (50 miles) from the employee's home **and** principal place of employment or business. For more information, see Interpretation Bulletin IT-522.

Tuition fees, scholarships, and bursaries

If you pay tuition fees for an employee, or reimburse an employee for all or part of the tuition fees the employee paid, there is a taxable benefit to the employee. We consider the amount you pay as income of the employee in the year that you make the payment. Tuition fees that you paid for a person related to an employee of yours are also a benefit to the employee. If you reimburse the employee for books and supplies, these amounts are also taxable in the year you make the payment. These amounts are not tuition fees.

The tuition fees are **not taxable** if you ask the employee to take the course for your benefit rather than the employee's. This is usually the case if the employee takes the course during normal working hours, and you give the employee time off with pay to take it. This can also occur when the course is taken on the employee's own time, at your request, because of lack of time during normal working hours. (Generally, a course taken on the employee's own time usually indicates that the employee is taking the course on the employee's own initiative and personal benefit).

If a student is or was employed by you, and you give the student a scholarship or bursary on the condition that the student returns to your employment, the amount of the scholarship or bursary is income of the student.

If an educational institution provides free tuition for an employee, or the employee's spouse or child, include the fair market value of the benefit in the employee's income.

If you need more information, see Interpretation Bulletins IT-75, IT-82 and IT-470 and their Special Releases, and Information Circular 75-23.

Note

Certain tuition fees may be subject to GST. If the payment or provision of tuition fees results in a taxable benefit to an employee, and if the relevant tuition is subject to GST, the taxable GST component on the taxable benefit is 7% of the benefit (net of any provincial sales tax).

Wage-loss replacement plans or premiums paid to income maintenance plan

The payment of a premium is a taxable benefit for an employee if you pay the premium for an employee under a **non-group** plan that is:

- a sickness or accident insurance plan;
- a disability insurance plan; or
- an income maintenance insurance plan.

We do not view your payment as a "contribution by the employer" as we would under a group plan.

Note

There is no taxable GST component on this benefit.

Disability-related employment benefits

Certain benefits that you may provide to handicapped employees are not taxable.

Reasonable transportation costs between an employee's home and work location are not taxable if you pay them to or for an employee who:

- is blind; or
- has a severe and prolonged mobility impairment.

These transportation costs can include an allowance for taxis or specially designed public transport, and parking that you provide or subsidize for those employees.

You may have an employee with a severe and prolonged mental or physical impairment. Any reasonable benefits you provide for the cost of an attendant to help the employee perform duties of employment are not taxable. This can include readers for the blind, signers for the deaf, and coaches for the mentally handicapped.

Note

Do not deduct tax or CPP contributions from the above disability-related employment benefits. These benefits are, however, **insurable** and you have to deduct UI premiums from them.

Discounts on merchandise and commissions on sales

If you normally sell merchandise to your employees at a discount, the benefit to the employee is not usually a taxable benefit. This does not apply:

- to a special arrangement you make with a particular employee or a select group of employees;
- to an arrangement where you allow an employee to buy merchandise (other than old or soiled merchandise) for less than your cost; or
- when there is a reciprocal arrangement between two or more employers where employees of one employer can buy merchandise at a discount from another employer.

If you sell merchandise at below cost to an employee, the taxable benefit is the difference between the fair market value of the goods and the price the employee paid.

A commission that a sales employee receives on merchandise the employee bought for personal use is not taxable. Similarly, when a life insurance salesperson acquires a life insurance policy, a commission that salesperson receives on that policy is not taxable, as long as the salesperson owns that policy and has to make the required premium payments.

Note

If a taxable benefit arises under any discount arrangement, the taxable GST component on the benefit is 7% of the amounts included in the benefit (net of any provincial sales tax).

Premiums under private health services plan

If you make a contribution to a private health services plan for an employee, there is no taxable benefit to the employee.

Do not deduct income tax from benefits you provide to an employee under a private health services plan. For more information, see Interpretation Bulletin IT-339.

Recreational facilities

If you supply recreational facilities for the general use of your employees, the value of any benefit the employees receive when they use the facilities is **not taxable**. This applies whether you provide the facilities free of charge, or for a nominal fee.

If you pay fees for an employee to be a member of a social or athletic club, and the employee's membership is principally to your advantage, the fees you pay are **not a taxable** benefit to the employee.

Exception

If you give the employee board, lodging, or meals (e.g., at a summer hotel or hunting lodge that you maintain), you have to include the value of this board and lodging as a **taxable** benefit to the employee.

Note

The taxable GST component on such a taxable benefit is 7% of the amounts included in the benefit (net of any provincial sales tax).

Removal expenses

If you pay or reimburse an employee for certain expenses to move the employee, the employee's family and household effects, this amount is **not a taxable** benefit to the employee. This applies when you transfer an employee from one of your places of business to another. **It** also applies when the employee accepts employment at a different location from the location of the employee's former residence.

Also, if you pay certain expenses to move an employee and household out of a remote place when the work there is completed, the amount you pay is not a taxable benefit.

These items are not taxable if you paid or reimbursed them:

- the cost of house-hunting trips to the new location, which includes child and pet care expenses;
- travelling costs (including a reasonable amount spent for meals and lodging) while the employee and members of the employee's household were moving from the old residence to the new residence;
- the cost to the employee of transporting or storing household effects while moving from the employee's old residence to the employee's new residence;
- charges and fees to disconnect a telephone, television aerial, water, space heaters, air conditioners, barbecues, automatic garage doors, and water heaters;
- fees to cancel a lease;
- mortgage discharge penalties;
- mortgage interest, property taxes, heat, hydro, insurance, and grounds maintenance costs to keep up the old residence after the move, when all reasonable efforts to sell it have not been successful;
- charges to connect and install utilities, appliances, and fixtures that existed at the old residence;
- automobile licence, inspection, and drivers' permit fees, if the employee owned these items at the former location;
- legal fees and land transfer tax to buy the new residence;
- adjustments and alterations to existing furniture and fixtures to arrange them in the new residence, which includes plumbing and electrical changes in the new residence;
- the cost to revise a will, if needed because of the move;
- reasonable temporary living expenses while waiting to occupy the new, permanent accommodation;

- long-distance telephone charges that relate to the sale of the old residence;
- costs to move personal items such as an automobile, boat, or trailer;
- loss on the sale of the old residence as outlined in paragraph 37 of Interpretation Bulletin IT-470, *Employees' Fringe Benefits*, and its Special Release; and
- interest costs on "bridge" financing to buy the new residence, as long as all reasonable efforts have been made to sell the old residence.

If you pay or reimburse moving costs that we do not list above, the amounts may be a taxable benefit to the employee.

Note

The taxable GST component on such a taxable benefit is 7% of the amounts included in the benefit (net of any provincial sales tax).

Allowances that the employee does not have to account for are called "non-accountable allowances." These are for incidental relocation or moving expenses. We consider **up to $650** to be a reimbursement of expenses that the employee incurred because of the move. The employee has to certify in writing that the employee had incidental expenses of the lesser of the amount of the allowance, or $650. Do not report the amount of the reimbursement on a T4 or T4A Supplementary. Report any part of the non-accountable allowance that is over $650 in the usual manner.

Note

There is no taxable GST component on these allowances.

If you do not reimburse, or only partly reimburse an employee for removal expenses, that employee may be able to claim some of the moving expenses as a deduction from income when filing an income tax return. If you or the employee need more information, see Interpretation Bulletin IT-178R2 and its Special Release, and the publication *Are You Moving?*. You can get these at any district office.

Subsidized school services

In remote areas, employers often take responsibility for essential community services that a municipality usually provides. If you provide free or subsidized school services for your employees' children, **no taxable** benefit is received by the employees. This does not include an educational allowance you pay directly to your employees as we discuss on page 56.

Transportation to the job

Sometimes, for security or other reasons, public and private vehicles are not allowed or practical at an employment location. You may need to provide transportation from pick-up points to that location for your employees. This transportation is **not a taxable** benefit. See also "Employment at special and remote work sites and remote locations" in Chapter 8.

Uniforms and special clothing

Employees receive **no taxable** benefit when:

- you supply them with a distinctive uniform that they have to wear while they carry out their duties of employment; or
- you provide them with special clothing (this includes safety footwear) that is designed to protect them from particular hazards of the employment.

If you reimburse your employees for the cost of protective clothing that they bought, and they did not have to support their purchase with receipts, the reimbursements are **non-taxable** if:

- the law requires the protective clothing to be worn on the work site;
- the protective clothing was purchased by the employee; and
- the amount of the reimbursement is reasonable.

If these three conditions are not met, the payments are a **taxable** benefit in the hands of the employee.

You may pay a laundry or dry-cleaning establishment to launder or dry-clean uniforms and special clothing for your employees. You may also reimburse the employees for these expenses. If you do either of these, the amounts you pay are **not a taxable** benefit to the employees.

Volunteer firefighters — Expense allowance

Income up to $500 that a volunteer firefighter receives as an expense allowance from a government, municipality, or other public authority is **not a taxable** benefit. Include any amounts of more than $500 in the firefighter's income.

Chapter 10 — Non-Residents

Non-residents who perform services in Canada

Regulation 102: Employees

Non-residents of Canada who are in regular and continuous employment in Canada are subject to tax deductions in the same way as Canadian residents. This applies whether or not the employer is a resident of Canada.

A non-resident of Canada may be employed by a Canadian employer and participate in that employer's registered pension plan or deferred profit-sharing plan. In this case, the employer has to report a pension adjustment (PA) for this employee on a T4 Supplementary, along with all the other T4 data that have to be reported.

TD1 — Personal Tax Credit Return — Non-residents employed in Canada and certain persons that we consider to be employed in Canada can claim personal tax credits on their TD1 form. They can only do this if they are going to include 90% or more of their total world income for the year when they determine the taxable income they earned in Canada. Non-residents who report less than 90% of their total world income for the year cannot claim personal tax credits. In this case, they have to use net claim code 0 on the TD1 form.

A person who claims personal tax credits for non-resident dependants can only claim these credits for a spouse and children.

For more information, see Interpretation Bulletins IT-161R3 and its Special Release, IT-168, IT-171, IT-221R2 and its Special Release, and IT-420.

Tables used for non-residents — To find out how much tax to withhold from non-residents, you first have to go to the table for your pay period. Next, determine the remuneration from which you have to deduct income tax (see page 21, "How to calculate tax deductions at source"). Find the net claim code as shown on the employee's TD1 form. This will give you the amount of tax you should deduct for that pay period.

These tables will especially apply to non-resident individuals engaged in Canadian employment. Examples of these are commuters, sojourners, or workers from abroad in agricultural or other occupations for term or seasonal periods. It can also include students from abroad who are periodically employed, or who receive a taxable amount such as a scholarship, bursary, or research grant from a Canadian source.

You have to use the tables in the publication called *Payroll Deductions Tables for In Canada Beyond the Limits of Any Province or Outside Canada* for the following non-resident persons:

- locally engaged government employees in foreign jurisdictions;
- teachers formerly resident in Canada whom we consider to be employed in Canada;
- workers engaged in certain overseas employment;
- offshore oil and gas workers in Canada beyond the limits of any province; and
- students abroad who receive a taxable amount such as a scholarship, bursary, or research grant from a Canadian source.

To comply with federal and provincial *Income Tax Acts*, when we compute the tax to deduct based on the range of income, we have taken these amounts into account: the amount for basic federal tax; the federal surtax; the basic provincial tax; and any selective provincial tax reductions or surtaxes, where they apply.

We ask that you carefully review the TD1 forms that these employees file.

Remitting deductions — Send in the amounts for tax, CPP, and UI that you deduct from non-residents engaged in regular and continuous employment the same way that you do for residents. Send in the deductions with remittance Form PD7A, and report them on a T4 Supplementary and Summary (see Chapter 6).

There are penalties if you do not deduct tax from a non-resident employee (this includes an employee who is a deemed resident because of having lived in Canada for 183 days or more in the year). If this happens, you will be liable to pay as tax the amount you should have deducted, plus a penalty, plus interest on the penalty, and interest on the amount that you should have deducted. We charge interest at the prescribed rate per year. You can recover any such tax that you paid on the non-resident employee's behalf from that employee.

Regulation 105: Independent operators (individuals, partnerships, or corporations)

Payments for services rendered in Canada by a non-resident in employment that is not regular and continuous are subject to a tax deduction of 15% (see Information Circular 75-6). Use Form PD7A to send in the tax you deducted because of this regulation.

If you do not deduct or withhold the tax that you should under Regulation 105, you are liable to pay as tax the amount that you should have deducted, plus a penalty, plus interest on the penalty, and interest on the amount that you should have deducted. We charge interest at the prescribed rate per year. You can recover from the above-noted non-resident any such tax you paid on that person's behalf.

Use Form T4A-NR Supplementary to report payments of fees, commissions, or other amounts you paid to non-residents of Canada for services they rendered in Canada that are not in the course of regular and continuous employment. Use this form regardless of the amount of the payment or the amount of tax you withheld.

Use the T4A-NR Summary to report the totals of all the amounts reported on the T4A-NR Supplementaries.

Send us the appropriate information return on or before the last day of February following the calendar year in which you paid the remuneration.

For more information on how to send in and report deductions, see Chapters 5 and 6.

Director's fees

Include director's fees a non-resident person receives for services rendered in Canada in "salary or wages." When you pay remuneration in addition to director's fees, you deduct income tax the same way as you would for residents. When only director's fees are paid, the withholding tax is 15% of the gross amount. For more information, see Interpretation Bulletins IT-377 and IT-468, and Information Circular 75-6.

Overpayments

To receive a refund of an overpayment of tax, a non-resident employee has to file an income tax return, and attach the T4 Supplementary that you, the payer, issued.

Independent operators (individuals, partnerships, or corporations) not resident in Canada may want to receive a refund of part of the 15% withheld under Regulation 105. To do this, they have to file the appropriate income tax return (T1 or T2) and attach the T4A-NR Supplementary issued by the payer.

Non-resident tax (Part XIII of the Canadian *Income Tax Act* — Other than services performed in Canada)

If you are a Canadian payer (this includes a tenant, mortgagee, or debtor), you have to withhold tax on certain types of income you paid to non-residents. You have to withhold tax at the rate of 25% (subject to various tax conventions and agreements) from the gross amount you pay or credit. Canadian-source income from which you have to deduct the 25% withholding tax includes:

- rent;
- management or administration fees or charges;
- interest, dividends, and patronage dividends;
- motion-picture film and videotape payments;
- superannuation and pension benefits;
- RRSP payments, annuity payments and retiring allowances;
- deferred profit-sharing plan benefits;
- royalty and similar payments; and
- alimony.

See Information Circular 77-16 for a full description of payments paid or credited to a non-resident of Canada that are subject to a withholding tax under Part XIII. For the applicable rate of Part XIII tax on amounts paid or credited to persons in treaty countries, see Information Circular 76-12R4 and its Special Release.

Do not withhold tax at source from these payments:

- social assistance payments from a registered Canadian charitable organization or from federal or provincial authorities;
- exempt superannuation or pension benefits;
- the portion of a superannuation or pension benefit that was for services rendered when the person was not living in Canada, was not employed, or was only occasionally employed in Canada.

Canadian resident payers who make rental or royalty payments to United States residents for the right to use computer software must withhold a non-resident tax of 10% at source on such amounts. This is instead of the 25% tax rate we usually require.

A non-resident of Canada who receives alimony, pension, and similar payments can apply for a reduction of the non-resident tax that you have to withhold. Use Form NR5, *Application by a Non-Resident of Canada for a Reduction in the Amount of Non-Resident Tax Required to be Withheld* to do this. For more information, see Interpretation Bulletin IT-163.

If part of the pension income relates to employment outside Canada, it may be exempt from Canadian tax. For information on the "exempt portion of a pension when an employee was a non-resident," see Interpretation Bulletin IT-76.

Non-residents who receive rental income from real property in Canada can request that the payer or their agent deduct tax on the net amount instead of the gross amount. To do this, they have to file Form NR6, *Undertaking to File an Income Tax Return by a Non-Resident Receiving Rent From Real Property or Receiving a Timber Royalty*. They should file Form NR6 on or before January 1 of the taxation year for which the request applies, or on or before the date the first rental payment is due. We accept late filed NR6 forms. However, the effective date for withholding on the net amount available will be the first of the month in which we receive the NR6. Any gross rental income paid or credited to a non-resident before this effective date will be subject to the 25% withholding rate.

Sending in deductions

The form you use to send in tax withheld under Part XIII of the Act is the PD7A-NR remittance form. The deductions you make during a month on income from Canada of non-residents taxable under Part XIII must be received by the 15th day of the following month.

Application for refund of non-resident tax

To get a refund of excess or incorrectly withheld Part XIII tax, the non-resident, payer, or disbursing agent should complete Form NR7-R. This has to be done within two years of the end of the calendar year that the tax was sent to us.

Non-resident reporting for 1992

There are three types of payments to non-residents of Canada that require three different methods of reporting.

- Use the T4 Supplementary to report salary, wages, bonuses, and other remuneration paid to a non-resident in the ordinary course of an office (including that of a non-resident director) or employment during the year. The instructions in Chapter 6 under "How to complete the T4 Supplementary" apply whether the person who receives the income is a resident or non-resident of Canada.
- Use the T4A-NR Supplementary to report all amounts paid to non-resident individuals and corporations for services they performed in Canada that they did not perform in the ordinary course of an office or employment. See "How to complete the T4A-NR Supplementary" in Chapter 6 for instructions on how to report these amounts.
- Use the NR4B Supplementary to report alimony, pensions, annuities, or investment income. This includes interest, dividends, rents, royalties, and estate or trust

income, when these amounts are paid to individuals and corporations who are non-residents of Canada. When you complete the NR4B return, mail it to us each year by the last day of March for the calendar year before, or within 90 days of the end of the taxation year of an estate or trust for that taxation year. See instructions in the *Guide for Payers of Non-Resident Tax* before you complete the NR4B return.

Do not include Form NR4B as part of a T4 or T4A return. You will find more information on Part XIII tax in Information Circular 77-16.

Return of income received from sources within the United States on behalf of non-residents of Canada — Form NR1

Every person who receives income from sources in the United States for a non-resident of Canada, and from which income tax was deducted at source, has to complete Form NR1. This form is available at your local district office.

References

We issue a number of forms, guides, and other publications for the public to use. You will find a complete list of these publications in Information Circular 90-1.

Please get the most up-to-date revision of the Interpretation Bulletins and Information Circulars that we refer to in this guide.

Below, we list publications which may help you. Complete the order form at the back of this guide. You can order by phone, mail, or in person at your district office.

If you need information or publications about how to apply the GST according to the *Excise Tax Act*, you should contact your nearest Revenue Canada, Customs and Excise office.

Interpretation bulletins

Number	Title
CPP-1	*Canada Pension Plan: Tips and Gratuities*
UI-2	*Unemployment Insurance Act, Vow of Perpetual Poverty*
IT-54	*Wage-Loss Replacement Plans: Changes to Pre-June 19, 1971, Plans*
IT-63	*Benefits, Including Standby Charge for an Automobile, from the Personal Use of a Motor Vehicle Supplied by an Employer*
IT-75	*Scholarships, Fellowships, Bursaries, Prizes and Research Grants*
IT-76	*Exempt Portion of Pension When Employee Has Been a Non-Resident*
IT-82	*Tuition Fees*
IT-85	*Health and Welfare Trusts for Employees*
IT-91	*Employment at Special or Remote Work Sites*
IT-103	*Dues Paid to a Union or to a Parity or Advisory Committee*
IT-113	*Benefits to Employees — Stock Options*
IT-131	*Convention Expenses*
IT-161	*Non-Residents' Exemption from Tax Deductions at Source on Employment Income*
IT-163	*Election by Non-Resident Individuals on Certain Canadian Source Income*
IT-167	*Registered Pension Funds or Plans — Employee's Contribution*
IT-168	*Employees of Football, Hockey and Similar Clubs*
IT-171	*Non-Resident Individuals — Taxable Income Earned in Canada Special Release*
IT-178	*Special Release — Moving Expenses*
IT-196	*Payments by Employer to Employee*
IT-221	*Determination of an Individual's Residence Status*
IT-225	*Medical Expenses*
IT-227	*Group Term Life Insurance Premium*
IT-247	*Employer's Contribution to Pensioners' Premiums Under Provincial Medical and Hospital Services Plans*
IT-254	*Fishermen — Employees and Seafarers — Value of Rations and Quarters*
IT-272	*Automobile and Other Travelling Expenses — Employees*
IT-292	*Taxation of Elected Officers of Incorporated Municipalities, School Boards, Municipal Commissions and Similar Bodies*
IT-301	*Death Benefits — Qualifying Payments*
IT-337	*Retiring Allowances*
IT-339	*Meaning of Private Health Services Plan*
IT-362	*Patronage Dividends*
IT-363	*Deferred Profit-Sharing Plans — Deductibility of Contributions and Taxation of Amounts Received or Allocated*
IT-365	*Damages, Settlements and Similar Receipts*
IT-377	*Director's, Executor's and Juror's Fees*
IT-379	*Employees' Profit-Sharing Plans — Allocations to Beneficiaries*
IT-389	*Vacation Pay Trusts Established Under Collective Agreements*
IT-401	*Pension Income Deduction*
IT-420	*Non-Residents — Income Earned in Canada*
IT-421	*Benefits to Individuals, Corporations and Shareholders from Loans or Debt*
IT-428	*Wage Loss Replacement Plans*
IT-429	*Spouse's Income in Year of Change of Marital Status*
IT-468	*Management or Administration Fees Paid to Non-Residents*
IT-470	*Employees' Fringe Benefits*
IT-493	*Agency Cooperative Corporations*
IT-497	*Overseas Employment Tax Credit*
IT-499	*Superannuation or Pension Benefits*
IT-502	*Employee Benefit Plans and Employee Trusts*
IT-508	*Death Benefits — Calculation*
IT-509	*Medical Expenses — After 1985*
IT-519	*Medical Expense and Disability Tax Credits*
IT-522	*Vehicle and Other Travelling Expenses — Employees*

Information circulars

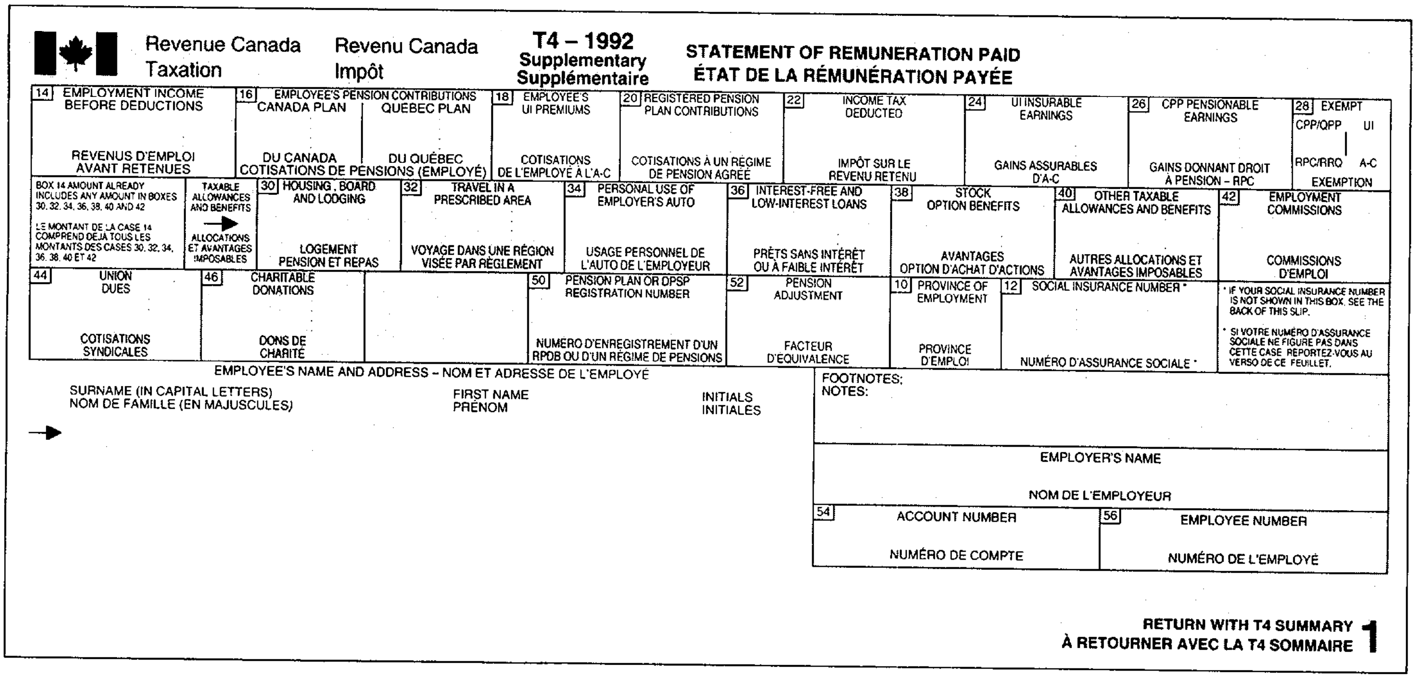
Number	Title
72-13	*Employees' Pension Plans*
72-22	*Registered Retirement Savings Plans*
74-21	*Payments out of Pension and Deferred Profit-Sharing Plans — ITAR 40*
75-6	*Required Withholding from Amounts Paid to Non-Resident Persons Performing Services in Canada*
75-23	*Tuition Fees and Charitable Donations Paid to Privately Supported Secular and Religious Schools*
76-12	*Applicable Rate of Part XIII Tax on Amounts Paid or Credited to Persons in Treaty Countries and Special Release*
77-1	*Deferred Profit Sharing Plans*
77-16	*Non-Resident Income Tax*
78-10	*Books and Records Retention/Destruction*
79-8	*Forms to be Used for Direct Transfer of Funds to or Between Plans or for the Purchase of an Annuity*
82-2	*Social Insurance Number Legislation as It Relates to the Preparation of Information Slips*
84-6	*Canada-United States Social Security Agreement*
89-2	*Directors' Liability — Section 227.1 of the Income Tax Act*

Guides and other publications

Number	Title
MC58 (E)	*Formulae for Federal and Provincial Payroll Deductions for Computer Users — Income Tax Deductions, Canada Pension Plan Contributions, and Unemployment Insurance Premiums*
P106 (E)	*Are You Moving?*
P119 (E)	*When You Retire*
T4005 (E)	*Fishermen and Unemployment Insurance*
T4008	*Supplementary Payroll Deductions Tables*
T4028 (E)	*Computer Specifications for Data Filed on Magnetic Media*
T4032	*Payroll Deductions Tables*
T4039 (E)	*Northern Residents' Deductions Tax Guide*
T4048 (E)	*Payroll Deductions for Small Business Employers*
T4061 (E)	*Guide for Payers of Non-Resident Tax*
T4074 (E)	*Employers' Guide to Automobile Benefits*
T4080 (E)	*Employers' Guide to Housing and Travel Assistance Benefits in Prescribed Areas*
T4084 (E)	*Employers' Pension Adjustment Calculation Guide*

Forms

Number	Title
CPT1	*Request for a Ruling as to the Status of a Worker under the Canada Pension Plan or Unemployment Insurance Act (for use by a payer)*
CPT2	*Request for a Ruling as to the Status of a Worker under the Canada Pension Plan or Unemployment Insurance Act (for use by a worker)*
CPT8	*Application and Undertaking for Coverage of Employment in a Country Other than Canada under the Canada Pension Plan*
CPT13	*Application for Coverage of Employment in Canada under the Canada Pension Plan by an Employer Resident Outside Canada*
CPT16	*Application for Exemption from Coverage under the Canada Pension Plan on Account of Religious Beliefs*
CPT100	*Application for Determination of a Question or Appeal under the Canada Pension Plan or Unemployment Insurance Acts*
CPT124	*Application for Coverage of Employment of an Indian in Canada under the Canada Pension Plan Whose Income is Exempt under the Income Tax Act*
NR5	*Application by a Non-Resident of Canada for a Reduction in the Amount of Non-Resident Tax Required to be Withheld*
NR6	*Undertaking to File an Income Tax Return by a Non-Resident Receiving Rent from Real Property or Receiving a Timber Royalty*
PD20	*Employer Registration*
PD24	*Statement of Overpayment and Application for Refund of Employer's Contributions under the Canada Pension Plan and/or Premiums under the Unemployment Insurance Act*
TD1	*Personal Tax Credit Return*
TD1X	*Statement of Remuneration and Expenses (for use by Commission Remunerated Employees)*
TD2	*Tax Deduction Waiver in Respect of Funds to be Transferred*
TD3F	*Fishermen's Election for Tax Deductions at Source*
T400A	*Objection*
T2033	*Notice of Direct Transfer Under Paragraph 146(16)(a) or 146.3(2)(e).*
T2151	*Record of Direct Transfer of a "Single Amount" (Subsection 147(19) or Section 147.3)*



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T4 – 1992
Supplementary
Supplémentaire

STATEMENT OF REMUNERATION PAID
ÉTAT DE LA RÉMUNÉRATION PAYÉE

14 EMPLOYMENT INCOME BEFORE DEDUCTIONS / REVENUS D'EMPLOI AVANT RETENUES

16 EMPLOYEE'S PENSION CONTRIBUTIONS / COTISATIONS DE PENSIONS (EMPLOYÉ): CANADA PLAN / DU CANADA; QUEBEC PLAN / DU QUÉBEC

18 EMPLOYEE'S UI PREMIUMS / COTISATIONS DE L'EMPLOYÉ À L'A-C

20 REGISTERED PENSION PLAN CONTRIBUTIONS / COTISATIONS À UN RÉGIME DE PENSION AGRÉÉ

22 INCOME TAX DEDUCTED / IMPÔT SUR LE REVENU RETENU

24 UI INSURABLE EARNINGS / GAINS ASSURABLES D'A-C

26 CPP PENSIONABLE EARNINGS / GAINS DONNANT DROIT À PENSION – RPC

28 EXEMPT CPP/QPP UI / RPC/RRQ A-C EXEMPTION

BOX 14 AMOUNT ALREADY INCLUDES ANY AMOUNT IN BOXES 30, 32, 34, 36, 38, 40 AND 42

LE MONTANT DE LA CASE 14 COMPREND DÉJÀ TOUS LES MONTANTS DES CASES 30, 32, 34, 36, 38, 40 ET 42

TAXABLE ALLOWANCES AND BENEFITS → ALLOCATIONS ET AVANTAGES IMPOSABLES

30 HOUSING, BOARD AND LODGING / LOGEMENT PENSION ET REPAS

32 TRAVEL IN A PRESCRIBED AREA / VOYAGE DANS UNE RÉGION VISÉE PAR RÈGLEMENT

34 PERSONAL USE OF EMPLOYER'S AUTO / USAGE PERSONNEL DE L'AUTO DE L'EMPLOYEUR

36 INTEREST-FREE AND LOW-INTEREST LOANS / PRÊTS SANS INTÉRÊT OU À FAIBLE INTÉRÊT

38 STOCK OPTION BENEFITS / AVANTAGES OPTION D'ACHAT D'ACTIONS

40 OTHER TAXABLE ALLOWANCES AND BENEFITS / AUTRES ALLOCATIONS ET AVANTAGES IMPOSABLES

42 EMPLOYMENT COMMISSIONS / COMMISSIONS D'EMPLOI

44 UNION DUES / COTISATIONS SYNDICALES

46 CHARITABLE DONATIONS / DONS DE CHARITÉ

50 PENSION PLAN OR DPSP REGISTRATION NUMBER / NUMÉRO D'ENREGISTREMENT D'UN RPDB OU D'UN RÉGIME DE PENSIONS

52 PENSION ADJUSTMENT / FACTEUR D'ÉQUIVALENCE

10 PROVINCE OF EMPLOYMENT / PROVINCE D'EMPLOI

12 SOCIAL INSURANCE NUMBER * / NUMÉRO D'ASSURANCE SOCIALE *

* IF YOUR SOCIAL INSURANCE NUMBER IS NOT SHOWN IN THIS BOX, SEE THE BACK OF THIS SLIP.

* SI VOTRE NUMÉRO D'ASSURANCE SOCIALE NE FIGURE PAS DANS CETTE CASE REPORTEZ-VOUS AU VERSO DE CE FEUILLET.

EMPLOYEE'S NAME AND ADDRESS – NOM ET ADRESSE DE L'EMPLOYÉ

SURNAME (IN CAPITAL LETTERS) / NOM DE FAMILLE (EN MAJUSCULES) | FIRST NAME / PRÉNOM | INITIALS / INITIALES

→

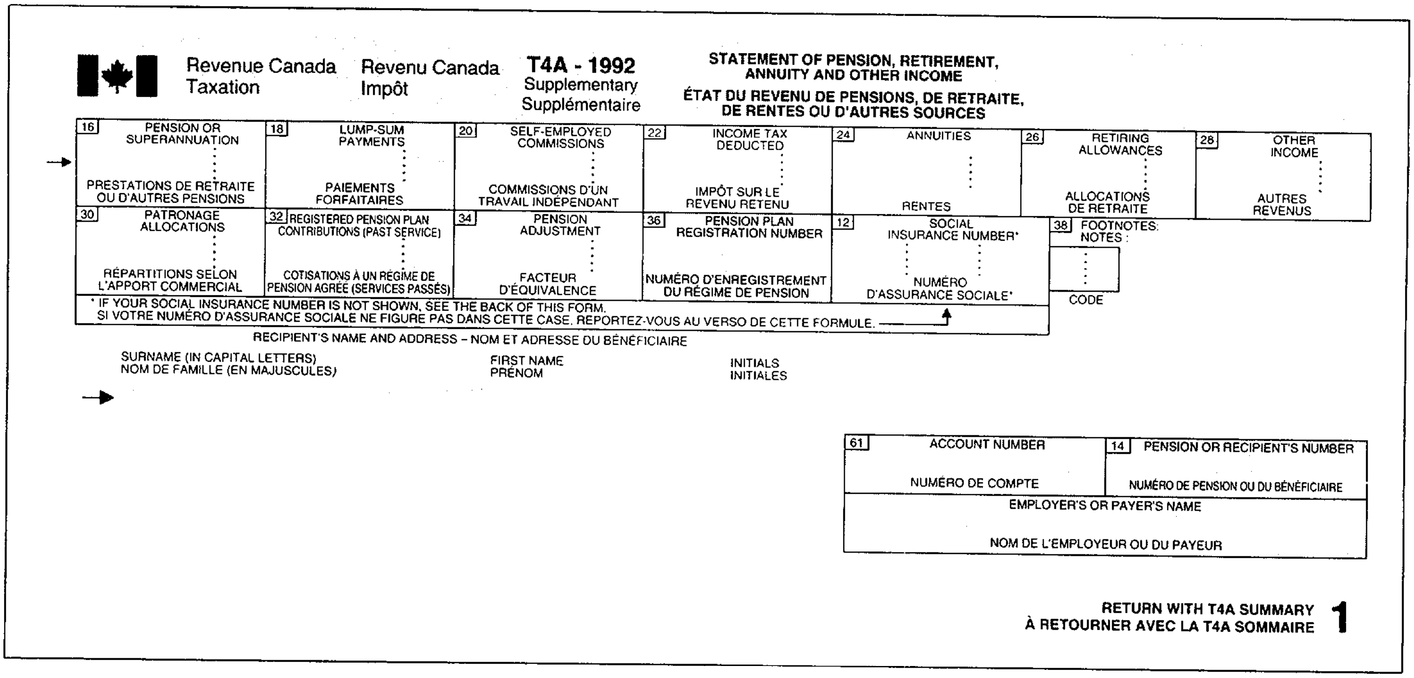
FOOTNOTES: / NOTES:

EMPLOYER'S NAME / NOM DE L'EMPLOYEUR

54 ACCOUNT NUMBER / NUMÉRO DE COMPTE

56 EMPLOYEE NUMBER / NUMÉRO DE L'EMPLOYÉ

RETURN WITH T4 SUMMARY
À RETOURNER AVEC LA T4 SOMMAIRE **1**



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T4A - 1992
Supplementary
Supplémentaire

STATEMENT OF PENSION, RETIREMENT, ANNUITY AND OTHER INCOME
ÉTAT DU REVENU DE PENSIONS, DE RETRAITE, DE RENTES OU D'AUTRES SOURCES

→

16 PENSION OR SUPERANNUATION / PRESTATIONS DE RETRAITE OU D'AUTRES PENSIONS

18 LUMP-SUM PAYMENTS / PAIEMENTS FORFAITAIRES

20 SELF-EMPLOYED COMMISSIONS / COMMISSIONS D'UN TRAVAIL INDÉPENDANT

22 INCOME TAX DEDUCTED / IMPÔT SUR LE REVENU RETENU

24 ANNUITIES / RENTES

26 RETIRING ALLOWANCES / ALLOCATIONS DE RETRAITE

28 OTHER INCOME / AUTRES REVENUS

30 PATRONAGE ALLOCATIONS / RÉPARTITIONS SELON L'APPORT COMMERCIAL

32 REGISTERED PENSION PLAN CONTRIBUTIONS (PAST SERVICE) / COTISATIONS À UN RÉGIME DE PENSION AGRÉÉ (SERVICES PASSÉS)

34 PENSION ADJUSTMENT / FACTEUR D'ÉQUIVALENCE

36 PENSION PLAN REGISTRATION NUMBER / NUMÉRO D'ENREGISTREMENT DU RÉGIME DE PENSION

12 SOCIAL INSURANCE NUMBER* / NUMÉRO D'ASSURANCE SOCIALE*

38 FOOTNOTES: / NOTES :

CODE

* IF YOUR SOCIAL INSURANCE NUMBER IS NOT SHOWN, SEE THE BACK OF THIS FORM.
SI VOTRE NUMÉRO D'ASSURANCE SOCIALE NE FIGURE PAS DANS CETTE CASE, REPORTEZ-VOUS AU VERSO DE CETTE FORMULE. ⟶

RECIPIENT'S NAME AND ADDRESS – NOM ET ADRESSE DU BÉNÉFICIAIRE

SURNAME (IN CAPITAL LETTERS) / NOM DE FAMILLE (EN MAJUSCULES) | FIRST NAME / PRÉNOM | INITIALS / INITIALES

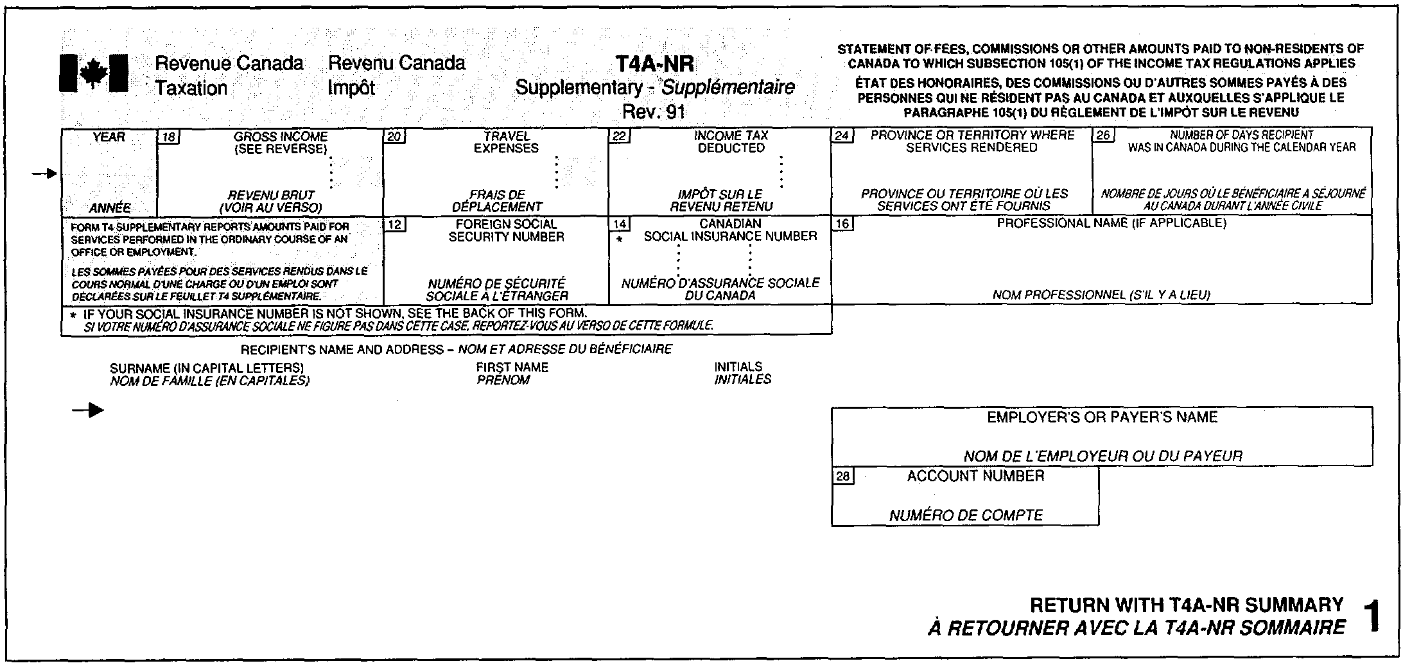
→

61 ACCOUNT NUMBER / NUMÉRO DE COMPTE

14 PENSION OR RECIPIENT'S NUMBER / NUMÉRO DE PENSION OU DU BÉNÉFICIAIRE

EMPLOYER'S OR PAYER'S NAME / NOM DE L'EMPLOYEUR OU DU PAYEUR

RETURN WITH T4A SUMMARY
À RETOURNER AVEC LA T4A SOMMAIRE **1**



Revenue Canada Taxation
Revenu Canada Impôt

T4A-NR
Supplementary - *Supplémentaire*
Rev. 91

STATEMENT OF FEES, COMMISSIONS OR OTHER AMOUNTS PAID TO NON-RESIDENTS OF CANADA TO WHICH SUBSECTION 105(1) OF THE INCOME TAX REGULATIONS APPLIES

ÉTAT DES HONORAIRES, DES COMMISSIONS OU D'AUTRES SOMMES PAYÉS À DES PERSONNES QUI NE RÉSIDENT PAS AU CANADA ET AUXQUELLES S'APPLIQUE LE PARAGRAPHE 105(1) DU RÈGLEMENT DE L'IMPÔT SUR LE REVENU

YEAR – *ANNÉE*

18 GROSS INCOME (SEE REVERSE) – *REVENU BRUT (VOIR AU VERSO)*

20 TRAVEL EXPENSES – *FRAIS DE DÉPLACEMENT*

22 INCOME TAX DEDUCTED – *IMPÔT SUR LE REVENU RETENU*

24 PROVINCE OR TERRITORY WHERE SERVICES RENDERED – *PROVINCE OU TERRITOIRE OÙ LES SERVICES ONT ÉTÉ FOURNIS*

26 NUMBER OF DAYS RECIPIENT WAS IN CANADA DURING THE CALENDAR YEAR – *NOMBRE DE JOURS OÙ LE BÉNÉFICIAIRE A SÉJOURNÉ AU CANADA DURANT L'ANNÉE CIVILE*

FORM T4 SUPPLEMENTARY REPORTS AMOUNTS PAID FOR SERVICES PERFORMED IN THE ORDINARY COURSE OF AN OFFICE OR EMPLOYMENT.

LES SOMMES PAYÉES POUR DES SERVICES RENDUS DANS LE COURS NORMAL D'UNE CHARGE OU D'UN EMPLOI SONT DÉCLARÉES SUR LE FEUILLET T4 SUPPLÉMENTAIRE.

12 FOREIGN SOCIAL SECURITY NUMBER – *NUMÉRO DE SÉCURITÉ SOCIALE À L'ÉTRANGER*

14 CANADIAN SOCIAL INSURANCE NUMBER * – *NUMÉRO D'ASSURANCE SOCIALE DU CANADA*

16 PROFESSIONAL NAME (IF APPLICABLE) – *NOM PROFESSIONNEL (S'IL Y A LIEU)*

* IF YOUR SOCIAL INSURANCE NUMBER IS NOT SHOWN, SEE THE BACK OF THIS FORM.
SI VOTRE NUMÉRO D'ASSURANCE SOCIALE NE FIGURE PAS DANS CETTE CASE, REPORTEZ-VOUS AU VERSO DE CETTE FORMULE.

RECIPIENT'S NAME AND ADDRESS – *NOM ET ADRESSE DU BÉNÉFICIAIRE*

SURNAME (IN CAPITAL LETTERS) – *NOM DE FAMILLE (EN CAPITALES)*
FIRST NAME – *PRÉNOM*
INITIALS – *INITIALES*

EMPLOYER'S OR PAYER'S NAME – *NOM DE L'EMPLOYEUR OU DU PAYEUR*

28 ACCOUNT NUMBER – *NUMÉRO DE COMPTE*

RETURN WITH T4A-NR SUMMARY
À RETOURNER AVEC LA T4A-NR SOMMAIRE
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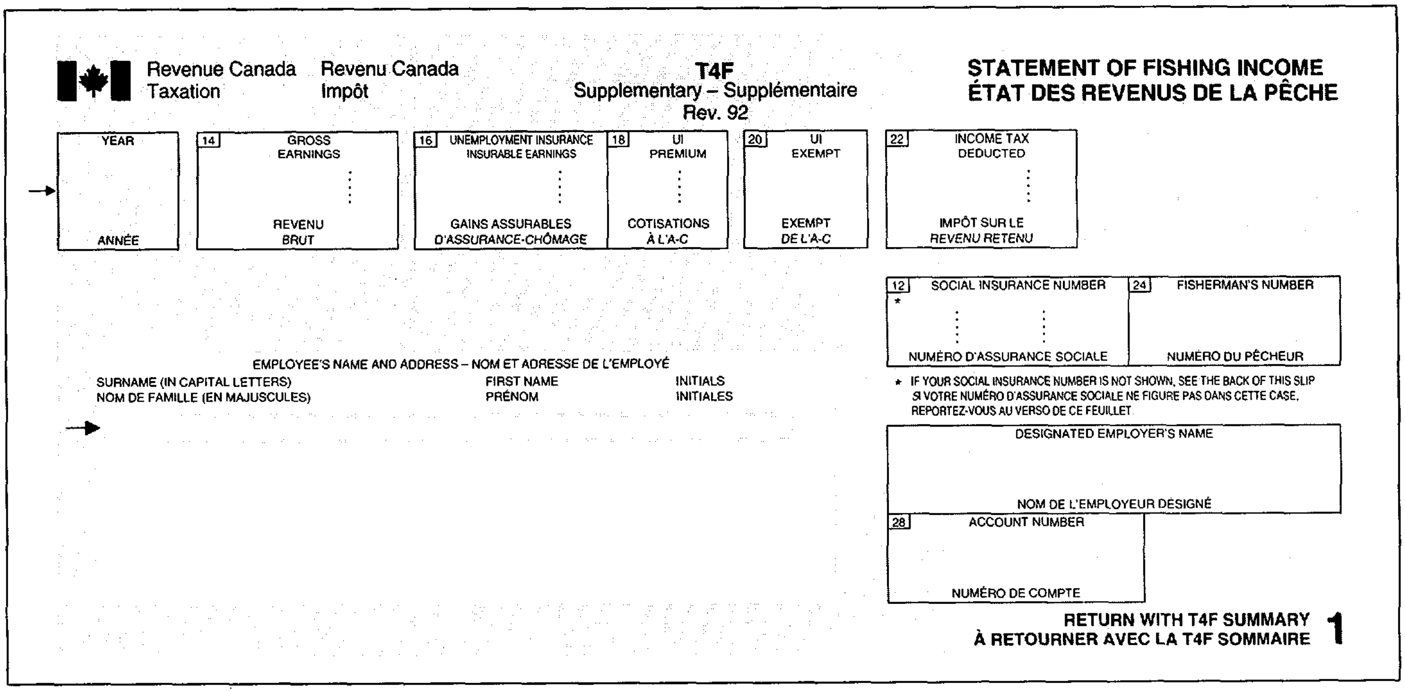


Revenue Canada Taxation
Revenu Canada Impôt

T4F
Supplementary – Supplémentaire
Rev. 92

STATEMENT OF FISHING INCOME
ÉTAT DES REVENUS DE LA PÊCHE

YEAR – ANNÉE

14 GROSS EARNINGS – REVENU BRUT

16 UNEMPLOYMENT INSURANCE INSURABLE EARNINGS – GAINS ASSURABLES D'ASSURANCE-CHÔMAGE

18 UI PREMIUM – COTISATIONS À L'A-C

20 UI EXEMPT – EXEMPT DE L'A-C

22 INCOME TAX DEDUCTED – IMPÔT SUR LE REVENU RETENU

12 SOCIAL INSURANCE NUMBER * – NUMÉRO D'ASSURANCE SOCIALE

24 FISHERMAN'S NUMBER – NUMÉRO DU PÊCHEUR

* IF YOUR SOCIAL INSURANCE NUMBER IS NOT SHOWN, SEE THE BACK OF THIS SLIP
SI VOTRE NUMÉRO D'ASSURANCE SOCIALE NE FIGURE PAS DANS CETTE CASE, REPORTEZ-VOUS AU VERSO DE CE FEUILLET

EMPLOYEE'S NAME AND ADDRESS – NOM ET ADRESSE DE L'EMPLOYÉ

SURNAME (IN CAPITAL LETTERS) – NOM DE FAMILLE (EN MAJUSCULES)
FIRST NAME – PRÉNOM
INITIALS – INITIALES

DESIGNATED EMPLOYER'S NAME – NOM DE L'EMPLOYEUR DÉSIGNÉ

28 ACCOUNT NUMBER – NUMÉRO DE COMPTE

RETURN WITH T4F SUMMARY
À RETOURNER AVEC LA T4F SOMMAIRE
1

Revenue Canada
Taxation

Revenu Canada
Impôt

NR4B

Supplementary
Supplémentaire

STATEMENT OF AMOUNTS PAID OR CREDITED TO NON-RESIDENTS OF CANADA
ÉTAT DES SOMMES PAYÉES OU CRÉDITÉES À DES NON-RÉSIDENTS DU CANADA

00-000-000

10 Year *Année*	11 Recipient Type *Code du bénéficiaire*	12 Country Code *Code du pays*	13 Payer or Remitter Identification Number *Numéro d'identification du payeur ou de l'agent payeur*	14 Account Number *Numéro de compte*	15 Foreign Social Security Number *Numéro de sécurité sociale à l'étranger*

Line *Ligne*	16 Income Code *Code de revenu*	17 Currency Code *Code de devise*	18 Gross Income *Revenu brut*	20 Income Subject to Withholding Tax *Revenu assujetti à la retenue d'impôt*	22 Non-Resident Tax Withheld *Impôt retenu des non-résidents*	24 Exemption Code *Code d'exemption*
1						
2						
3						
4						
5						

Non-Resident Recipient
Surname First and Full Address
Bénéficiaire non résidant
Nom de famille d'abord et adresse complète
▶

Name and Address of Disbursing Agent or Payer
Nom et adresse du payeur ou de l'agent payeur

To be returned with NR4B Summary
À retourner avec la NR4B Sommaire
1

Revenue Canada Taxation | Revenu Canada Impôt

1992

Complete this return using the instructions in the *Employers' Guide to Payroll Deductions* or the *Payroll Deductions for Small Business Employers Guide.*

SUMMARY OF REMUNERATION PAID
(For the year ending December 31, 1992)

SOMMAIRE DE LA RÉMUNÉRATION PAYÉE
(Pour l'année se terminant le 31 décembre 1992)

Cette déclaration doit être remplie selon les instructions du *Guide de l'employeur – Retenues sur la paie* ou du *Guide des employeurs qui exploitent une petite entreprise.*

T4
SUMMARY
SOMMAIRE

Copy
Copie **1**

○ If you file your T4 return on tape or diskette, tick (√) inside the circle at left. For shipping instructions, see Box "B" on the back of this form.

Si vous produisez votre déclaration T4 sur disquette ou sur bande, cochez (√) le cercle qui figure à gauche. Faites parvenir le tout selon les instructions fournies à la case B au verso de cette formule.

IMPORTANT
EMPLOYER'S NAME AND NUMBER MUST BE THE SAME AS THAT SHOWN ON YOUR PD7A REMITTANCE FORM. **THE T4 SUMMARY MUST BE FILED ON OR BEFORE FEBRUARY 28, 1993.**

LE NOM ET LE NUMÉRO DE L'EMPLOYEUR DOIVENT ÊTRE LES MÊMES QUE CEUX QUI FIGURENT SUR LA FORMULE DE VERSEMENT PD7A. **LA T4 SOMMAIRE DOIT ÊTRE REMPLIE AU PLUS TARD LE 28 FÉVRIER 1993.**

Employer account number – Numéro de compte de l'employeur

Name and address of employer – Nom et adresse de l'employeur

Taxation centre – Centre fiscal

DO code – Code du BD

T4 SUPPLEMENTARY SLIPS TOTALS

For returns with over 300 T4 slips, please see instructions in the *Employers' Guide to Payroll Deductions* about the breakdown of large returns.

TOTAUX DES FEUILLETS *T4 SUPPLÉMENTAIRE*

Pour les déclarations renfermant plus de 300 feuillets T4, consultez le *Guide de l'employeur – Retenues sur la paie* pour la répartition des déclarations volumineuses.

Total number of T4 slips filed	*Nombre total de feuillets T4 produits*	88		△
Employment income before deductions	Revenus d'emploi avant retenues	14		△
Registered pension plan contributions	Cotisations à un régime de pension agréé	20		△
Pension adjustment	Facteur d'équivalence	52		△
Unemployment Insurance insurable earnings	Gains assurables d'assurance-chômage	24		
Employees' Canada Pension Plan contributions	Cotisations de l'employé au Régime de pensions du Canada	16		△
Employer's Canada Pension Plan contributions	Cotisations de l'employeur au Régime de pensions du Canada	17		△
Employee's Unemployment Insurance premiums	Cotisations de l'employé à l'assurance-chômage	18		△
Employer's Unemployment Insurance premiums	Cotisations de l'employeur à l'assurance-chômage	19		△
Income tax deducted	Impôt sur le revenu retenu	22		△

◀ Number of T4 slips included in the total at left, if the employee's address is in the U.S.A.

Nombre de feuillets T4 inclus dans le «Total» indiqué à gauche si l'adresse de l'employé est aux É.-U.

DEPARTMENTAL USE ONLY

RÉSERVÉ AU MINISTÈRE

Total deductions reported (16 + 17 + 18 + 19 + 22) Total des retenues déclarées (16 + 17 + 18 + 19 + 22)	80		△
Remittances for the year – Versements pour l'année	82		
Difference – Différence			▶

We do not charge or refund a difference of less than $2.00.
Une différence inférieure à 2 $ ne sera ni exigée ni remboursée par le Ministère

Overpayment – Paiement en trop 84

* Balance due – Solde à payer 86

* If you have not paid the total deductions reported, include the balance with this completed return. You may be subject to a penalty for late payment if you have any balance owing.

Si vous n'avez pas payé le montant total des retenues déclarées, veuillez joindre le solde à payer, à la présente déclaration. Tout solde à payer est assujetti à une pénalité pour paiement tardif.

Amount enclosed – Somme jointe

Revenue Canada, Taxation issued registration number(s) for RPP or DPSP – Numéro(s) d'enregistrement émis par Revenu Canada, Impôt pour RPA ou RPDB

71 | 72 | 73

Canadian controlled private corporations or unincorporated employers: list the social insurance number of the main shareholder(s) or proprietor(s).
Corporations privées dont le contrôle est canadien ou employeurs non constitués : Inscrivez le numéro d'assurance sociale du(des) actionnaire(s) ou du(des) propriétaire(s).

74 | 75

Person to contact about this return – Personne avec qui communiquer au sujet de cette déclaration

76 First name – Prénom | Surname – Nom de famille

78 Telephone number – Numéro de téléphone | Area code – Indicatif régional

CERTIFICATION – ATTESTATION

I HEREBY CERTIFY that the information given in this T4 return (T4 Summary and related T4 Supplementary slips) is true, correct and complete in every way.

J'ATTESTE PAR LA PRÉSENTE que les renseignements fournis dans la déclaration T4 (la *T4 Sommaire* et les feuillets *T4 Supplémentaire* connexes) sont vrais, exacts et complets sous tous les rapports.

Date | Signature of authorized person – Signature de la personne autorisée | Position or office – Titre ou poste

FOR DEPARTMENTAL USE ONLY: PLEASE DO NOT WRITE IN THIS AREA – RÉSERVÉ AU MINISTÈRE : NE RIEN ÉCRIRE ICI

Transfer – Transfert
90
1 Last to current – Précédente à courante
2 No action – Aucune mesure
3 Other – Autre

Pro Forma
91
1 No – Non
2 Yes – Oui

93 Date

94 A

B

Memo – Note

Late filing penalty – Pénalité pour production tardive

1 T4 balance – Solde T4
1 Override – Sauter
3 Delete – Supprimer

Reject number – Numéro de rejet

Prepared by – Établi par | Date

		Code 2	Correspond.	Inc.	TPC – CCT	Dressed – MAP	Rev. – Rév.	No Accounts – Aucun nº
Initials – Initiales								
Date								

* KEEP THE WORKING COPY OF THIS SUMMARY FOR YOUR RECORDS.
* IF YOU DO NOT FILE BY MAGNETIC MEDIA, SEND COPIES 1 AND 2 OF THIS SUMMARY AND COPY 1 OF THE RELATED T4 SUPPLEMENTARY TO THE APPROPRIATE TAXATION CENTRE ADDRESS IN BOX A ON THE BACK OF THIS FORM.

* CONSERVEZ LE BROUILLON DE LA FORMULE SOMMAIRE POUR VOS DOSSIERS.
* SI VOUS NE PRODUISEZ PAS DE DÉCLARATION SUR SUPPORT MAGNÉTIQUE, ENVOYEZ LES COPIES 1 ET 2 DE LA FORMULE SOMMAIRE AINSI QUE LA COPIE 1 DU *T4 SUPPLÉMENTAIRE* CONNEXE AU CENTRE FISCAL APPROPRIÉ, DONT L'ADRESSE FIGURE À LA CASE A AU VERSO DE CETTE FORMULE.

Canadian Human Rights Act Federal Information Bank Number: 15615.

Loi canadienne sur les droits de la personne : Numéro de la banque fédérale de données : 15615.

Revenue Canada Taxation | Revenu Canada Impôt

SUMMARY OF REMUNERATION PAID
(For the year ending December 31, 1992)
SOMMAIRE DE LA RÉMUNÉRATION PAYÉE
(Pour l'année se terminant le 31 décembre 1992)

T4A
SUMMARY
SOMMAIRE

Copy 1
Copie 1

1992 Complete this return using the instructions in the *Employers' Guide to Payroll Deductions* or the *Payroll Deductions for Small Business Employers Guide.*

Cette déclaration doit être remplie selon les instructions du *Guide de l'employeur – Retenues sur la paie* ou du *Guide des employeurs qui exploitent une petite entreprise.*

○ If you file your T4A return on tape or diskette, tick (√) inside the circle at left. For shipping instructions, see Box B on the back of this form.

Si vous produisez votre déclaration T4A sur disquette ou sur bande, cochez (√) le cercle qui figure à gauche. Faites parvenir le tout selon les instructions fournies à la case B, au verso de cette formule.

IMPORTANT
EMPLOYER'S NAME AND NUMBER MUST BE THE SAME AS THAT SHOWN ON YOUR PD7A REMITTANCE FORM. **THE T4A SUMMARY MUST BE FILED ON OR BEFORE FEBRUARY 28, 1993.**

LE NOM ET LE NUMÉRO DE L'EMPLOYEUR DOIVENT ÊTRE LES MÊMES QUE CEUX QUI FIGURENT SUR LA FORMULE DE VERSEMENT PD7A. **LA T4A SOMMAIRE DOIT ÊTRE REMPLIE AU PLUS TARD LE 28 FÉVRIER 1993.**

Employer account number – Numéro de compte de l'employeur

Taxation centre – Centre fiscal

DO code – Code du BD

Name and address of employer – Nom et adresse de l'employeur

T4A SUPPLEMENTARY SLIPS TOTALS
For returns with over 300 T4A slips, please see instructions in the *Employers' Guide to Payroll Deductions* about the breakdown of large returns.

TOTAUX DES FEUILLETS *T4A SUPPLÉMENTAIRE*
Pour les déclarations renfermant plus de 300 feuillets T4A, consultez le *Guide de l'employeur – Retenues sur la paie* pour la répartition des déclarations volumineuses.

Number of T4A slips filed Nombre de feuillets T4A produits	88		△
Pension or superannuation Prestations de retraite ou d'autres pensions	16		△
Lump-sum payments Paiements forfaitaires	18		△
Self-employed commissions Commissions d'un travail indépendant	20		△
Annuities Rentes	24		△
Retiring allowances Allocations de retraite	26		△
Other income Autres revenus	28		△
Patronage allocations Répartitions selon l'apport commercial	30		△
Pension plan contributions (past service) Cotisations à un régime de pension agréé services passés)	32		△
Pension adjustment Facteur d'équivalence	34		△

◀ Number of T4A slips included in the total at left, if the recipients' address is in the U.S.A.
Nombre de feuillets T4A inclus dans le «Total» indiqué à gauche si l'adresse du bénéficiaire est aux É.-U.

DEPARTMENTAL USE ONLY

RÉSERVÉ AU MINISTÈRE

Total tax deductions reported (per T4A Supplementary slips) Total des retenues d'impôt déclarées (selon les feuillets *T4A Supplémentaire*)	22		△
Minus: remittances – Moins : versements	82		
Difference – Différence			▶

We do not charge or refund a difference of less than $2.00.
Une différence inférieure à 2 $ ne sera ni exigée ni remboursée par le Ministère

Overpayment – Paiement en trop 84

* Balance due – Solde à payer 86

* If you have not paid the total deductions reported, include the balance with this completed return. You may be subject to a penalty for late payment if you have any balance owing.
Si vous n'avez pas payé le montant total des retenues déclarées, veuillez joindre le solde à payer à la présente déclaration. Tout solde à payer est assujetti à une pénalité pour paiement tardif.

Amount enclosed – Somme jointe

Revenue Canada, Taxation issued registration number(s) for RPP – Numéro(s) d'enregistrement émis par Revenu Canada, Impôt pour RPA.

71 | 72 | 73

Canadian controlled private corporations or unincorporated employers list the social insurance number of the main shareholder(s) or proprietor(s).
Corporations privées dont le contrôle est canadien ou employeurs non constitués : inscrivez le numéro d'assurance sociale du(des) actionnaire(s) ou du(des) propriétaire(s).

74 | 75

Person to contact about this return – Personne avec qui communiquer au sujet de cette déclaration

76 First name – Prénom | Surname – Nom de famille

Telephone number – Numéro de téléphone
78 Area code – Indicatif régional

CERTIFICATION – ATTESTATION

I HEREBY CERTIFY that the information given in this T4A return (T4A Summary and related T4A Supplementary slips) is true, correct and complete in every way.
J'ATTESTE PAR LA PRÉSENTE que les renseignements fournis dans la déclaration T4A (la *T4A Sommaire* et les feuillets *T4A Supplémentaire* connexes) sont vrais, exacts et complets.

Date | Signature of authorized person – Signature de la personne autorisée | Position or office – Titre ou poste

FOR DEPARTMENTAL USE ONLY: PLEASE DO NOT WRITE IN THIS AREA – RÉSERVÉ AU MINISTÈRE: NE RIEN ÉCRIRE ICI

Transfer – Transfert
90
1 Last to current – Précédente à courante
2 No action – Aucune mesure
3 Other – Autre

Pro Forma
91
1 No – Non
2 Yes – Oui
92 3 0 1 Type – Genre

93 Date
94 A
B

Memo – Note

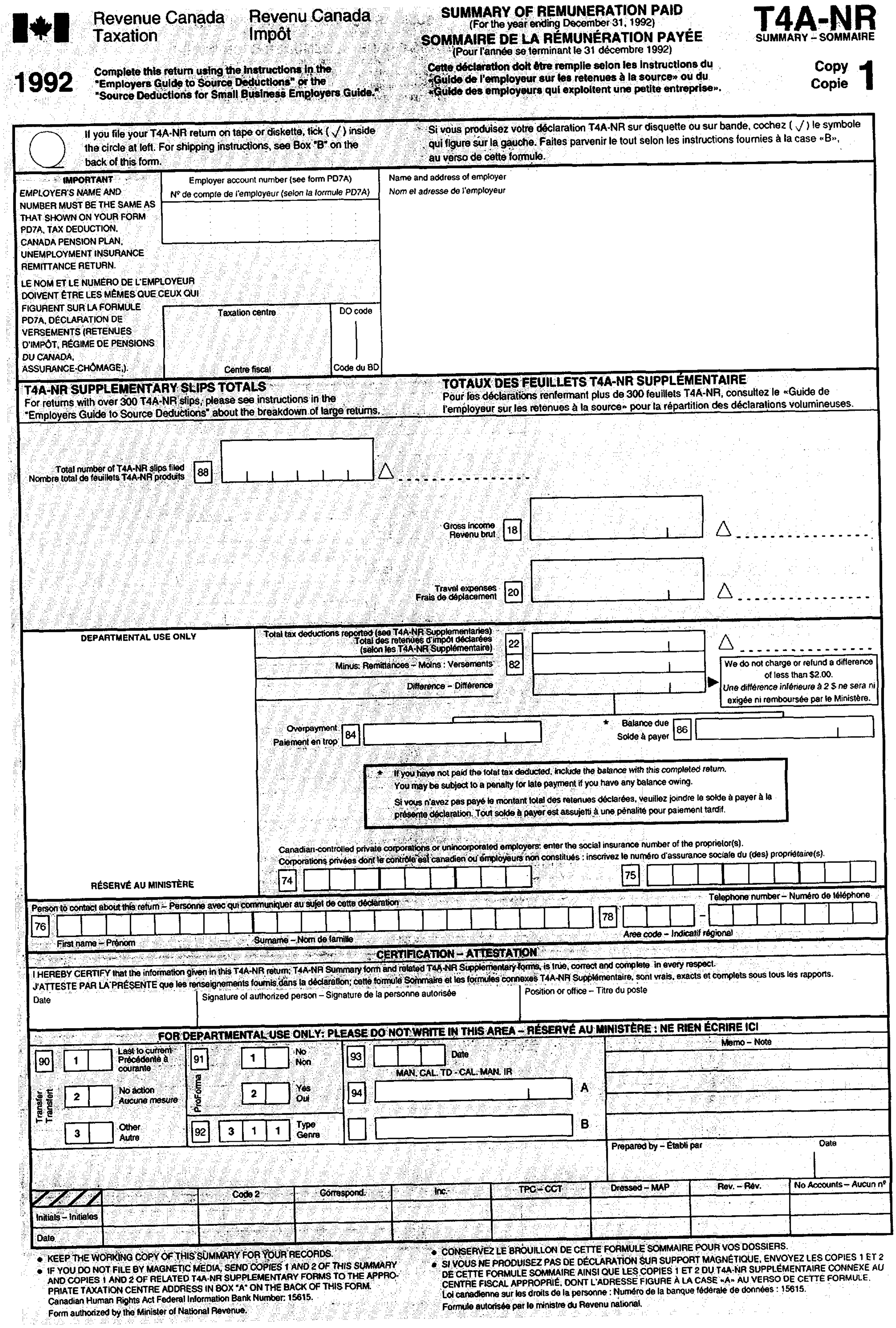
Late filing penalty – Pénalité pour production tardive

Prepared by – Établi par | Date

		Code 2	Correspond.	Inc.	TPC – CCT	Dressed – MAP	Rev. – Rév.	No Accounts – Aucun n°
Initials – Initiales								
Date								

* KEEP THE WORKING COPY OF THIS SUMMARY FOR YOUR RECORDS.
* IF YOU DO NOT FILE BY MAGNETIC MEDIA, SEND COPIES 1 AND 2 OF THIS SUMMARY AND COPY 1 OF THE RELATED T4A SUPPLEMENTARY SLIPS TO THE APPROPRIATE TAXATION CENTRE ADDRESS IN BOX A ON THE BACK OF THIS FORM.
Canadian Human Rights Act Federal Information Bank Number: 15615.

* CONSERVEZ LE BROUILLON DE LA FORMULE SOMMAIRE POUR VOS DOSSIERS.
* SI VOUS NE PRODUISEZ PAS DE DÉCLARATION SUR SUPPORT MAGNÉTIQUE, ENVOYEZ LES COPIES 1 ET 2 DE LA FORMULE SOMMAIRE AINSI QUE LA COPIE 1 DU *T4A SUPPLÉMENTAIRE* CONNEXE AU CENTRE FISCAL APPROPRIÉ, DONT L'ADRESSE FIGURE À LA CASE A AU VERSO DE CETTE FORMULE.
Loi canadienne sur les droits de la personne : Numéro de la banque fédérale de données : 15615.



Revenue Canada Taxation | Revenu Canada Impôt

SUMMARY OF REMUNERATION PAID
(For the year ending December 31, 1992)
SOMMAIRE DE LA RÉMUNÉRATION PAYÉE
(Pour l'année se terminant le 31 décembre 1992)

T4A-NR

SUMMARY – SOMMAIRE

1992

Complete this return using the instructions in the "Employers Guide to Source Deductions" or the "Source Deductions for Small Business Employers Guide."

Cette déclaration doit être remplie selon les instructions du «Guide de l'employeur sur les retenues à la source» ou du «Guide des employeurs qui exploitent une petite entreprise».

Copy 1
Copie

○ If you file your T4A-NR return on tape or diskette, tick (✓) inside the circle at left. For shipping instructions, see Box "B" on the back of this form.

Si vous produisez votre déclaration T4A-NR sur disquette ou sur bande, cochez (✓) le symbole qui figure sur la gauche. Faites parvenir le tout selon les instructions fournies à la case «B», au verso de cette formule.

IMPORTANT
EMPLOYER'S NAME AND NUMBER MUST BE THE SAME AS THAT SHOWN ON YOUR FORM PD7A, TAX DEDUCTION, CANADA PENSION PLAN, UNEMPLOYMENT INSURANCE REMITTANCE RETURN.

LE NOM ET LE NUMÉRO DE L'EMPLOYEUR DOIVENT ÊTRE LES MÊMES QUE CEUX QUI FIGURENT SUR LA FORMULE PD7A, DÉCLARATION DE VERSEMENTS (RETENUES D'IMPÔT, RÉGIME DE PENSIONS DU CANADA, ASSURANCE-CHÔMAGE,).

Employer account number (see form PD7A)
Nº de compte de l'employeur (selon la formule PD7A)

Name and address of employer
Nom et adresse de l'employeur

Taxation centre – Centre fiscal

DO code – Code du BD

T4A-NR SUPPLEMENTARY SLIPS TOTALS
For returns with over 300 T4A-NR slips, please see instructions in the "Employers Guide to Source Deductions" about the breakdown of large returns.

TOTAUX DES FEUILLETS T4A-NR SUPPLÉMENTAIRE
Pour les déclarations renfermant plus de 300 feuillets T4A-NR, consultez le «Guide de l'employeur sur les retenues à la source» pour la répartition des déclarations volumineuses.

Total number of T4A-NR slips filed – Nombre total de feuillets T4A-NR produits 88 △

Gross income – Revenu brut 18 △

Travel expenses – Frais de déplacement 20 △

DEPARTMENTAL USE ONLY

RÉSERVÉ AU MINISTÈRE

Total tax deductions reported (see T4A-NR Supplementaries) – Total des retenues d'impôt déclarées (selon les T4A-NR Supplémentaire) 22 △

Minus: Remittances – Moins : Versements 82

Difference – Différence

We do not charge or refund a difference of less than $2.00.
Une différence inférieure à 2 $ ne sera ni exigée ni remboursée par le Ministère.

Overpayment – Paiement en trop 84

* Balance due – Solde à payer 86

* If you have not paid the total tax deducted, include the balance with this completed return. You may be subject to a penalty for late payment if you have any balance owing.

Si vous n'avez pas payé le montant total des retenues déclarées, veuillez joindre le solde à payer à la présente déclaration. Tout solde à payer est assujetti à une pénalité pour paiement tardif.

Canadian-controlled private corporations or unincorporated employers: enter the social insurance number of the proprietor(s).
Corporations privées dont le contrôle est canadien ou employeurs non constitués : inscrivez le numéro d'assurance sociale du (des) propriétaire(s).

74 | 75

Person to contact about this return – Personne avec qui communiquer au sujet de cette déclaration

76 First name – Prénom | Surname – Nom de famille

78 Area code – Indicatif régional | Telephone number – Numéro de téléphone

CERTIFICATION – ATTESTATION

I HEREBY CERTIFY that the information given in this T4A-NR return; T4A-NR Summary form and related T4A-NR Supplementary forms, is true, correct and complete in every respect.
J'ATTESTE PAR LA PRÉSENTE que les renseignements fournis dans la déclaration; cette formule Sommaire et les formules connexes T4A-NR Supplémentaire, sont vrais, exacts et complets sous tous les rapports.

Date | Signature of authorized person – Signature de la personne autorisée | Position or office – Titre du poste

FOR DEPARTMENTAL USE ONLY: PLEASE DO NOT WRITE IN THIS AREA – RÉSERVÉ AU MINISTÈRE : NE RIEN ÉCRIRE ICI

Transfer – Transfert
90 1 Last to current – Précédente à courante
2 No action – Aucune mesure
3 Other – Autre

ProForma
91 1 No – Non
2 Yes – Oui
92 3 1 1 Type – Genre

93 Date
MAN. CAL. TD - CAL. MAN. IR
94 A
B

Memo – Note

Prepared by – Établi par | Date

		Code 2	Correspond.	Inc.	TPC – CCT	Dressed – MAP	Rev. – Rév.	No Accounts – Aucun nº
Initials – Initiales								
Date								

- KEEP THE WORKING COPY OF THIS SUMMARY FOR YOUR RECORDS.
- IF YOU DO NOT FILE BY MAGNETIC MEDIA, SEND COPIES 1 AND 2 OF THIS SUMMARY AND COPIES 1 AND 2 OF RELATED T4A-NR SUPPLEMENTARY FORMS TO THE APPROPRIATE TAXATION CENTRE ADDRESS IN BOX "A" ON THE BACK OF THIS FORM.

Canadian Human Rights Act Federal Information Bank Number: 15615.
Form authorized by the Minister of National Revenue.

- CONSERVEZ LE BROUILLON DE CETTE FORMULE SOMMAIRE POUR VOS DOSSIERS.
- SI VOUS NE PRODUISEZ PAS DE DÉCLARATION SUR SUPPORT MAGNÉTIQUE, ENVOYEZ LES COPIES 1 ET 2 DE CETTE FORMULE SOMMAIRE AINSI QUE LES COPIES 1 ET 2 DU T4A-NR SUPPLÉMENTAIRE CONNEXE AU CENTRE FISCAL APPROPRIÉ, DONT L'ADRESSE FIGURE À LA CASE «A» AU VERSO DE CETTE FORMULE.

Loi canadienne sur les droits de la personne : Numéro de la banque fédérale de données : 15615.
Formule autorisée par le ministre du Revenu national.

Revenue Canada Taxation | Revenu Canada Impôt

19__

Complete this return using the instructions in the *Employers' Guide to Payroll Deductions* or the *Payroll Deductions for Small Business Employers* guide.

SUMMARY OF REMUNERATION PAID
(For the year ending December 31, 19__)

SOMMAIRE DE LA RÉMUNÉRATION PAYÉE
(Pour l'année se terminant le 31 décembre 19 __)

Cette déclaration doit être remplie selon les instructions du *Guide de l'employeur – Retenues sur la paie* ou du *Guide des employeurs qui exploitent une petite entreprise.*

T4F
SUMMARY/SOMMAIRE
Rev. 92

Copy
Copie **1**

IMPORTANT

Employer's name and number must be the same as that shown on your PD7A remittance form. The T4F Summary must be filed on or before the last day of February in each year and shall be in respect of the preceding calendar year.

Le nom et le numéro de l'employeur doivent être les mêmes que ceux qui figurent sur la formule de versement PD7A. Pour chaque année civile, vous devez produire la déclaration *T4F Sommaire* au plus tard le dernier jour de février de l'année suivante.

Employer account number – Numéro de compte de l'employeur

Taxation centre – Centre fiscal

DO code – Code du BD

Name and address of designated employer – Nom et adresse de l'employeur désigné

Total number of T4F slips filed	Nombre total de feuillets T4F produits	88		△
Gross earnings	Revenu brut	14		△
Unemployment Insurance insurable earnings	Gains assurables d'assurance-chômage	16		△
Unemployment Insurance premiums – fishermen's	Cotisations des pêcheurs à l'assurance-chômage	18		△
Unemployment Insurance premiums – designated employer's	Cotisations de l'employeur désigné à l'assurance-chômage	26		△
Income tax deducted	Impôt sur le revenu retenu	22		△

DEPARTMENTAL USE ONLY – RÉSERVÉ AU MINISTÈRE

Total deductions reported (18 + 26 + 22) Total des retenues déclarées (18 + 26 + 22)	80		△
Minus: remittances – Moins : versements	82		
Difference – Différence			

We do not charge or refund a difference of less than $2.00.
Une différence inférieure à 2 $ ne sera ni exigée ni remboursée par le Ministère

Overpayment – Paiement en trop 84

* Balance due – Solde à payer 86

* If you have not paid the total deductions reported, include the balance with this completed return. You may be subject to a penalty for late payment if you have any balance owing.

Si vous n'avez pas payé le montant total des retenues déclarées, veuillez joindre le solde à payer à la présente déclaration. Tout solde à payer pourrait être assujetti à une pénalité pour paiement tardif.

Amount enclosed – Somme jointe

Person to contact about this return – Personne avec qui communiquer au sujet de cette déclaration

76 First name – Prénom Surname – Nom de famille

78 Telephone number – Numéro de téléphone: Area code – Indicatif régional –

CERTIFICATION – ATTESTATION

I HEREBY CERTIFY that the information given in this T4F return (*T4F Summary* and related *T4F Supplementary* slips) is true, correct, and complete in every way.

J'ATTESTE PAR LA PRÉSENTE que les renseignements fournis dans la déclaration T4F (la déclaration *T4F Sommaire* et les feuillets *T4F Supplémentaire* connexes) sont vrais, exacts et complets.

Date | Signature of authorized person – Signature de la personne autorisée | Position or office – Titre ou poste

FOR DEPARTMENTAL USE ONLY: PLEASE DO NOT WRITE IN THIS AREA – RÉSERVÉ AU MINISTÈRE : NE RIEN ÉCRIRE ICI

Transfer – Transfert
90
- 1 Last to current – Précédente à courante
- 2 No action – Aucune mesure
- 3 Other – Autre

Pro Forma
91
- 1 No – Non
- 2 Yes – Oui

92 3 6 1 Type – Genre

93 Date

94 A

B

Memo – Note

Prepared by – Établi par | Date

		Code 2	Correspond.	Inc.	TPC – CCT	Dressed – MAP	Rev. – Rév.	No Accounts – Aucun nº
Initials – Initiales								
Date								

* KEEP THE WORKING COPY OF THIS SUMMARY FOR YOUR RECORDS.
* SEND COPIES 1 AND 2 OF THIS SUMMARY AND COPIES 1, 2, AND 3 OF THE RELATED T4F SUPPLEMENTARY SLIPS TO THE APPROPRIATE TAXATION CENTRE ADDRESS LISTED ON THE BACK OF THIS FORM.
Canadian Human Rights Act Federal Information Bank Number: 15615.

* CONSERVEZ LE BROUILLON DE LA FORMULE SOMMAIRE POUR VOS DOSSIERS.
* ENVOYEZ LES COPIES 1 ET 2 DE LA FORMULE SOMMAIRE AINSI QUE LES COPIES 1, 2 ET 3 DE TOUS LES FEUILLETS *T4F SUPPLÉMENTAIRE* CONNEXES AU CENTRE FISCAL APPROPRIÉ, DONT L'ADRESSE FIGURE AU VERSO DE CETTE FORMULE.
Loi canadienne sur les droits de la personne : Numéro de la banque fédérale des données : 15615.

Revenue Canada Taxation | Revenu Canada Impôt

NR4B

Summary
Sommaire
Rev. 92

RETURN OF AMOUNTS PAID OR CREDITED TO NON-RESIDENTS OF CANADA
DÉCLARATION DES SOMMES PAYÉES OU CRÉDITÉES À DES NON-RÉSIDENTS DU CANADA

THIS NR4B SUMMARY SHOULD BE COMPLETED IN CONJUNCTION WITH THE INSTRUCTIONS OUTLINED IN THE GUIDE FOR PAYERS OF NON-RESIDENT TAX.

CETTE NR4B SOMMAIRE DOIT ÊTRE REMPLIE SUIVANT LES INSTRUCTIONS DONNÉES DANS LE GUIDE D'IMPÔT POUR LES PERSONNES VERSANT L'IMPÔT DES NON-RÉSIDENTS.

FOR THE YEAR ENDING DECEMBER 31 / POUR L'ANNÉE SE TERMINANT LE 31 DÉCEMBRE 1 9 ☐☐ Y – A

OR / OU

ESTATES AND TRUSTS FISCAL YEAR END / FIN DE L'EXERCICE FINANCIER DES SUCCESSIONS ET FIDUCIES 1 9 ☐☐ ☐☐ ☐☐ Y – A M – M D – J

IMPORTANT

Payer's or disbursing agent's name and account number must correspond to that shown on your Non-Resident Tax Remittance Form PD7AR-NR.

Le nom et numéro de compte du payeur ou de l'agent payeur doivent correspondre à ceux qui figurent dans votre formule de versement de l'impôt des non-résidents, PD7AR-NR.

NAME AND ADDRESS OF PAYER OR DISBURSING AGENT
NOM ET ADRESSE DU PAYEUR OU DE L'AGENT PAYEUR

1 ACCOUNT NUMBER / NUMÉRO DE COMPTE ☐☐☐☐☐☐☐☐☐

TAXATION OFFICE – BUREAU D'IMPÔT

2 DO CODE / CODE DU BD ☐☐

NR4B SLIPS FILED / FEUILLETS NR4B JOINTS	NR4B SUPPLEMENTARY TOTALS / LES TOTAUX DES NR4B SUPPLÉMENTAIRE		GROSS INCOME – REVENU BRUT		TAX WITHHELD – IMPÔT RETENU
88	**AMOUNTS REPORTED** ON NR4B SUPPLEMENTARIES / MONTANTS DÉCLARÉS DANS LES NR4B SUPPLÉMENTAIRE	18		22	
	AMOUNTS NOT REPORTED ON NR4B SUPPLEMENTARIES / MONTANTS NON DÉCLARÉS DANS LES NR4B SUPPLÉMENTAIRE	26		28	
	TOTALS (18 + 26) / TOTAL (18 + 26)	30			

TOTAL NON-RESIDENT TAX WITHHELD (22 + 28) / TOTAL DES RETENUES D'IMPÔT DES NON-RÉSIDENTS (22 + 28) 32

SUPPCAL / CALSUPP

SUBTRACT TOTAL REMITTANCES FOR THE YEAR / MOINS LE TOTAL DES VERSEMENTS POUR L'ANNÉE 82

DIFFERENCE / DIFFÉRENCE

We do not charge or refund a difference of less than $2.00. / Un montant de moins de deux dollars *n'est ni exigé ni remboursé*

OVERPAYMENT / PAIEMENT EN TROP 84

* BALANCE DUE / SOLDE À PAYER 86

* If you have not remitted the full amount of Non-Resident Tax Withheld, the balance should be remitted immediately with this Summary. Any balance owing may be subject to penalty for late-remitting.

* Si vous n'avez pas versé le montant intégral des retenues d'impôt des non-résidents, veuillez verser le solde sans délai avec le présent sommaire. Tout solde exigible peut faire l'objet d'une pénalité pour versement tardif.

Person from who further information may be obtained regarding the NR4B return: / Personne pouvant fournir des renseignements supplémentaires au sujet de la déclaration NR4B :

Name (print) / Nom (en lettre moulées) ____________________ Telephone number / Numéro de téléphone ( ) ________

CERTIFICATION: I HEREBY CERTIFY that the information given in the NR4B return (Form NR4B Summary and related forms NR4B Supplementaries), is true, correct and complete in every respect.

ATTESTATION : J'ATTESTE PAR LA PRÉSENTE que les renseignements donnés dans la déclaration NR4B (Formule NR4B Sommaire et formules connexes NR4B Supplémentaire) sont vrais, exacts et complets sous tous les rapports.

Signature of authorized officer / Signature d'un cadre autorisé ____________________ Date ________

Position or office – Titre ou poste ____________________ Telephone number / Numéro de téléphone ( ) ________

PLEASE DO NOT WRITE IN THIS SPACE – NE RIEN ÉCRIRE ICI

TAXATION YEAR / ANNÉE D'IMPOSITION ☐☐

TRANSFER ACTION / MESURE DE TRANSFERT
- 1 ☐ LAST TO CURR. / PRÉC. À COUR.
- 2 ☐ NO ACTION / AUCUNE MESURE
- 3 ☐ OTHER / AUTRE

TYPE / GENRE
- 1 ☐ ORIGINAL / INITIALE
- 2 ☐ AMEND / MODIFICATION

REJECT CORRECTIONS ONLY / CORRECTIONS DE REJET SEULEMENT
- 3 ☐ DELETE / SUPPRIME

REJECT NUMBER – NUMÉRO DE REJET ☐☐☐☐☐☐☐☐☐☐

☐☐☐☐ LATE-FILING PENALTY / PÉNALITÉ POUR PRODUCTION

PREPARED BY – ÉTABLI PAR | DATE

TOTAL NON-RESIDENT TAX WITHHELD / TOTAL DES RETENUES D'IMPÔT DES NON-RÉSIDENTS + – ☐

☐☐☐☐☐☐☐☐☐☐☐☐

	CODE 2	CORR.	INC	TPC / CAC	DRESSED / MAP	PAYER CODE / CODE DU PAYEUR
INITIALS – INITIALES						☐☐☐☐
DATE						

FOR TAXATION OFFICE / POUR LE BUREAU D'IMPÔT 1

Telecommunication Device for the Deaf (TDD):
TDD users can call 1-800-665-0354 during regular hours of service.

Regular hours of telephone and counter service:
Monday to Friday - 8:15 a.m. to 5:00 p.m.
(holidays excepted)

Prov.	District Taxation Offices	Payroll and Non-Resident Enquiries		Forms Request	
		Local	Long Distance	Local	Long Distance
NF	**St. John's** - 165 Duckworth Street A1C 5X6	772-2639	1-800-563-2639	772-5088	1-800-563-2600
PE	**Charlottetown** - 94 Euston St. C1A 8L3	628-4244	(902) 628-4244	628-4250	(902) 628-4250
NS	**Halifax** - 1256 Barrington St. B3J 2T5	426-3296	(902) 426-3296	426-2210	(902) 426-2210
	Sydney - 47 Dorchester St. B1P 6K3	564-7099	(902) 564-7099	564-7120	(902) 564-7120
NB	**Bathurst** - 120 Harbourview Blvd., 4th floor E2A 4L8	548-6744	1-800-561-5591	548-7100	1-800-561-6104
	Saint John - 65 Canterbury Street E2L 9Z9	636-4462	1-800-222-8472	636-4618	1-800-222-9622
PQ	**Chicoutimi** - 100 Lafontaine St., Office 211 G7H 6X2	698-5780	1-800-463-1825	698-5580	1-800-463-4421
	Laval - 3131 St. Martin Blvd. West H7T 2A7	956-9120	1-800-363-2219	956-9115	1-800-363-2218
	Montréal - 305 René-Lévesque Blvd. W. H2Z 1A6	283-5585	1-800-363-9700	283-5623	1-800-361-2808
	Québec - 165 de la Pointe-aux-Lièvres South G1K 7L3	648-5809	1-800-463-1825	648-4083	1-800-463-4421
	Rimouski - 320 St. Germain E. 4th floor G5L 1C2	722-3111	1-800-463-1825	1-800-463-4421	
	Rouyn-Noranda - 11 Terminus St. E. J9X 3B5 .... from area code 819 .... from area code 418	764-3474	1-800-567-6487 1-800-567-6487	797-4299	1-800-567-6403 1-800-567-6428
	Sherbrooke - 50 Place de la Cité J1H 5L8	821-4008	1-800-567-3582	821-8565	1-800-567-7360
	St-Hubert - 5245 Cousineau Blvd., Suite 200 J3Y 7Z7	283-5585	1-800-363-9700	445-5264	1-800-361-2808
	Trois-Rivières - 25 des Forges St., Suite 411 G9A 2G4	373-8783	1-800-663-2035	373-2723	1-800-567-9325
ON	**Belleville** - 11 Station St. K8N 2S3	962-2563	1-800-267-8038	969-3707	1-800-267-8043
	Hamilton - 150 Main St. W. L8N 3E1 .... from area code 416 .... from area code 519	572-2026	1-800-263-8562 1-800-263-9297	522-7902	1-800-263-9205 1-800-263-9215
	Kingston - 385 Princess St. K7L 1C1	545-8665	1-800-267-7817	1-800-267-8043	
	Kitchener - 166 Frederick St. N2G 4N1	579-0490	1-800-265-6373	579-8951	1-800-265-2210
	London - 451 Talbot St. N6A 5E5	645-4223	1-800-265-4498	645-4244	1-800-265-4900
	Mississauga - 77 City Centre Drive L5A 4E9 .... from area codes 416, 519 and 705	566-6702	(416) 566-6702	566-6005	1-800-387-1710
	North York - Suite 1000, 5001 Yonge St. M2N 6R9 .... from area codes 416, 519 and 705	973-2062	1-800-263-1170	954-4671	1-800-387-1700
	Ottawa - 360 Lisgar St. K1A 0L9 .... from area code 613 .... from area code 819	957-8109	1-800-267-6550 1-800-267-3323	957-8088	1-800-267-8440 1-800-267-4735
	Peterborough - 185 King St. W. K9J 8M3	876-7319	1-800-267-8038	1-800-267-8043	
	St. Catharines - 32 Church St. L2R 3B9	688-3523	1-800-263-5421	688-4000	1-800-263-5672
	Scarborough - 200 Town Centre Court M1P 4Y3 .... from area code 416 .... from area codes 519 and 705	296-0757	1-800-387-5228 1-800-387-5183	296-0104	1-800-387-5229 1-800-387-5183
	Sudbury - 19 Lisgar St. S. P3E 3L5 .... from area code 705 .... from area codes 613 and 807	671-0530	1-800-461-3518 1-800-461-3518	671-0581	1-800-461-4060 1-800-461-6320
	Thunder Bay - 201 North May St. P7C 3P5	623-3039	1-800-465-6842	623-2751	1-800-465-6981
	Toronto - 36 Adelaide St. E. M5C 1J7	367-9990	(416) 367-9990	865-9469	(416) 865-9469
	Windsor - 185 Ouellette Ave. N9A 5S8	252-6518	1-800-265-5826	252-3611	1-800-265-4841
MB	**Winnipeg** - 391 York Ave. R3C 0P5	983-3918	1-800-542-3441	983-3942	1-800-282-8079
SK	**Regina** - 1955 Smith St. S4P 2N9	780-6999	1-800-667-7157	780-6015	1-800-667-7555
	Saskatoon - 201-21st St. E. S7K 0A8	975-5692	1-800-667-6844	975-4577	1-800-772-1644
AB	**Calgary** - 220-4th Ave. S.E. T2G 0L1 .... from Southern Alberta	221-8970	1-800-332-1003	221-8900	1-800-472-9701
	Edmonton - 9700 Jasper Ave. T5J 4C8 .... from northern Alberta .... from northeastern B.C. and Northwest Territories	423-3200	1-800-667-6217 1-800-663-3765	423-4044	1-800-661-4597 1-800-661-3350
BC	**Penticton** - 277 Winnipeg St. V2A 1N6	492-9470	1-800-663-5062	492-9470	1-800-663-5062
	Vancouver - 1166 West Pender St. V6E 3H8 .... from northwestern B.C. and Yukon Territory .... from northeast B.C. (to Edmonton District Office)	669-2990	1-800-663-5650 1-800-663-3765	669-1033	1-800-663-1665 1-800-661-3350
	Victoria - 1415 Vancouver St. V8V 3W4	363-3373	1-800-663-2598	363-3291	1-800-663-7006
INTERNATIONAL TAX OFFICE 2540 Lancaster Road, Ottawa, Ontario, K1A 1A8 .... Calls from the Ottawa area .... Calls from anywhere in Canada		952-3741	1-800-267-3395		

TAXATION CENTRES

Employers located in the following provinces, territories or cities:	Contact the following Taxation Centres:
Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland	**St. John's Taxation Centre, Freshwater Road/Empire Avenue, St. John's, Newfoundland**
Sherbrooke, Québec, Rouyn-Noranda, Chicoutimi, Rimouski and Trois-Rivières	**Jonquière Taxation Centre, 2251 de la Centrale Blvd., Jonquière, Quebec**
Montréal, St-Hubert and Laval	**Shawinigan Taxation Centre, 4695 - 12th Avenue, Shawinigan-Sud, Quebec**
Ottawa, Toronto, Mississauga, North York and Scarborough	**Ottawa Taxation Centre, 875 Heron Road, Ottawa, Ontario**
Kingston, Belleville, Hamilton, Kitchener, Peterborough, St. Catharines, London, Windsor, Sudbury and Thunder Bay	**Sudbury Taxation Centre, 1050 Notre Dame Avenue, Sudbury, Ontario**
Alberta, Saskatchewan, Manitoba and Northwest Territories	**Winnipeg Taxation Centre, 66 Stapon Road, Winnipeg, Manitoba**
British Columbia and Yukon Territory	**Surrey Taxation Centre, 9755 King George Highway, Surrey, British Columbia**

Long-distance calls:

We accept collect calls.

Problem Resolution Program: Please call the enquiries service numbers first. If your problem is not resolved to your satisfaction, call the Problem Resolution Program coordinator.

District Taxation Offices	Other Business Enquiries	Problem Resolution Program	Manager for Employer Services	Director	Fax Number
St. John's	772-4068	772-0172	772-5128	772-5074	(709) 754-5928
Charlottetown	628-4227	628-4092	628-4030	628-4011	(902) 368-0248
Halifax	426-2577	426-4909	426-3135	426-4253	(902) 426-7170
Sydney	564-7122	564-7123	564-7112	564-3168	(902) 564-3095
Bathurst	636-5314	548-6745	548-7929	548-7927	(506) 548-9905
Saint John	636-5314	636-3920	636-3837	636-4760	(506) 648-9658
Chicoutimi	649-3277	1-800-263-3479	698-5570	698-5560	(418) 698-5544
Laval	956-6705	956-6864	956-6685	956-6666	(514) 956-6915
Montréal	283-5328	496-1606	283-6841	283-6539	(514) 496-1309
Québec	649-3277	649-4056	649-3112	648-4586	(418) 649-6478
Rimouski	649-3277	1-800-263-3479	649-3227	722-3104	(418) 722-3027
Rouyn-Noranda .... from area code 819 .... from area code 418	797-7324 (819) 797-7324 (819) 797-7324	797-7314 1-800-567-3973 1-800-567-3973	797-7337 (819) 797-7337 (819) 797-7337	797-7300 (819) 797-7300 (819) 797-7300	797-8366 (819) 797-8366 (819) 797-8366
Sherbrooke	821-8504	821-8528	821-8541	821-8597	(819) 564-4226
St-Hubert	283-5328	445-5237	445-5250	445-5217	(514) 445-6301
Trois-Rivières	1-800-567-3552	1-800-263-7804	371-7017	371-7027	(819) 371-2744
Belleville	391-2727	391-2728	391-2681	391-2665	(613) 969-7845
Hamilton .... from area code 416 .... from area code 519	572-2917 (416) 572-2917 (416) 572-2917	572-2449 1-800-363-4389 1-800-363-4389	572-2667 (416) 572-2667 (416) 572-2667	572-2601 (416) 572-2601 (416) 572-2601	546-1615 (416) 546-1615 (416) 546-1615
Kingston	541-3601	541-3636	541-3640	541-3629	(613) 545-3272
Kitchener	570-7453	570-7562	570-7587	570-7400	(519) 579-4532
London	645-4493	645-4240	645-5357	645-4180	(519) 432-2807
Mississauga ..... from area codes 416, 519 and 705	566-6155 1-800-387-1700	566-6168 (416) 566-6168	566-6130 (416) 566-6130	566-6165 (416) 566-6165	566-6182 (416) 566-6182
North York ..... from area codes 416, 519 and 705	954-4634 (416) 954-4634	973-2434 1-800-668-4467	512-4094 1-800-387-0703	512-4000 (416) 512-4000	512-2558 (416) 512-2558
Ottawa .... from area code 613 .... from area code 819	941-2019 (613) 941-2019 (613) 941-2019	941-2022 1-800-668-2964 1-800-668-2964	957-8109 1-800-267-6550 1-800-267-3323	941-2020 (613) 419-2020 (613) 419-2020	238-7125 (613) 238-7125 (613) 238-7125
Peterborough	(613) 391-2727	1-800-565-7603	876-3113	876-3100	(705) 876-6422
St. Catharines	984-2259	984-2285	984-2230	984-2202	(416) 688-5996
Scarborough .... from area code 416 .... from area codes 519 and 705	973-6960 1-800-387-5229 1-800-387-5183	973-4673 1-800-667-1604 1-800-667-1604	973-4141 1-800-387-5229 1-800-387-5183	973-3945 1-800-387-5229 1-800-387-5183	973-5126 (416) 973-5126 (416) 973-5126
Sudbury .... from area code 705 .... from area codes 613 and 807	671-0541 (705) 671-0541 (705) 671-0541	671-0595 1-800-667-8959 1-800-667-8959	671-0521 (705) 671-0521 (705) 671-0521	671-0590 (705) 671-0590 (705) 671-0590	671-3988 (705) 671-3988 (705) 671-3988
Thunder Bay	343-4057	625-7033	625-7184	625-7061	(807) 622-8512
Toronto	973-3071	973-3392	973-3709	954-2759	(416) 360-8908
Windsor	973-7904	973-7907	973-7141	973-7101	(519) 973-7188
Winnipeg	983-6350	984-5142	983-3929	983-7085	(204) 943-3928
Regina	780-6075	780-7703	780-6032	780-7702	(306) 757-1412
Saskatoon	975-4643	975-4040	975-4030	975-4636	(306) 652-3211
Calgary .... from Southern Alberta	691-6567 (403) 691-6567	292-5063 1-800-661-6634	292-4348 (403) 292-4348	299-3557 (403) 299-3557	264-5843 (403) 264-5843
Edmonton .... from northern Alberta .... from northeastern B.C. and NT	495-3624 (403) 495-3624 (403) 495-3624	495-4319 (403) 495-4319 (403) 495-4319	495-6564 (403) 495-6564 (403) 495-6564	495-3622 (403) 495-3622 (403) 495-3622	428-1584 (403) 428-1584 (403) 428-1584
Penticton	492-9285	492-9388	492-9203	492-9393	(604) 492-8346
Vancouver .... from northwestern B.C. and YT .... from n-east B.C. (to Edmonton)	669-8367 (604) 669-8367 (403) 495-3624	669-8352 (604) 669-8352 (403) 495-4319	669-8520 (604) 669-7329 (403) 495-6564	669-8374 (604) 669-8374 (403) 495-3622	689-7536 (604) 689-7536 (403) 428-1584
Victoria	363-3474	363-3382	363-3382	363-3219	(604) 363-3726
INTERNATIONAL TAX OFFICE 2540 Lancaster Road, Ottawa, Ontario .... Calls from the Ottawa area .... Calls from anywhere in Canada		(613) 952-3502 1-800-661-4985		954-5823 (613) 954-5823	941-2505 (613) 941-2505

Postal Code: Source Deduction Enquiries	Postal Code: Instalments and Payments	Problem Resolution Program	Assistant Director, Employer Services	Director	Fax Number
A1B 3Z1	**A1B 3Z3**	772-0271	772-6599	772-0279	(709) 754-3416
G7S 5J1	**G7S 5J3**	548-9171	548-0881	699-0540	(418) 548-0846
G9N 7S6	**G9N 7W2**	536-6346	537-6693	536-6200	(819) 536-7078
K1A 1A2	**K1A 1B1**	941-3333	954-9606	954-9622	(613) 739-1147
P3A 5C1	**P3A 5C3**	1-800-661-7419	670-5570	670-5563	(705) 671-3994
R3C 3M2	**R3C 3P8**	984-2930	984-3431	984-2470	(204) 661-6989
V3T 5E1	**V3T 5E5**	585-9248	585-5765	585-5760	(604) 585-5769

Notes

Revenue Canada Taxation   Revenu Canada Impôt

Order Form

Please list the titles or numbers of the publications required in the boxes below. Print your name and address in the area provided and submit your completed form to your local taxation office.

Names of requested guides or other publications

Requested forms, circulars, or bulletins numbers

Name

Address

City

Province

Postal Code

✂

Revenue Canada Taxation   Revenu Canada Impôt

Cancellation / Reinstatement Form

If you have more than one Employer account number, you may be receiving more than one copy of the *Employers' Guide to Payroll Deductions*. If you do not need to receive more than one copy, please fill out this form to cancel the extra copies. If you cancel this publication for an Employer account number, you will not receive it for 1994. We suggest that you make sure you receive at least one copy of the guide for your reference.

If you have previously cancelled this publication and would like to receive it again, tick the "Reinstate" box below and provide the necessary information.

List the Employer name, Mailing address, and Employer account number if you would like to discontinue or reorder these publications. You MUST enter the Employer account number on the form.

Forward the completed form to: Ottawa Taxation Centre
Employer Services Division
875 Heron Road
Ottawa, Ontario K1A 1A2

Employer name	Mailing address	Employer account number	Cancel	Reinstate
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

If you need more space, attach a separate piece of paper.

T4001E-A
October 1992