Revenue Canada
Customs, Excise and Taxation
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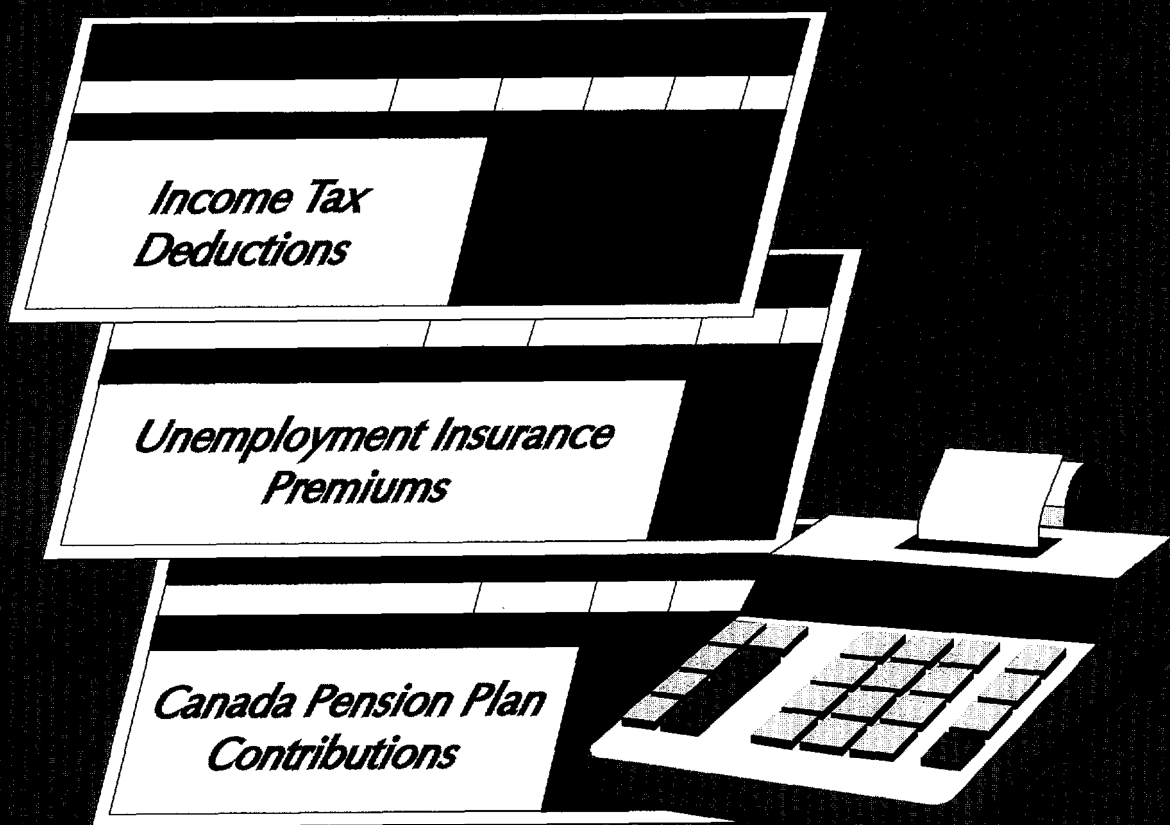
1993 to 1997

Employers' Guide to Payroll Deductions

Basic Information



How and what to deduct

How to report deductions

How to send in deductions

This guide is valid until 1997

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Canada

Printed in Canada

Fact Sheet

Revenue Canada Changes its Tax Guide for Employers

Revenue Canada — Customs, Excise and Taxation is encouraging employers to keep their new tax guide for the next four years as part of the Department's ongoing efforts to save both paper and money.

As long as there are no major legislative changes, Revenue Canada plans to print and distribute its *Employers' Guide to Payroll Deductions — Basic Information* once every four years instead of annually. By doing so, the Department expects to save an estimated $1 million, as well as 56 million sheets of paper. The new guide will combine information from two previous publications — the *Employers' Guide to Payroll Deductions* and the *Payroll Deductions for Small Business Employers.*

Employers will continue to receive up-to-date information. Each year, the Department will send employers updates along with any forms they are required to file. The updates will provide employers with basic information on their tax obligations, and any legislative changes that have taken place during the year. To allow employers to keep their guide and updates in a binder, Revenue Canada will produce these publications in a three-hole-punched format with a detachable spine.

The Department is also making a number of other changes to the guide based on consultations it has had with clients. In addition, the text will be written in plain language to make it easier to read.

Information about taxable benefits and non-resident employees will no longer be contained in the publication, since these items apply to only about 10% of employers. Clients who want information on these topics can order a separate publication called the *Employers' Guide to Payroll Deductions — Taxable Benefits and Non-Resident Information.* To get a copy, employers can use the order form included in the regular employers' guide.

The changes to these publications are part of Revenue Canada's ongoing commitment to provide the best possible service to its clients in an efficient and cost-effective way. If employers have any questions about the changes or about their tax obligations, they can contact their local income tax office.

Contents

For more detailed information about the contents, refer to the table of contents at the beginning of each chapter.

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 Revenue Canada income tax office.

Problem Resolution Program

Revenue Canada — Customs, Excise and Taxation is always 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 payroll-related questions and concerns through regular channels. In other words, if you have a problem, call, write, or visit the General Enquiries section of your Revenue Canada income tax office. However, if after contacting the General Enquiries section, your problem is not resolved to your satisfaction, you should get in touch with a Problem Resolution Program co-ordinator at the number listed at the back of this guide.

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:

Client Assistance Directorate
Room 8000
400 Cumberland Street
Ottawa, Ontario
K1A 0L8

Cancellation/Reinstatement Form

Revenue Canada takes an active interest in the environment. In order to save paper, we want to reduce the number of guides we mail to you by only sending the ones you really need. If you receive more than one guide because you have more than one account number, please complete the ***Cancellation / Reinstatement Form*** at the back of this guide. This will let us know how many guides you no longer need.

Chapter 1
General Information

Contents

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Who should use this guide?

You should use this guide if you are:

- an employer;
- a trustee; or
- a payer of other amounts (i.e., fees for services rendered, commissions to a self-employed agent, pension or superannuation benefits).

The instructions in this guide generally apply to employers. If you are self-employed, and you would like information about your coverage under the Canada Pension Plan, see the *General Income Tax Guide*, available from your Revenue Canada income tax office. In addition, in this guide we cover situations for estate executors, administrators, and corporate directors.

For information on certain self-employed individuals, such as taxi and other drivers, and barbers and hairdressers, see Chapter 8 of this guide.

A kit for employers is also available. It gives you the basic information you need to meet your responsibilities. If you would like to get a copy of the kit, contact your income tax office at the address or telephone number listed at the back of this guide.

Note

Throughout this guide, we give examples to illustrate certain information. The rates we use in the examples are not always current, and are only meant to show how this information is applied. For the current rates, see the *Payroll Deductions Tables*, which we issue in January and July.

Employer-employee relationships

You are generally considered to be an employer if:

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

An employer-employee relationship exists if you are in a position to control and direct the person or people who perform the services. Although a written contract might expressly indicate that an individual is self-employed, the Department might not necessarily consider the individual as such. You must examine the written contract and the working conditions to determine if the individual is self-employed.

If you cannot determine whether a person is an employee, you can obtain a ruling from the Source Deductions section, CPP/UI unit of your district taxation office.

What are your responsibilities?

As an employer, you have to:

- deduct income tax, Canada Pension Plan (CPP) contributions, and Unemployment Insurance (UI) premiums from amounts you pay to your employees;
- send in these amounts along with your share of CPP contributions and UI premiums that you have to pay throughout the year on your employees' behalf; and
- report all these amounts on an information return by the end of February of the following calendar year.

Note

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 must not be part of an estate in liquidation, assignment, receivership, or bankruptcy.

Employer Visits Program

The Department offers an on-site consultative service to provide any assistance you may need concerning payroll deductions. If you would like further information about this service, contact your income tax office.

When do you send in deductions?

Unless you are an accelerated remitter, you have to send in your deductions so we receive them on or before the 15th day of the month following the month that you made the deductions. Send your payment to an income tax office or Canadian financial institution.

Note

If the 15th day of the month falls on a Saturday, Sunday, or holiday, your remittance is due on the next working day.

Accelerated remitters have to send in deductions more than once a month. There are two groups (also called thresholds) of these employers:

Threshold 1 — Employers with an average monthly withholding amount of $15,000 to $49,999.99 in the second preceding year. An employer would be considered a Threshold 1 accelerated remitter in 1994 if the employer's 1992 average monthly withholding amount was within these limits.

Threshold 2 — Employers with an average monthly withholding amount of $50,000 or more in the second preceding year. An employer would be considered a Threshold 2 accelerated remitter in 1994 if the employer's 1992 average monthly withholding amount was within these limits.

To determine if you are an accelerated remitter, add up all the tax, CPP, and UI amounts you had to send us in 1992, and divide the total by the number of payments (maximum 12) you had to make in that year. This will give you your "average monthly withholding amount."

If a corporation is associated with one or more corporations in 1994, and the total average monthly withholding amount in 1992 of all the associated corporations is $15,000 or more, **all** the associated corporations are considered accelerated remitters. The definition of associated corporations in the *Income Tax Act* applies in this situation.

Due dates for accelerated remitters

We have to receive deductions from accelerated remitters by the following dates:

Threshold 1

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

Note

Accelerated remitters in Threshold 1 can make their payments to an income tax office or Canadian financial institution.

Threshold 2

Payday occurs during:
1st to 7th of the month
8th to 14th of the month
15th to 21st of the month
22nd to end of the month

Remittance must be received:
Within 3 days from the last day in each period. Do not count Saturdays, Sundays, and holidays.

Notes

- Changes to the *Income Tax Regulations* allow accelerated remitters the possibility to reduce the frequency of their remittances. For more information, see Chapter 5.
- Accelerated remitters in Threshold 2, as well as payroll service companies, have to make their payments to a Canadian financial institution. They cannot make their payments at an income tax office.

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 under the *Canada Pension Plan and Unemployment Insurance Acts.*

If a bankrupt employer has deducted CPP contributions, UI premiums, or income tax from amounts paid to employees before the bankruptcy, and the employer has not remitted these amounts to the Department, the trustee must hold these amounts in trust. The amounts are not part of the estate in bankruptcy, and they should be kept separate.

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

Failure to deduct or remit tax, CPP, and UI

We may assess you a penalty of **10%** of the amount you should have remitted the first time that:

- we receive the withheld amounts past the due date;
- you withhold the amounts but do not send them in; or
- you fail to deduct CPP and UI amounts as required (if you fail to deduct, or if you under-deduct these amounts, it is considered a failure to remit).

If you are subject to a penalty for any of the above in a calendar year, and a subsequent failure occurs in the same calendar year, we may increase the penalty to **20%**. The increased penalty will apply to situations where an employer knowingly, or under circumstances amounting to gross negligence, fails to remit the required amounts. These penalties apply on amounts over $500. However, we may apply a penalty on amounts under $500 when a person is required to remit deductions, and knowingly, or under circumstances amounting to gross negligence, delays remitting the deductions, or remits an amount less than the amount required.

Note

We expect you to deduct tax, CPP, and UI amounts as required. If you fail to deduct or remit these amounts, you are liable for the full amount that you should have deducted from the employee's remuneration, **plus** your share of CPP contributions and UI premiums that you should have paid on your employees' behalf.

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.

Failure to file information returns

Information returns are T4, T4A, T4A-NR, and T4F Supplementary information slips **and** the related summary forms. 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 for each failure is $25 a day with a minimum penalty of $100, and a maximum of $2,500.

Interest

We can charge interest from the day your payment is due. For due dates, see "When do you send in deductions?" at the beginning of this chapter.

Waiving penalties and interest

The fairness provisions of the *Income Tax Act* give the Department greater discretion when cancelling, waiving or applying interest charges and penalties. This added flexibility allows the Department to consider extraordinary circumstances that may have prevented employers from fulfilling their obligations under the *Income Tax Act*. For more information, see Information Circular IC 92-2, *Guidelines for the Cancellation and Waiver of Interest and Penalties*, available at any income tax office.

Social insurance number (SIN)

As an employer, you have to get a SIN, from every employee. You should be able to show that you made a reasonable effort to do this. For example, if you contact the employee by mail to ask for a SIN, record the date of your request, and keep a copy of any replies that relate to it. We consider this to be a reasonable effort. If you do not make a reasonable effort to get a SIN, you may be subject to a penalty of $100 for each failure. Employees are also required to give you their SIN. If an employee does not do this, the employee may be subject to a penalty of $100 for each failure.

Make sure you always use the correct name and number as shown on the employee's SIN card. Also, when an employee has an interruption in earnings, for Unemployment Insurance purposes, you have to record the correct SIN on a *Record of Employment* (we explain what this is in Chapter 3). If you don't, you could be fined up to $2,000, imprisoned for up to six months, or both.

As the employer, you have to tell your employees how to get a SIN, or how to replace a social insurance number card. Tell them they should contact the local Canada Employment Centre within three days of the day they start work.

If an employee **refuses** to provide, or will not apply for, a SIN, you still have to make deductions.

If you hire a person you know is not a Canadian citizen or a permanent resident, make sure that:

- the first digit of the person's SIN is 9; and
- the person has a temporary work permit that states that he or she will work only for you.

Under the *Immigration Act*, you cannot hire a person who is not authorized to work for you. If you do, you may be penalized under that Act.

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 of this guide. Interpretation Bulletin IT-377, *Director's, Executor's and Juror's Fees*, 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) are jointly liable, together with the corporation, to pay the amount due. The amount due includes interest and penalties.

However, 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, *Director's Liability - Section 227.1 of the Income Tax Act*, available at your income tax office.

How do you 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 amount of **income tax** that we indicate you owe, you can:

- file Form T400A, *Objection*; or
- write to the chief of appeals at your Revenue Canada income tax office. State the reasons why you do not agree with the assessment, and give all related facts. You can find a list of addresses for income tax offices at the back of this guide.

To appeal the **CPP contributions** or **UI premiums** that we indicate you owe, file Form CPT100, *Application for Determination of a Question or Appeal Under the Canada Pension Plan or Unemployment Insurance Acts*. However, before you file a formal appeal, you may want to contact your income tax office and discuss the matter. This could solve your problem and save you the time and trouble of appealing.

Confidentiality

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

How do you appeal a CPP or UI ruling?

If you have a situation where you don't know whether or not you should deduct CPP contributions or UI premiums, a district taxation office can issue a ruling to resolve the problem. If an employer, employee, or their representative does not agree with the ruling, they can appeal it. To do this, they have to file Form CPT100 on or before April 30 of the year that follows the year that the question relates to.

Which provincial tax table should you use?

To know which provincial tax table to use, you have to determine your employee's province or territory of employment. This depends on whether or not you require the 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 for 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 3

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 administers its own provincial pension plan (QPP). In this guide, references to CPP do not apply if:

- the employee has to report to your 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 about the Quebec Pension Plan, contact the ministère du Revenu du Québec, 3800 Marly Street, Sainte-Foy, Quebec G1X 4A5.

What should you do if an employee leaves?

We suggest that you calculate the employee's earnings for the year to date, and give the employee a T4 Supplementary. If no current-year T4 Supplementary slips are available, use the previous year's form. Just cross out the old year at the top, and enter the current year. Keep the Department's copy of the supplementary, and include it with your T4 Summary when you file your T4 information return by the last day of February of the following year.

What should you do if you have no employees for the time being?

Complete area 2 on the back of Form PD7A, *Remittance Form for Current Source Deductions*, to let your income tax office know when you expect deductions to begin again. For more information, see Chapter 5. In addition, you should prepare and give a *Record of Employment* form to each former employee.

What should you do if your business ceases to operate?

If your business ends, there are three things you should do:

- Send all income tax, Canada Pension Plan contributions, and Unemployment Insurance premiums to your income tax office within seven days of the day your business ends. For more information on how to send in deductions, see Chapter 5.
- Complete a T4 Summary and the necessary T4 Supplementary slips and send them to your income tax office within 30 days. You have to calculate the pension adjustment (PA) that applies to your employees who accrued benefits for the year under your registered pension plan, or deferred profit-sharing plan. If no current-year T4 Summary or Supplementary forms are available, use the previous year's forms. Just cross out the year at the top, and enter the current year. Distribute copies of the T4 Supplementary slips to your former employees. For more information on how to complete the T4 Summary and Supplementary, see Chapter 6.
- Prepare and give a *Record of Employment* form to each former employee.

Do you have a computer?

If you have a computer, you can use it rather than the manual tables to calculate your employees' deductions at source. If you do this, get a copy of *Formulae for Federal and Provincial Payroll Deductions for Computer Users — Income Tax Deductions, Canada Pension Plan Contributions and Unemployment Insurance Premiums.* It gives the formulas and tables for computer users. You can order a copy from your income tax 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 income tax office for approval. You may also want to consider filing your information return on tape or diskette. If you do, get the booklet called *Computer Specifications for Data Filed on Magnetic Media* from your income tax office.

Keeping records

Employers and payers who have to withhold or deduct taxes, CPP contributions, or UI premiums must keep books and records of what they have done. They must also allow Revenue Canada officers to verify these books and records on request.

You have to keep books and records for at least six years. However, if you want to destroy them before the six-year period is over, complete Form T137, *Request for Destruction of Books and Records*, to ask for permission to do so. You can get this form at your income tax office. If you need more information, see Information Circular 78-10, *Books and Records Retention/Destruction.*

What happens if you change your business status?

If you change your business status, you are considered to become a new employer. Therefore, you need a new employer account number to use when you send in and report employee deductions.

Don't forget

1. **When do you send in deductions?**

   We must receive your deductions (except for accelerated remitters) on or before the 15th day of the month after the month they were deducted.

2. **When should you file information returns (T4, T4A, T4A-NR, and T4F)?**

   On the **last day of February**, you must:
   - provide your employees with their information slips; and
   - send your information returns to Revenue Canada.

3. **Social insurance number (SIN)**

   As the employer, you have to tell your employees how to get a SIN or how to replace a social insurance number card. Tell the employees that they should contact the local Canada Employment Centre within three days of the day they start work.

4. **Employer-employee relationship**

   If you are not sure whether someone is your employee, you can get a ruling from the Source Deductions section of your district taxation office. You will find the addresses and phone numbers at the back of this guide.

Chapter 2
Canada Pension Plan Contributions

Contents

* * *

Under what conditions do you deduct CPP contributions?

You have to deduct Canada Pension Plan (CPP) contributions from an employee's remuneration if that employee meets the following three conditions:

- is 18 years old or over, 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 (QPP) retirement or disability pension.

Amounts subject to CPP contributions

You generally have to deduct CPP contributions from the following amounts and benefits:

- Salary, wages, or other remuneration, commissions, bonuses, and the value of meals 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 an automobile that an employer owns or leases, holiday trips, subsidized meals, and certain gifts, prizes, and awards.
- Honorariums from employment or office, a share of profit paid by an employer, incentive payments, a director's fee, fees paid to board or committee members, and an executor's or administrator's fee 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 received for services performed.
- Remuneration received while on furlough, sabbatical, vacation, sick or retirement leave, or for 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*, and payments for sick leave credits.
- Wage-loss benefits that an employer pays directly to an employee from a wage-loss replacement plan where the employer funds any portion of the plan.
- Wage-loss benefits that an employee receives from a trustee or an insurance company from a wage-loss replacement plan where the employer:
  - funds any portion of the plan;
  - exercises a degree of control over the terms of the wage-loss replacement plan; and
  - determines the eligibility to benefits.
- Benefits derived from stock option plans.

- Workers' Compensation payments you make to an employee for an injury. Deduct CPP from the amount that **exceeds** the following:
  - the maximum dollar amount the Workers' Compensation Board (WCB) pays (known as a "top-up amount"); or
  - the equivalent amount otherwise payable by the WCB, when paid by a self-insured employer.

Note

If you continue to pay any of these amounts to a former employee, and you are required to deduct CPP contributions, use the rate in effect at the time you make the payment.

Amounts not subject to CPP contributions

There are some types of employment, benefits, and payments from which you do **not** have to 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, lumbering, **except if**:
  - you paid a worker $250 or more in a year; and
  - you will be paying the worker cash remuneration for 25 or more working days in a calendar year — the 25 or more days do not have to be consecutive (see the "Note" below).
- 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.
- Employment of your child or a child that you maintain if no cash remuneration is paid.
- Employment of a person 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:
  - is not your regular employee; and
  - works for less than seven days in the year.
- Employment by a government body as a census taker or election worker if that person:
  - is not a regular employee of the government body; and
  - works for less than 25 days (see the following note).

Note

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

Types of benefits and payments

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*, and retiring allowances or severance payments received upon or after retirement in recognition of long service, or for loss of office or employment.
- Wage-loss benefits that an employee receives from a trustee or an insurance company when the employer does not exercise a degree of control over the terms of the wage-loss replacement plan and does not determine the eligibility to benefits.
- Payments you make after an employee dies, except for amounts the employee earned or was owed before the date of death.

- Workers' Compensation payments if you pay your employee:
  - an advance equivalent to a WCB award for an injury while the WCB claim is in process; or
  - an amount equivalent to a WCB award as a self-insured employer. There are situations when CPP contributions are required. See "Amounts subject to CPP contributions" discussed earlier in this chapter.
- Benefits for the residence of clergy members, when the clergy members get a tax deduction for their residence.

How do you deduct CPP 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, as an employer, you have to contribute the **same** amount that you deduct from your employees' remuneration. The contribution that you make is on your employees' behalf.

Example

CPP contributions you deducted from your employees in the month	$14.40
Your share of CPP contributions	14.40
Total amount you send in for CPP contributions	$28.80

Note

When you calculate the contributions that you have to deduct from your employees, do **not** take into account any contributions that a former employer or any other employer (i.e., employee working two jobs at the same time) has deducted in the same year.

You may have places of business in the province of Quebec and in another province. If you transfer an employee from Quebec to another province, you can take into account the Quebec Pension Plan contributions you deducted from that employee throughout the year. The total contributions to both plans **cannot** exceed the maximum contribution for the year. In such a case, you have to prepare **two** T4 Supplementary slips.

- one showing the QPP deducted and the remuneration earned in the province of Quebec; and
- the other showing the CPP deducted and the remuneration earned in the other province.

Employees' contributions

You deduct employees' CPP 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 1993, it was $33,400).
- A basic yearly exemption. This is a base amount of the yearly pay from which you do not deduct CPP contributions (for 1993, it was $3,300).
- A rate you use to calculate the amount to deduct from your employees (for 1993, it was 2.5%).

Methods for deducting CPP contributions

There are two methods you can use to determine the CPP contributions you have to deduct from your employees: the table method and the manual calculation method. Use the **table method** if the employee is entitled to the full amount of the basic yearly exemption. In other situations, use the **manual calculation method.**

Table method

Use the *Payroll Deductions Tables* (see the following note) to determine the amount you should deduct from your employees' remuneration. In Part B of the publication you will find the CPP tables. The amounts indicated in the tables already include the basic yearly exemption. To use the tables, do the following:

- 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).

- Beside this amount, you will find a corresponding amount in the "CPP" column. This is the amount of contributions to withhold from an employee's pay. As an employer, you have to pay the same amount as your employee.

Note

The *Payroll Deductions Tables* include the amount of tax, CPP contributions, and UI premiums 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

To calculate using this method, follow these steps:

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

Step 2: Subtract the result from the employee's gross pay.

Step 3: Multiply the remainder by the CPP rate. Make sure you do not exceed the maximum for the year. The result is the amount of contributions you should withhold from the employee. As an employer, you have to pay the same amount as your employee.

Example

Weekly salary	$500.00
Taxable benefit	50.00
Total	$550.00

Step 1: $3,300 (basic yearly exemption) ÷ 52 = $63.46.
Step 2: $550 − $63.46 = $486.54.
Step 3: $486.54 × 2.5% = $12.16

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

Employee's contribution	$ 12.16
Employer's contribution	12.16
Total	$ 24.32

When do you prorate the basic yearly exemption?

You will have to prorate the basic yearly CPP 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). For more information, see "Employees between 60 and 70 years of age," discussed later in this chapter;
- 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).
- 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, 1993. He receives $2,000 per month ($24,000 per year). This amount is less than the maximum pensionable earnings ($33,400) that are subject to CPP contributions.

January to May:
No CPP contributions

June to December:
- Pay period: monthly
- Earnings: $2,000
- Basic yearly CPP exemption: $3,300
- Prorate basic exemption per month: $3,300 ÷ 12 = $275
- Monthly deduction: $2,000 − $275 = $1,725; $1,725 × 2.5% = $43.13

Brent's CPP contributions for the year should not exceed $301.91 (7 months × $43.13).

Example 2

Fred turned 70 on February 15, 1993. He receives $800 per week ($41,600 per year). This amount is more than the maximum pensionable earnings ($33,400) that are subject to CPP contributions.

January to February:
- Pay period: weekly
- Earnings: $800
- Basic yearly CPP exemption: $3,300
- Prorate basic exemption per week: $3,300 ÷ 52 = $63.46
- Weekly deduction: $800 − $63.46 = $736.54; $736.54 × 2.5% = $18.42
- Maximum contribution for the year: 2/12 ($33,400 − $3,300) × 2.5% = $125.42

Fred's CPP contributions for the year should not exceed $125.42. His employer should stop deducting CPP contributions when this amount is reached.

March to December:
No CPP contributions.

If an employee always works on a **commission basis**, and is paid only when sales are completed (which does not occur at regular intervals), prorate the basic exemption on a **daily basis**.

Example

Mariah is your employee. She always works on a commission basis and you pay her only when she completes a sale. However, 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. Prorate the basic exemption as follows:

- Prorate the basic annual exemption: 73 ÷ 365 (days) × $3,300 = $660
- You have to deduct CPP contributions of:
  ($700 − $660) = $40; $40 × 2.5% = $1
- The amount you have to send in is:

Employee's contribution	$1
Employer's contribution	1
Total	$2

For 27 or 53 pay periods

The payroll deductions 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	Biweekly
Basic yearly exemption ($3,300) (52 and 26 pay periods)	$63.46	$126.92
Basic yearly exemption (53 and 27 pay periods)	62.26	122.22
Equals: difference subject to an extra 2.5%	$1.20	4.70
	× 2.5%	× 2.5%
Contribution to be added to the regular contribution for each of the 53 and 27 pay periods	$0.03	$ 0.12

Employees who are between 60 to 70 years of age

These employees may apply to receive a CPP retirement pension. You have to deduct CPP contributions from their remuneration 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 for a pension, that person has to entirely or almost entirely stop working.

Health and Welfare Canada sends an award letter to employees who get a pension. The letter indicates the date the pension becomes payable. An employee must show you 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. As a result, you have to deduct contributions until the end of the month:

- before the employee receives the retirement pension; or
- in which the employee turns 70;

whichever occurs first.

CPP coverage by foreign employers

If you are a foreign employer who does not have a place of business in Canada, you can apply to have employment that you provide in Canada covered under the Canada Pension Plan. This coverage is optional. Even if your country does not have a social security agreement with Canada, you can apply for coverage by completing Form CPT13, *Application for Coverage of Employment in Canada Under the Canada Pension Plan by an Employer Resident Outside Canada.*

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

International agreements with foreign governments

Canada has reciprocal social security agreements with other countries. These agreements ensure that an employee is covered by only one plan — CPP or a foreign social security plan.

If you would like information about the *Canada-United States Social Security Agreement*, see Information Circular 84-6, *Canada-United States Social Security Agreement.*

Canada has agreements with these 28 countries:

Country	Date into force	CPT form number
Antigua and Barbuda	**January 1, 1994**	**none**
Australia	September 1, 1989	none
Austria	November 1, 1987	112
Barbados	January 1, 1986	none
Belgium	January 1, 1987	121
Cyprus	May 1, 1991	none
Denmark	January 1, 1986	none
Dominica	January 1, 1989	none
Finland	February 1, 1988	128
France	March 1, 1981	52/53
Germany	April 1, 1988	130
Greece	May 1, 1983	54
Guernsey	**January 1, 1994**	**none**
Iceland	October 1, 1989	none
Ireland	January 1, 1992	none
Italy	January 1, 1979	51
Jersey	**January 1, 1994**	**none**
Jamaica	January 1, 1984	none
Luxembourg	April 1, 1990	none
Malta	March 1, 1992	none
Netherlands	October 1, 1990	none
Norway	January 1, 1987	127
Portugal	May 1, 1981	55
Saint Lucia	January 1, 1988	none
Spain	January 1, 1988	125
Sweden	January 1, 1986	129
United States	August 1, 1984	56

Chapter 3
Unemployment Insurance Premiums

Contents

* * *

You and your employee have to pay Unemployment Insurance (UI) premiums on remuneration from insurable employment. Insurable employment includes most employment in Canada under a contract of service. There is no age limit for deducting UI premiums. Some employment outside Canada is also insurable (see Chapter 8).

Which amounts are subject to UI premiums?

Most remuneration (including taxable benefits) that you pay or provide to an employee is subject to UI premiums. As a result, you have to deduct the premiums from the remuneration. The remuneration 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 information about Workers' Compensation award payments, see Chapter 7.

Which employment and payments are not subject to UI premiums?

There are some types of employment that are not included in insurable employment even if there is a contract of service. There are also some types of payments that are **not** subject to UI premiums, and you do not deduct UI premiums from them.

Types of employment

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

- Employment where a person's cash earnings in any week are less than 20% of the maximum weekly insurable earnings (e.g., for 1993, the minimum weekly insurable earnings were $745 x 20% = $149), **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** if your employee works 15 hours or more 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. This includes individuals connected by blood relationship, marriage, or adoption. However, an employee who does not deal with you at arm's length can be in insurable employment if 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.

Note

The definition of "spouse" in the *Income Tax Act* includes a common-law spouse.

- When a corporation employs a person who controls more than 40% of the corporation's voting shares.
- Employment that is an exchange of work or services.
- Employment by an employer in agriculture, in an agricultural enterprise, or in horticulture, where the person receives no cash remuneration **and** works less than seven days[1] with the same employer during the year.
- Employment of a person in connection with a circus, fair, parade, carnival, exposition, exhibition, or other similar activity, **except** for entertainers, if that person:
  - is not your regular employee; and
  - works for less than seven days[1] in the year.
- Employment of a person in a rescue operation, as long as you do not regularly employ that person for that purpose.
- When a government employs a person as a census taker or election worker if that person:
  - is not the government body's regular employee; and
  - works for less than 25 days[2].
- Employment in Canada under an exchange program, if an employer who resides in Canada does not pay the employee.
- 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 premiums must be paid according to the unemployment insurance laws of any state of the United States, the District of Columbia, Puerto Rico, or the Virgin Islands, or according to the *Railroad Unemployment Insurance Act of the United States*.
- 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 in Canada 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 provided the Canada Employment and Immigration Commission agrees.
- Employment of a UI claimant in a job creation project that the Canada Employment and Immigration Commission has approved. As an employer, if you participate in a job creation project and pay any amount to the UI claimant, you do not deduct UI premiums from that amount.

Types of payments

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

- a payment you make under a supplementary unemployment benefit plan;
- the value of board, lodging, and all other benefits received or enjoyed in a period if no cash is paid for the pay period;
- the value of lodging that a clergy member receives for employment as a clergy member;

Note

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

- the value of certain benefits and allowances that are excluded from employment income under the *Income Tax Act*.

If you need more information on any of these amounts, contact your Revenue Canada income tax office.

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

[2] If the employee works 25 days or more, the employment is insurable from the first day of work.

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 the employee **earned** them. This includes salary, wages, and employer-paid leave such as vacation.
2. Allocate the following earnings to the pay period in which you **paid** them:
   - 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
   - remuneration not paid for a pay period (e.g., vacation **pay**).

   If an employee is on unpaid leave, has left your employment, or has been dismissed or laid off, allocate the earnings to the **last pay period** that you paid regular salary, wages, or commissions.

If you need more information, contact your income tax office.

Unemployment Insurance premiums

Both you and your employee have to pay UI premiums on insurable earnings. Employee premiums for 1993 were 3% of insurable earnings for the pay period. You can find the current rate in the *Payroll Deductions Tables.*

As an employer, your premiums are 1.4 times the amount of your employee's premiums. However, if you have a **wage-loss replacement plan** you can ask to have your premiums reduced (see the following section).

How can you reduce the rate of your UI premiums?

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

To register the wage-loss replacement plan, complete Form EMP2642, *Initial Application for Premium Reduction*, available at any Canada Employment Centre. To ensure that the reduction can start on January 1 of the next year, send the completed form to the following address no later than September 30 of the current year:

Canada Employment and Immigration Commission
Employer Registration Division
Nicolas Denys Building
P.O. Box 11000
Bathurst, New Brunswick
E2A 4T5

Telephone: 1-800-561-7923
Fax number: 1-506-548-7473

In order to continue paying your share of UI premiums at the reduced rate, you must renew your application annually. The Commission will send you Form EMP2672, *Renewal Application for Premium Reduction,* each year for this purpose. Complete and return the form to the address listed above within 90 days of its mailing date to you.

If you maintain approved wage-loss replacement plans, file a separate T4 return, summary, and related supplementary forms for each account number. Report employees that qualify you for a premium rate reduction using the separate account number you had to obtain. Report all other employees under your regular account number. If an employee was a member of a wage-loss replacement plan at sometime during the year, file a T4 Supplementary for that period, and a separate slip for the remainder of the year.

How do you determine the amount of UI premiums to deduct?

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

Table method

Use the UI tables in the *Payroll Deductions Tables* to determine the amount of UI premiums to deduct from your employee's remuneration. To use these tables:

- Look down the "Pay" column for the bracket that lists the employee's gross pay (including taxable benefits).
- Beside this bracket, you will find a corresponding amount in the "UI Premium" column. Deduct this amount from the employee's pay. However, do not deduct more than the maximum for the pay period. These amounts are shown at the bottom of each page of the UI tables. As an employer, you have to pay 1.4 times this amount as your employer premium (unless you qualify for a premium reduction).

Manual calculation method

To calculate using this method, follow these steps:

- Calculate the employee's insurable earnings for the pay period (see the next section, "How do you determine insurable earnings?"). In most cases, the gross pay including taxable benefits is the insurable earnings. Make sure you do not exceed the maximum insurable earnings for that pay period (see the *Payroll Deductions Tables*).
- 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. Make sure you do not exceed the maximum premium for that pay period. As an employer, you have to pay 1.4 times this amount as your employer premium (unless you qualify for a premium reduction).

How do you determine insurable earnings?

The following pages and charts deal with calculating insurable earnings for the following pay periods:

- daily
- weekly
- biweekly
- semimonthly
- monthly
- other

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 number of hours worked equal or exceed the weekly minimum, calculate the UI premiums based on the employee's total insurable earnings for that week.

Weekly payroll

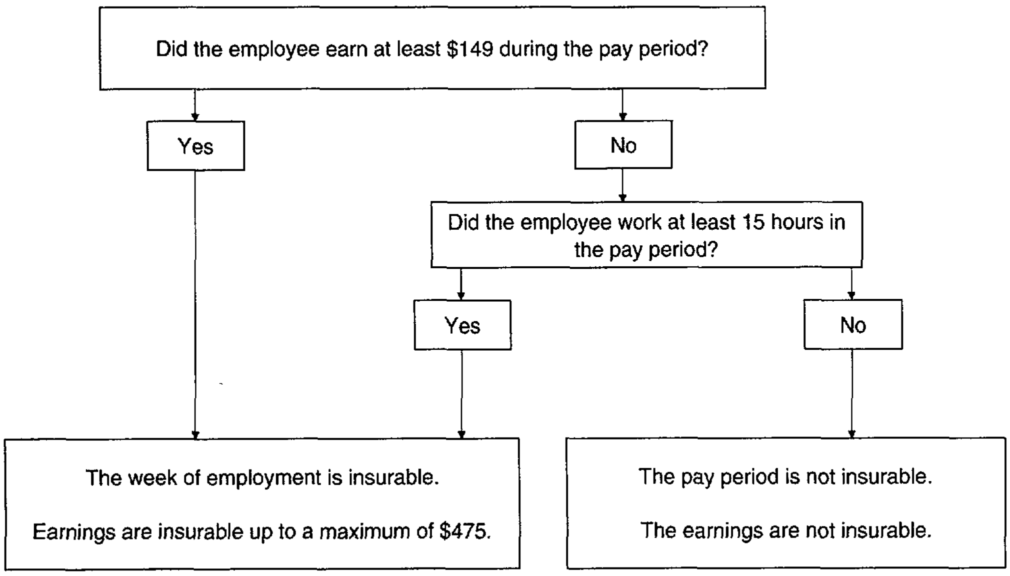
A weekly payroll is seven consecutive days, the last day of which is your payroll ending date. The minimum weekly insurable earnings for 1993 were $149. Since this amount changes every year, see the *Payroll Deductions Tables* for the current amount. Deduct UI premiums from the total remuneration of an employee who is paid on a weekly basis if:

- the earnings equal or exceed the weekly minimum amount; or
- the employee worked the minimum required hours (for 1993 — 15 hours) or more for a weekly pay period.

Do **not** deduct UI premiums from earnings that exceed the weekly maximum.

The following chart lists the steps you should consider when determining the amount of insurable earnings.

Weekly payroll — 1993



Biweekly payroll

A biweekly payroll is 14 consecutive days, the last day of which is your payroll ending date. The minimum biweekly insurable earnings for 1993 were $298. Since this amount changes every year, see the *Payroll Deductions Tables* for the current amount. Deduct UI premiums from the total remuneration of an employee who is paid on a biweekly basis if:

- the earnings equal or exceed the biweekly minimum amount; or
- the employee worked the minimum required hours (for 1993 — 30 hours) or more for a biweekly pay period.

Do **not** deduct premiums from earnings that exceed the biweekly maximum.

Example 1

The minimum biweekly insurable earnings in 1993 was $298. Larry earns $100 in the first week of a biweekly pay period, and $200 in the second week, for a total of $300. The total exceeds the biweekly minimum, so it is insurable. As a result, premiums are required.

Example 2

The maximum biweekly insurable earnings in 1993 was $1,490. Natasha earns $800 in the first week of a biweekly pay period, and $700 in the second week, for a total of $1,500. The total exceeds the biweekly maximum insurable earnings, so only $1,490 is insurable. Premiums are required.

Example 3

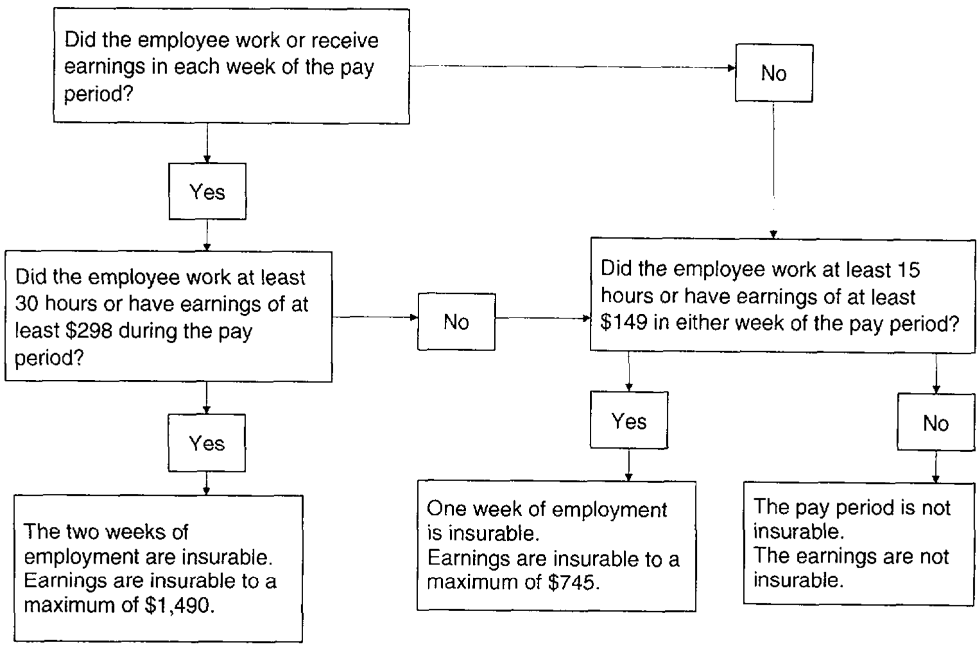
The minimum biweekly hours in 1993 was 30 hours. Boris works 5 hours in the first week of a biweekly pay period, and 25 hours in the second week, for a total of 30 hours. The total earnings are insurable, even if the earnings are less than the biweekly minimum because Boris worked the biweekly minimum number of hours.

Note

If your employee has no earnings in one week during the pay period, or the total of the earnings and hours worked are less than the biweekly minimums, you have to determine the employee's actual earnings and hours worked in each week of the pay period to calculate the required UI premiums. Use the weekly payroll minimums.

The following chart lists the steps you should consider when determining the amount of insurable earnings.

Biweekly payroll — 1993



Note

When there are more than 52 weekly pay periods, or more than 26 biweekly pay periods in a calendar year, you have to pay additional premiums to cover the extra pay periods. These additional premiums and insurable earnings that exceed the maximum yearly amounts have to appear on the employee's T4 Supplementary slip (see Chapter 6 for more information on how to report UI premiums).

Additional UI premiums for 1993:

1. For 53 weekly pay days in a calendar year:
   - Insurable earnings for the year are $39,485 (53 weekly pay days, multiplied by the maximum weekly insurable earnings of $745).
   - Maximum employee premiums for the year are $1,184.55 (53 weekly pay days, multiplied by the maximum weekly premium of $22.35).

2. For 27 biweekly pay days in a calendar year:
   - Insurable earnings for the year are $40,230 (27 biweekly pay days, multiplied by the maximum biweekly insurable earnings of $1,490).
   - Maximum employee premiums for the year are $1,206.90 (27 biweekly pay days, multiplied by the maximum biweekly premium of $44.70).

Semimonthly payroll

In a semimonthly payroll, your payroll ending dates **must** fall on the 15th and the last day of each calendar month. The minimum semimonthly insurable earnings for 1993 was $322.83. Since this amount changes every year, see the *Payroll Deductions Tables* for the current amount. Deduct UI premiums from the total remuneration of an employee who is paid on a semimonthly basis if:

- the earnings equal or exceed the semimonthly minimum; or
- the employee worked the minimum required hours (for 1993 — 33 hours) or more for a semimonthly pay period.

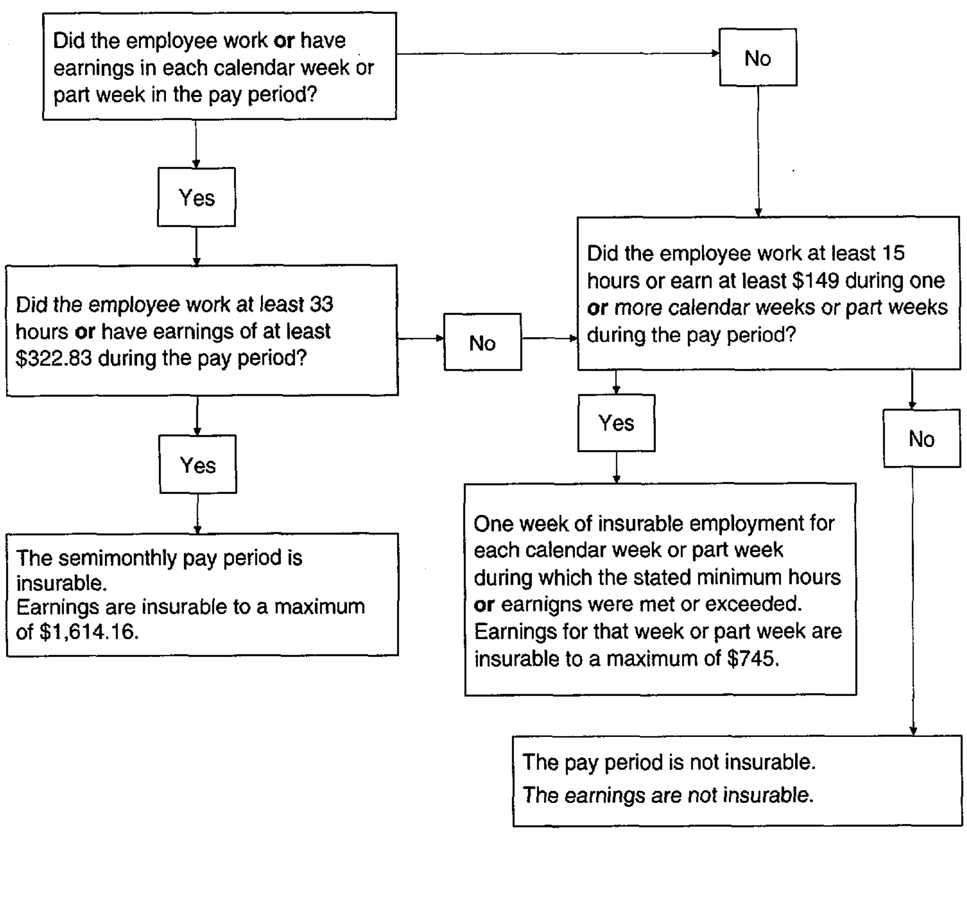
Do **not** deduct premiums from earnings that exceed the semimonthly maximum.

Note

If your employee has no earnings in one week or part week during the pay period, or the total of the employee's earnings and hours worked are less than the semimonthly minimums, to calculate the required UI premiums you have to determine the employee's actual earnings and hours worked in each week or part week of the pay period. Use the weekly payroll minimums.

The following chart lists the steps you should consider when determining the amount of insurable earnings.

Semimonthly payroll — 1993



Monthly payroll

In a monthly payroll, your payroll ending date **must** fall on the last day of each calendar month. The minimum monthly insurable earnings for 1993 was $645.66. Since this amount changes every year, see the *Payroll Deductions Tables* for the current amount. Deduct UI premiums from the total remuneration of an employee who is paid on a monthly basis if:

- the earnings equal or exceed the monthly minimum; or
- the employee worked the minimum required hours (for 1993 — 65 hours) or more for a monthly pay period.

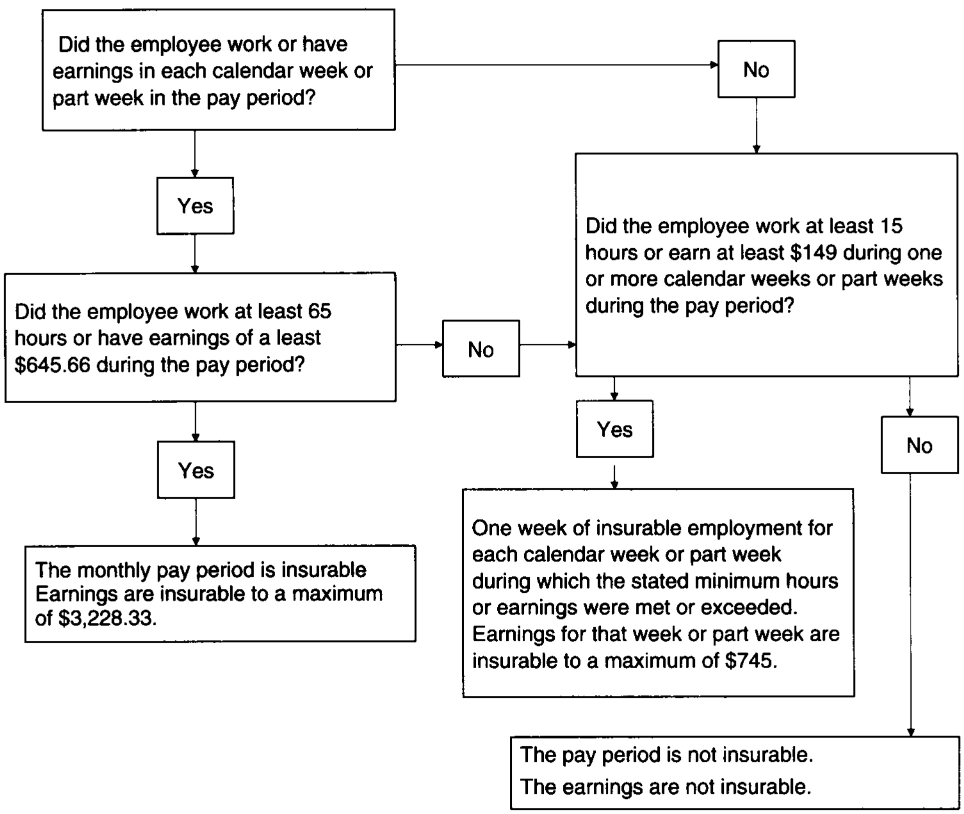
Do **not** deduct premiums from earnings that exceed the monthly maximum.

Note

If your employee has no earnings in one week or part week during the pay period, or the total of the employee's earnings and hours worked are less than the monthly minimums, to calculate the required UI premiums you have to determine the employee's actual earnings and hours worked in each week or part week of the pay period. Use the weekly payroll minimums.

The following chart lists the steps you should consider when determining the amount of insurable earnings.

Monthly payroll — 1993



Other pay periods

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

- commissions, when they do not involve a drawing account;
- drawings, when an account is not periodically settled;
- 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.

Treat the following earnings on a yearly basis:

- commissions you pay at irregular intervals;
- a 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:
  - the payments do not extend over the entire 52-week period; and
  - 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.

In addition, under the yearly basis, you have to 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 May 2. There are 35 weeks from May 2 to December 31. This is how you would calculate his maximum insurable earnings for the year:

35 ÷ 52 (weeks) × yearly maximum insurable earnings

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 the six months he worked 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 by an amount equivalent to:

- 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, you can ask us for a refund by completing Form 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*. You can get this form and any information you may need from your income tax 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, barbers and hairdressers, and fishermen**. For more information, see Chapter 8.

Unemployment Insurance and the *Record of Employment*

You have to complete Form EMP2106, *Record of Employment* (ROE), when an employee stops working for you (this is considered an "interruption of earnings"). This happens when the employment ends, or an employee leaves because of pregnancy, injury, illness, adoption leave, layoff, leave without pay, or dismissal.

For full details on the ROE, obtain a copy of the guide *How to Complete the Record of Employment* from your nearest Canada Employment Centre, or your local income tax office.

Chapter 4
Deducting Income Tax

Contents

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As an employer, you are responsible for deducting income tax from the remuneration you pay your employees. Revenue Canada has four forms available to help you determine how much income tax to deduct:

- **Form TD1** for most employees;
- **Form TD1X** for employees who are paid commissions;
- **Form TD3** for individuals who receive income other than employment income; and
- **Form TD3F** for fishermen.

Form TD1, *Personal Tax Credit Return*

This form outlines the credits that employees can claim when they file their income tax return. Individuals who receive employment or pension income have to complete a TD1 form and give it to their employer or payer.

Employees should complete a new TD1 form if their personal situation changes (e.g., if they marry or divorce). They should do this within seven days of the change in their situation. If they do not, they may be subject to a penalty of $25 for each day the form 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 your Revenue Canada income tax office.

Make sure you have a completed TD1 form on file for **each** of your employees. We may ask to see it.

Explanation of claim codes

The TD1 form has different claim codes. The code you should use depends on the credits the employee claims.

Claim code O

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

Claim codes 1 to 10

The total claim amount reported on line 14 of the TD1 form will determine which code you should use. Match the total claim amount with the appropriate code and report it on line 16.

Note

If an employee does not complete a TD1 form, you should deduct tax as if the employee were single. Use net claim code 1.

Claim code X

When a person's credits fall into category X, you have to calculate for yourself the tax to deduct. To do this, see "Step-by-step calculation of tax deductions" in the *Payroll Deductions Tables* for the appropriate province.

Claim code E

If employees certify on their TD1 form that their total income for the year will be less than the amount claimed on line 14, do not deduct any tax.

Request for additional tax deductions on employment income

Employees can elect to have more tax deducted from the remuneration they receive in a year. To do this, they have to file a new TD1 form that shows how much more tax they want deducted. This amount stays the same until they file a new TD1.

It may be beneficial to part-time employees to let them know that they can also ask to have more income tax deducted from the remuneration they receive by completing a TD1 form. This may prevent them from having to pay a large amount of tax when they file their income tax return, especially if they have worked part-time for different employers during the year.

Deduction for living in a designated area

A person who lives in a designated area during a continuous period of at least six months (that begins or ends in the taxation year) may be entitled to claim this deduction when filing a tax return.

Individuals who are eligible to claim this deduction, should claim it on their TD1 form.

For more information, see the *Employers' Guide to Housing and Travel Assistance Benefits in Prescribed Areas*, available at your income tax office.

Form TD1X, *Statement of Remuneration and Expenses*

Employees who are paid on a commission basis in total, or in part, may elect to complete this form. They can estimate their income and expenses on the form using one of the following two figures:

- their previous year's figures, if they were paid on a commission basis in that year; or
- the current year's estimated figures.

Employees who elect to complete the TD1X form have to give it to you by one of the following dates:

- on or before January 31;
- within one month of the date their employment starts;
- 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 TD3, *Request for Income Tax Deduction on Non-Employment Income*

Individuals can use this form to change the amount of tax deducted at source from income other than employment income (e.g., pensions, lump-sum payments, retiring allowances, etc. - **this does not include interest or dividends**). The amount of tax deducted remains the same until the individual files a new TD3 form.

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

When a fisherman sells a catch, the fisherman can elect to have the buyer, also known as the "designated employer," deduct tax from the proceeds of the sale. To do this, the fisherman should complete the TD3F form with the "designated employer." The rate to deduct is 20% of the amount of sale. The "designated employer" has to follow the rules in this guide to deduct, send in, and report tax. In addition, the "designated employer" must send one copy of the TD3F form to the income tax office.

Reducing tax deductions at source

Employees may ask you to reduce the amount of tax you deduct from their employment earnings or pension income. To make this request, employees have to write to the chief of source deductions at their income tax office. They should explain the reasons why they want less tax deducted (e.g., alimony payments, an RRSP contribution) and provide supporting documentation. 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 income tax office before you can deduct less tax. Keep this letter with your payroll records for examination by our officers.

Amounts subject to tax deductions

You have to deduct income tax from the following amounts:

- 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 amount of tax to deduct:

- Employees' contributions to a registered pension plan. For details on how to determine the exact amount of these contributions, see the next section called "Contributions to a registered pension plan (RPP)."
- Union dues.
- A 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" discussed earlier in this chapter).
- Deductions authorized by us. See the previous section "Reducing tax deductions at source."

Do not subtract CPP contributions and UI premiums from the total salary to determine the amount subject to tax deductions.

Example

Davin is paid $500 a week (52 pay periods per year). He receives taxable benefits of $50 per week. He contributes to an RPP, pays union dues, and lives in a designated area. He has also asked his employer to deduct less income tax because of the alimony he pays. To determine how much income tax to deduct from the amounts Davin receives weekly, his employer has to do the following calculations:

Basic salary (weekly)		$500
Plus any taxable benefits		50
Total salary		$550
Minus weekly 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 deductions at source		$442

Contributions to a registered pension plan (RPP)

You have to determine the amount of contributions to an RPP that employees can deduct on their income tax return. You have to do this before you can calculate the amount of tax to withhold. In addition to contributions for current service, make sure you consider any contributions for past service.

Contributions for current service

All employee contributions to an RPP for current service can be deducted by the employees as long as they made them according to the provisions of the plan as registered. You must report these contributions on the T4 Supplementary.

For information on how to report RPP contributions on the T4 Supplementary, see "How to complete the T4 Supplementary," "Box 20 — Registered pension plan contributions," in Chapter 6.

Contributions for past service

1. **For service after 1989**

   Past-service contributions to an RPP for service after 1989 can be fully deducted if employees made them according to the provisions of the plan.

2. **For service in 1989 and previous years**

   a) **If an employee did not contribute to a plan**

   An employee may deduct past-service contributions for service rendered in 1989 and previous years while not a contributor, if the employee:

   - did not contribute to an RPP in the year for which the contributions are paid;
   - paid the contributions to an RPP before March 28, 1988, for service in a year when the employee contributed solely to a different RPP; or
   - pays the contributions to an RPP after March 27, 1988, for service in a year when the employee contributed solely to a different RPP, and signed an agreement before March 28, 1988, to make the contributions.

   The **deduction** available to the employee for a year is the **least** of the following three amounts:

   - the total amount the employee contributed in the year and previous years for past-service contributions while not a contributor, **minus** all amounts the employee deducted for these contributions for previous years;
   - the annual deduction limit ($3,500); or
   - $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.

b) **If an employee contributes to a plan**

An employee may deduct past-service contributions for service in 1989 and previous years, while the employee was a contributor, if:

- the employee made the contribution for service in a year when he or she was a contributor to the **same** RPP to which he or she made the contributions; or
- the employee made the contribution after March 27, 1988, for service in a year when he or she contributed to a **different** RPP, but did not sign an agreement before March 28, 1988, to make the contributions.

The **deduction** available to the employee for a year is the **lesser** of the following two amounts:

- the total amount the employee contributed in the year and previous years for past service while a contributor, **minus** all amounts the employee deducted for these contributions for previous years; or
- $3,500 **minus** the total of the following two amounts:
  - the contributions the employee deducts in the year for current service and for past service performed in 1990 and later calendar years; and
  - the contributions the employee deducts in the year for past service performed in 1989 or earlier calendar years while not a contributor.

For more information, see Interpretation Bulletin IT-167, *Registered Pension Funds or Plans - Employee's Contribution.*

How do you calculate tax deductions using the tables?

The tax deduction tables in the *Payroll Deductions Tables* are for weekly, biweekly, semimonthly, 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* available at your income tax office.

Tax deductions from regular remuneration (TD1 form)

Once you determine the amount that is subject to tax deductions, do the following:

- Turn to the table for your pay period. For example, if you pay an employee once a month, go to the table "Tax Deductions Monthly" in Part C of the appropriate *Payroll Deductions Tables.*
- Look down the "Monthly pay" column on the left. Find the bracket that includes the employee's remuneration from which you will deduct tax.
- Follow the line across to the "Employee's claim code" column that applies (this is on the employee's TD1 form).
- The amount shown in this part of the table is the amount of tax you have to deduct.

Tax deductions from commission remuneration (TD1X form)

If you pay an employee on a commission basis or on a salary-plus-commission basis, you can deduct tax in one of the following ways:

- **Employees who earn commission without expenses**
  If you pay commission 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 commission on a periodic basis, you may want to use the "bonus" method to determine the tax to deduct from the commission payment. See the section "Bonuses and retroactive pay increases" in Chapter 7 to find out how to do this.

- **Employees who earn commissions with expenses**
  Employees who incur expenses to earn commission income may elect to complete Form TD1X. To calculate the amount of tax to deduct, do the following:
  - 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 Pay" 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 of commission or salary that the employee is entitled to receive (e.g., taxable benefits).

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

Tax deductions on other types of income

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

How do you 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 (e.g., an employee earns more than the maximum shown in the tables). In these cases, you have to calculate for yourself the tax to deduct. For instructions, see "Step-by-step calculation of tax deductions" in the *Payroll Deductions Tables*.

Don't forget

1. **TD1 — *Personal tax credit return***

   Make sure you have a completed TD1 form on file for **each** of your employees. Use claim code 1 if an employee does not complete a TD1. You should deduct tax as if that person were single.

2. **TD3 — *Request for Income Tax Deduction on Non-Employment Income***

   Individuals may use the TD3 form to ask for an increase in tax deductions at source from income other than employment income (e.g., pensions, lump-sum payments, retiring allowances, etc. — **this does not include interest or dividends**).

3. **Tax deductions**

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

4. **Reduction to tax deductions**

   An employee has to write to the chief of source deductions at their income tax office to get a letter of authority which will allow you to reduce the amount of tax deductions because of certain payments the employee makes (e.g., child support, alimony, RRSP contributions).

Chapter 5
How to Send in Deductions

Contents

* * *

Are you a new remitter?

If you have never before sent in income tax deductions, CPP contributions, or UI premiums, contact your Revenue Canada income tax office. We will give you an employer number, tell you how to send in your deductions, and send you Form PD20, *Employer Registration.* Complete the form and return it to us.

When you make your first payment, send a cheque or money order to your income tax office. Make the cheque payable to the Receiver General, and include a letter that states:

- you are a new remitter;
- the period your remittance covers;
- your complete employer name, address, and business telephone number; and
- your account number, if you have one.

After you make your first remittance, we will send you a remittance form in the mail each month. If you do not receive a form in time for your next payment, send in the payment as described above. In your letter, please make sure you indicate that you did not receive your remittance form.

Note

A remittance that was due on January 15 of the current year (for deductions made in December of the previous year) is considered to be late if you pay it when you file the previous year's T4 information return after January 15. As a result, we will apply a late-remitting penalty.

In addition, we consider an NSF cheque to be a failure to remit. A penalty will automatically result.

Which remittance form should you use?

There are two types of remitters: **monthly** and **accelerated**. Each type of remitter uses a different form to send in remittances. It is important that you complete your remittance form correctly so we can apply your remittance to your account. The following information will help you determine which form to use:

For monthly remitters

If you send in your remittances monthly, use Form PD7A, *Remittance Form for Current Source Deductions.* The due date is the 15th day of the month after the month in which you made the deductions.

Remittance Form PD7A

See the exhibits at the back of this guide for a sample of Form PD7A.

Remember

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

Form PD7A is divided into three parts:

Part 1

This part is a statement of account from Revenue Canada. It shows:

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

When you make your payment at a financial institution, keep Part 1 as a record of your payment. If you mail your cheque or money order (payable to the Receiver General), send Part 3 of this form to the taxation centre listed in the upper right-hand corner of Part 1.

Part 2

Complete the back of Part 2 if you will not be making a remittance during the month. However, if applicable, you must indicate on the form when you expect to resume your remittances.

Part 3

Part 3 is your remittance form for current remittances. For information about accounting entries and remitting procedures, see the back of Form PD7A.

If you make your payment at a financial institution, complete Parts 1 and 3 of the remittance form and present it to the institution along with your payment. The institution will return Part 1 to you as a receipt.

If you mail or make your payment at an income tax office, attach Part 3 of the remittance form to your cheque or money order (payable to the Receiver General).

Note

Please do not send cash in the mail.

If you need more information, or would like help to complete Form PD7A, contact your income tax office.

Missing or lost remittance form

If you are a monthly remitter and did not receive your remittance form for the month, or if you have lost it, send your cheque or money order to your income tax office. Include a short note which states your employer number and the month for which you withheld the deductions.

For accelerated remitters

There are two groups of employers who have to send in deductions more than once a month. They are known as accelerated remitters (see "When do you send in deductions," in Chapter 1 for more details).

Under the *Income Tax Act*, these employers have the option of changing their remitting frequency based on their average monthly withholding amount in the immediate preceding year. If you want to use this option, contact your income tax office. They will review your account and let you know in writing when your deductions must be received.

If you are considered to be an accelerated remitter, use remittance booklet PD7A-RB which we will mail to you each year in December. If you did not receive your booklet, or if you would like more booklets, contact your income tax office.

For information on when accelerated remitters have to send in their deductions, see "When to send in deductions" in Chapter 1.

Remittance Forms PD7A-RB and PD7A(TM)

See the exhibits at the back of this guide for a sample of Forms PD7A-RB and PD7A(TM).

Remember:
When you are completing either of these two remittance forms and sending us a payment, remember to do the following:

- Complete your remittance form properly and ensure your account number is correct. By doing this, we can be sure to apply your remittance to your account.
- 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.
- Enter the total amount you are remitting (employer and employee portions).

Note

Please do not send cash in the mail.

Missing or lost remittance forms

If you are an accelerated remitter and did not receive your remittance forms, or if you have lost them, contact your income tax office.

Do you have more than one account number?

If you remit deductions for more than one employer account, make sure you give a breakdown of the amounts intended for each account. By doing this, we can credit the proper amounts to the right account.

Notice of Assessment — Payroll deductions

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

Service bureaus

Service bureaus or similar institutions, which take care of payroll deductions for clients, can send in a lump-sum payment for the amounts they deduct for their clients. The bureaus must provide the following information for each client:

- an employer number;
- the amount remitted;
- the gross monthly payroll; and
- the number of employees in the last pay period.

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

Don't forget

1. **New remitters**
   When you make your first payment, send a cheque or money order (payable to the Receiver General) to your income tax. Include a letter which states:
   - that you are a new remitter;
   - the period your remittance covers;
   - your complete employer name, address, and business telephone number; and
   - your account number, if you have one.
2. **Monthly remitters — Form PD7A**
   Your remittances are due the 15th day of the month after the month in which you made the deductions.
3. **Accelerated remitters — Forms PD7A(TM) and PD7A-RB**
   The *Income Tax Act* allows you the option of changing your remitting frequency based on your average withholding amount in the immediate preceding year.

Chapter 6
How to Report Income and Deductions

Contents

* * *

Employers or payers have to give (or mail to the last known address) individuals or corporations two copies of the T4, T4A, or T4A-NR Supplementary forms so they can file their income tax returns. They have to do this by the last day of February of each year.

Which forms should you use?

Use the appropriate supplementary and its related summary return to report income amounts paid and deductions you withheld during the year. The reporting instructions listed beside each form title (except for the T4F Supplementary and Summary) apply to resident and non-resident payers. We sometimes refer to the supplementary forms as "slips."

T4 Supplementary — To report salary, wages, and taxable benefits paid to employees for services rendered during the year. Also use the supplementary to report deductions you withheld during the year and 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).

T4 Summary — Use this summary to report the totals of all amounts you record on the T4 Supplementary slips.

T4A Supplementary — To report other amounts (e.g., pensions, annuities) and to report pension adjustments by employers and pension plan administrators.

T4A Summary — To report the totals of all amounts you record on the T4A Supplementary slips.

T4A-NR Supplementary — Use this supplementary to report amounts paid to non-residents for services performed in Canada (report all amounts in Canadian funds).

T4A-NR Summary To report the totals of all amounts you record on the T4A-NR Supplementary slips.

NR4B Supplementary Use this form to report income amounts paid to non-residents other than those amounts paid for services performed in Canada (i.e., alimony, pensions, annuities, investment income, or retirement compensation arrangement payments). For more information, see Chapter 3 of the *Employer's Guide to Payroll Deductions — Taxable Benefits and Non-Resident Information.*

NR4B Summary To report the totals of all amounts you record on the NR4B Supplementary slips.

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 copy of Form TD3F, *Fisherman's Election for Tax Deductions at Source*).

T4F Summary To report the totals of all amounts you record on the T4F Supplementary slips.

Do you need other forms and publications?

- Use the T2015C order card that you receive with your personalized T4 Summary to order the T4 Supplementary forms you need.
- Use the T2015D order card that you receive with your personalized T4A Summary to order the T4A Supplementary forms you need.

You can get any other forms and publications from your income tax office.

Filing information returns (when and where)

You have to file T4, T4A, T4A-NR, and T4F information returns each year by the **last day of February**. You must file the NR4B information return no later than **March 31**. After you complete your returns, mail them to your taxation centre at the address listed on the back of the summary forms. Each form tells you how to distribute the copies.

Please keep in mind that an information return consists of two things: the particular **supplementary** you are completing, together with the related **summary**. We use the information return to compare the deductions you reported on each supplementary with the amounts you sent in throughout the year. A summary alone is not considered a return.

Note

When you send them to us, make sure you keep the Department's copies of the supplementaries three to a page — do not separate them. This will ensure that your information returns are processed faster.

Do you file information returns on magnetic media?

Filing on magnetic media means filing your T4, T4A, and T4A-NR information returns on computer tape, diskette, or cartridge instead of paper.

To encourage you to file information returns on magnetic media, we are offering employers free copies of self-mailing T4 Supplementary slips, or three-part T4A Supplementary slips. By using these slips, you do not have to buy envelopes, and you can avoid the messy and time-consuming job of manually separating slips from carbons and distributing them.

To get copies of the self-mailing T4 Supplementary slips, send your order to the following address before the end of August each year:

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

If you send us your information returns on tape or diskette, you do not have to send us paper copies of your summary or supplementary slips. However, if any information is not included on your magnetic media submission, make sure you attach the paper copies of the supplementary slips and the corresponding summary.

Simply attach the T475 Transmittal sheet to the magnetic media, and drop off the package at your Revenue Canada income tax office or mail it to:

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

You may need to correct original data submitted on magnetic media. If you do, make these corrections on paper. For information on correcting the supplementary slips, see the section below entitled "How can you amend or replace the supplementary slips?"

If a service bureau is filing an information return on your behalf, you are still responsible for any balance owing. If you have overpaid, or are sending a cheque for any amount you owe, enclose a letter explaining what you would like us to do with the overpayment or payment.

For more information, see the guide, *Computer Specifications for Data Filed on Magnetic Media*, available from your income tax office or by calling 1-800-665-5164.

Unemployment insurance premium tax credit (for 1993 only)

Under proposed legislation applicable for 1993 only, eligible employers can receive a refundable unemployment insurance premium tax credit of up to $30,000. If you are eligible, your credit is equal to the lesser of $30,000 and the amount by which your 1993 share of UI premiums (up to $60,000) is more than your 1992 share of premiums.

Employers who are members of an associated group are treated as if they were one employer.

To claim the credit, complete Form T93-098, *Claim for UI Premium Tax Credit*. Include the form with the 1993 T4 information return before **March 1, 1994**, or within 30 days after ceasing operations. For more information, see the *Claim for UI Premium Tax Credit* pamphlet, available from your income tax office.

Branch offices filing information returns

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

What should you do with large returns?

If you have a return that contains more than 300 supplementary slips, split the return into bundles of 300 slips or less. Make sure you attach a segment sheet to the top of each bundle. The total of all amounts shown on each segment sheet must agree with the corresponding totals on the summary.

If you would like to order segment sheets, or if you need additional instructions, contact your income tax office.

How can you amend or replace supplementary slips?

After you file an information return, you may notice that you made an error when preparing the T4, T4A, T4A-NR, NR4B, or T4F Supplementary forms. If you did, you will have to prepare amended supplementaries to correct the information. Clearly identify the new forms as amended supplementary forms by writing "amended" at the top. When you amend a supplementary form, make sure you complete all the necessary boxes including the information that was correct on the original. Distribute the amended supplementaries to your employees the same way you did the originals. Send copy one of the supplementaries to your income tax office with a letter explaining the reason for the amendment.

If you are cancelling a supplementary, send us a copy clearly marked "cancel." Do not send slips showing "00" in each box.

If you notice errors on the supplementaries **before** you file them with us, you can correct them by preparing new slips and removing any incorrect copies from the return. If you do not prepare a new supplementary, initial any changes you make on the slip.

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 in your records.

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 in this way.

Note

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

If you need to amend a T4 or T4A Supplementary to either correct a previously reported PA or to report a redetermined PA, you must do two things: copy all the other data reported on the original information slip on the amended slip; and change the previously reported PA to the correct amount applicable for the year.

You must **redetermine** a PA when:

- an employee returns from a period of leave of absence, or from a period of reduced services; and
- you and the employee agree that you will credit the employee with pensionable service for the completed leave period.

When a redetermined PA applies, you have to report an amended PA for the employee for each year after 1989 which is affected by the leave. The amendment or amendments must be filed within 60 days of the date the employee decides to purchase the additional service for the period of absence.

For those years in which a PA was not previously reported for the employee, you must file a T4 or T4A Supplementary showing the correct PA. If a PA was previously reported for the employee, the amended T4 or T4A Supplementary must reflect the total PA applicable for the year. For more information, see the *Employer's Pension Adjustment Calculation Guide.*

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 for the appropriate information. After this first check, we will make any corrections and send the return to our information returns processing system (IPS).

This system processes information returns by computer. It records the information slips on our system, 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. If the discrepancy is due to the unemployment insurance premium tax credit, complete Form T93-098, *Claim for UI Premium Tax Credit.*

Additional processing information

Other Government departments use Revenue Canada's T4 information. Most importantly, Health and Welfare Canada uses the information found on a T4 slip to update a person's file. The information on CPP contributions that we send to Health and Welfare determines the CPP benefits that a person will receive.

Why do you have to report the correct social insurance number (SIN)?

As we mentioned in Chapter 1, you have to correctly report an employee's SIN on the T4, T4A, and T4F Supplementary slips. An incorrect SIN 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 that you send in with your T4 return to check your calculations. We do this to make sure that the CPP pensionable and UI insurable earnings you reported agree with the deductions you sent in.

We check the calculations by matching the pensionable and insurable earnings you reported with the required CPP contributions or UI premiums indicated in the *Payroll Deductions Tables*. We then compare these required amounts with the CPP contributions and UI premiums on the T4 slips. 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 affected employee and the figures we used in the calculations.

Why is a review important?

We verify these calculations so that your employees or their beneficiaries will receive the 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

The required **CPP contributions** shown on the PIER listing are generally calculated like this:

$$\left(\textbf{CPP pensionable earnings shown on the T4 Supplementary} - \textbf{CPP basic exemption for the year}\right) \times \textbf{Applicable CPP for the year} = \textbf{CPP contribution}$$

There may be cases when we would use less than the full CPP basic exemption to calculate the CPP deduction. For more information, see Chapter 2.

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

The required **UI premiums** shown on the PIER listing are calculated like this:

$$\textbf{UI insurable earnings shown on the T4 Supplementary} \times \textbf{Applicable UI rate} = \textbf{UI premiums}$$

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

Note

If there is an "X" in box 28 (CPP or UI exempt) of the T4 Supplementary, and you reported amounts in boxes 16 and 26 for CPP, or in 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 in these boxes on the T4 slip:

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

The following questions may help you avoid these reporting errors, and can serve as a checklist before you send in your information returns.

CPP contributions

Question 1: Was the employee exempt for the entire reporting period?

If *yes*, put an "X" in box 28. Leave boxes 16 and 26 blank.

If *no*, go to Question 2.

Question 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 pensionable earnings the month after the employee's 70th birthday.

If *no*, go to Question 3.

Question 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.

Question 4: Did you deduct contributions from an employee's vacation pay, bonuses, director's fees, or other taxable benefits?

If *yes*, use the correct table to verify the required contributions.

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

UI premiums

Question 1: Was the employee exempt for the entire reporting period?

If *yes*, put an "X" in box 28. Leave boxes 18 and 24 blank.

If *no*, go to Question 2.

Question 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 when calculating 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 supplementary slips (T4, T4A, and T4A-NR)

Before you begin to complete the supplementary slips, please keep the following points in mind:

- Complete the supplementary slips 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 salary, wages, taxable benefits and all other amounts you **paid** during the year.
- Report all amounts (except for the PA in box 52) in Canadian dollars and cents, even in boxes where the cents area is shaded. You should report the PA in dollars only.
- Do not show negative dollar amounts on the supplementary slips. To make any changes to previous years, send us an amended supplementary for the year or years in question.
- Do not change the headings of any of the boxes.
- If you give employees multiple supplementary slips (either because they were employed in more than one province or on different payrolls), distribute the pension adjustment on the basis of pensionable service or earnings that you report on each supplementary. If you cannot distribute the PA on this basis, you can report it on one supplementary.

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

Use the summary forms to report the totals of the amounts that you reported on the related supplementary slips. Before you begin to complete the summary forms, please keep the following points in mind:

- Make sure you use a separate summary for each type of supplementary.
- If you did not receive a personalized T4 or T4A Summary, get a blank one from your income tax office. Enter your employer number, operating name, and address.
- If you need a T4A-NR Summary, you can get one from your income tax 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 summary forms.
- 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-hand corner, and 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 Supplementary slips.
- **The totals you report on your summary forms must agree with the totals you report on your supplementary slips.** Errors or omissions can cause unnecessary processing delays.
- Copy 3 of the summary is your working copy. 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 supplementary slips, to your taxation centre. The addresses of the centres are listed on the back of the working copy of the summary.

How to complete the T4 Supplementary

You have to complete T4 Supplementary slips for all individuals who received remuneration from you during the year (as described below at "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.

See the exhibits at the back of this guide for a sample of a T4 Supplementary.

Note

A T4 Supplementary should always be made out under the surname of an employee, not under a company name. If you pay an amount to a proprietor or partner of an unincorporated business, do not issue a T4 Supplementary. Instead, issue a T4A Supplementary (for more information, see "How to complete the T4A Supplementary," discussed later in this chapter).

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

Employer's 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 in the top left-hand corner of your statement of account, which we send to you each month.

Your employer account number is not listed on the two copies of the T4 Supplementary that you give to your employees.

Box 56 — Employee number
Enter if applicable, 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	QC – Quebec	BC – British Columbia
LB – Labrador	ON – Ontario	NT – Northwest Territories
PE – Prince Edward Island	MB – Manitoba	YT – Yukon Territory
NS – Nova Scotia	SK – Saskatchewan	
NB – New Brunswick	AB – Alberta	

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

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

Note

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 number shown on the employee's SIN card. If you need more information on reporting a SIN, see "Social insurance number (SIN)" in Chapter 1.

Box 14 — Employment income before deductions
Report the total income before any deductions. Include all salary, wages, bonuses, vacation pay, gratuities, honorariums, director's fees, and executor's and administrator's fees received 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 contributions (CPP/QPP)
Enter the amount you deducted from the employee for contributions to the Canada or Quebec Pension Plan. Make your entry under "Canada Plan" or "Quebec Plan," depending on the province of

employment. Leave both areas blank 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, *Statement of Overpayment and Application for Refund of Employer's Contributions Under the Canada Pension Plan and/or Premiums Under the Unemployment Insurance Act*, to apply for a refund of your CPP overpayment. Send it in with your T4 return. You can get this form at your income tax office.

Box 18 — Employee's UI premiums
Enter the amount you deducted from the employee for premiums for Unemployment Insurance. Leave this box blank 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, *Statement of Overpayment and Application for Refund of Employer's Contributions Under the Canada Pension Plan and/or Premiums Under the Unemployment Insurance Act*, to apply for a refund of your overpayment. Send it with the T4 return.

Box 20 — Registered pension plan contributions
Enter the total amount the employee contributed to a registered pension plan. Leave this box blank 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 box of the T4 slip. Indicate whether the past service contributions the employee made were made "while a contributor" or "while not a contributor."

The phrase **"while a contributor"** applies to contributions made during the year 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 the year 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 RRSP. Report **employer** contributions to RRSPs in boxes 14 and 40 on the employee's T4 Supplementary.
- If you have a group RRSP for your employees, you will receive official receipts for income tax purposes from the trustee. The receipts show each employee's contribution amounts.
- In past years, you did not have to include instalment interest with the amount you report in box 20. Effective January 1, 1989, you have to include this interest in box 20. Instalment interest includes interest imposed as a finance charge for buying back pensionable service.
- Do not use box 20 to report lump-sum payments directly transferred, under section 147.3 of the *Income Tax Act*, from one registered pension plan to another. For more information, contact your income tax office.

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. Leave this box blank if you did not deduct tax.

Do not include any amount you withheld under the authority of a "garnishee" or a "requirement to pay" which applies to the employee's previously assessed tax arrears.

Box 24 — UI insurable earnings
Enter the amount of an employee's insurable earnings upon which you have to calculate Unemployment Insurance premiums. Leave this box blank if there are no insurable earnings, or if they are the same as box 14. See related box 28.

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

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 considered 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. When you do this, follow these guidelines:

- If a person receives this type of payment, and the last pay period is insurable to the maximum, no adjustments are required. Report the payment on a T4A Supplementary (for instructions on how to complete the T4A, see "How to complete the T4A Supplementary" in this chapter).
- 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:
  - include the part of the payment that is insurable earnings in box 24, and include any premium payable in box 18 of the T4 Supplementary form;
  - report the gross payment on the T4A Supplementary; and
  - do not report any part of the gross payment on the T4 Supplementary.

Do not include in box 24 any benefits for a clergy member's residence that were exempt from insurable earnings. However, if the clergy member received a cash allowance for the value of the use of the residence, the cash amount is part of the 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.**

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

Complete box 26 **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 Plan;

b) remuneration paid to the employee while the employee was engaged in excepted employment (see "Amounts not subject to CPP contributions" in Chapter 2);

c) amounts for a clergy member's 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 amounts in a) to d) from the amount in box 14. Enter the difference in box 26. Do not change the amount in box 14.

If the situation described in a) applies, prorate the pensionable earnings for the period. For more information, see "When do you prorate the basic yearly exemption?" 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, or not eligible for the entire period of employment.

Boxes 30 to 40 — Taxable allowances and benefits
The instructions for boxes 30 to 40 briefly outline what you should enter in each box. Since some of these calculations need long explanations, we explain these benefits in greater detail in Chapters 1 and 2 of the *Employer's Guide to Payroll Deductions - Taxable Benefits and Non-Resident Information.* Where applicable, the amounts shown in these boxes include a taxable goods and services tax (GST) component equal to 7% of the value of the benefit, excluding provincial sales tax. 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."

If you believe one of these situations applies, see the next section "Housing, board, and lodging," or "Housing and travel assistance benefits in a designated area" in Chapter 7.

Box 30 — Housing, board and lodging
Enter an amount in box 30 if you provide an employee with free or subsidized housing, meals, board and lodging. 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 in box 30 any board and lodging at a special work site or in a designated area. In the box 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 — In box 32, enter the amount of medical travel assistance provided to employees living in a "designated area." This amount is also included in box 14. In the box 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 "Housing and travel assistance benefits in a designated area" in Chapter 7.

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. Calculate this amount in two parts:

- the operating cost benefit; and
- a standby charge.

See "Automobile benefits" in Chapter 1 of the *Employer's Guide to Payroll Deductions — Taxable Benefits and Non-Resident Information* for an explanation of the standby charge and operating cost benefits.

Box 36 — Interest-free and low-interest loans
In box 36, enter the benefit a person receives from this type of loan because of an office or employment (or intended employment). This amount is also included in box 14. See Chapter 2 of the *Employer's Guide to Payroll Deductions - Taxable Benefits and Non-Resident Information* for more information.

Note

There is no taxable GST component on this benefit.

Box 38 — Stock option benefits
In box 38, enter the benefit that an employee receives under a corporation's agreement to issue its shares to the employee. This amount is also included in box 14.

In the "footnotes" box, 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 should read:

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

or

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

For more information about this benefit, and about how to calculate it for T4 reporting purposes, see Chapter 2 of the *Employer's Guide to Payroll Deductions — Taxable Benefits and Non-Resident Information*.

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 or given to an employee that you did not include elsewhere on the T4 Supplementary. This amount is also included in box 14. See Chapters 1 and 2 of the *Employer's Guide to Payroll Deductions - Taxable Benefits and Non-Resident Information* 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, *Vehicles and Other Travelling Expenses — Employees*, 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.
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 T4 information return must be accompanied by a "Certificate of Agreement" (see Interpretation Bulletin IT-103, *Dues Paid to a Union or to a Parity or Advisory Committee*).

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.

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

Box 46 — Charitable donations (completed at employer's option)
Enter the amount you deducted from employees for donations to registered charities in Canada. In the box marked "footnotes," enter **all** registration numbers obtained from the Department for the employee's charity trust.

Box 50 — Pension plan or deferred profit-sharing plan registration number
Enter the seven-digit registration number we issue for an employee's pension plan, deferred profit-sharing plan, and an unregistered foreign pension plan when an election to report a PA is in effect. Do this even if your plan requires only employer contributions. If you made contributions to more than one plan on behalf of the employee, insert only 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 which the union has to give you.

Note
Please ensure that the registration number is the one we issued 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, report the PA proportionately on each T4 slip. If you cannot apportion the PA on this basis, you can report it on one slip.

Leave box 52 blank if the employee participated in the RPP or DPSP and one of the following applies:

- The calculated PA is a negative amount or is zero.
- The employee died in the year.
- The employee is fully paid up. This happens when the employee no longer accrues benefits in the plan (e.g., when the employee has accrued the maximum number of years of service, and no longer contributes to the plan).

Special rules
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 T4 Summary

See the exhibits at the back of this guide for a sample of a T4 Summary.

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

T4 slips with a U.S. address
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 T4 Supplementaries. Enter the total on line 14.

Registered pension plan contributions (line 20)
Add the amounts in box 20 on all T4 Supplementary slips. Enter the total on line 20.

Pension adjustment (line 52)
Add the amounts in box 52 on all T4 Supplementary slips. Enter the total on line 52.

Unemployment Insurance insurable earnings (line 24)
Add the amounts in box 24 on all T4 Supplementary slips. If box 24 is blank, use the amount in box 14. Enter the total on line 24.

Employees' Canada Pension Plan contributions (line 16)
Add the amounts in box 16, "Canada Pension Plan," on all T4 Supplementary slips. 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 the amounts in box 18 on all T4 Supplementary slips. 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. Do not reduce this amount by any unemployment insurance premium tax credit claimed (applicable for 1993 only).

Income tax deducted (line 22)
Add the amounts in box 22 on all T4 Supplementary slips. 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)
On line 82, enter the total amount for the year that you sent in under your employer account. If you are claiming an unemployment insurance premium tax credit (applicable for 1993 only), complete Form T93-098, *Claim for UI Premium Tax Credit.* Add the amount of the credit to your remittances to determine your overpayment or balance due.

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, leave lines 84 and 86 blank. We do not refund 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 what you would like us to do.

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 have a balance due, attach to the T4 Summary a cheque or money order made payable to the Receiver General for the balance. If you remit your payment late, any balance owing may be subject to a penalty and interest at the prescribed rate.

Revenue Canada issued registration number(s) for RPP or DPSP
Complete lines 71, 72, and 73 as applicable. Enter the seven-digit registration number or numbers that we gave you.

Note

This also applies for numbers issued for unregistered foreign pension plans where an election to report a PA was filed.

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 Supplementary

You may have to complete a T4A Supplementary if you paid any of the following types of payments:

- 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)
- patronage allocations (box 30)

You have to complete a T4A if:

- this payment was more than **$500**; or
- you deducted tax from this payment.

The following sections have instructions that tell you how to complete each box of the T4A. In many cases, we ask you to enter in the "footnotes" area (box 38), a code to describe payments or part payments. You can find a complete list of these codes at box 38, "Footnotes and footnote codes." See the exhibits at the back of this guide for a sample of a T4A Supplementary.

Recipient's name and address
In the shaded area next to the arrow, print or type in capital letters the surname of the person to whom you made the payment, followed by the first name and initials. 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.

Box 61 — Account number
Enter the employer account number that you use to send us your employee deductions. This appears in the top left-hand corner of your statement of account, which we send to you each month.

Your employer account number is not listed on the two copies of the T4A Supplementary that you give to your employees.

Box 14 — Pension or recipient's number
The use of this number is optional.

Box 12 — Social insurance number
Enter the 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 SIN card. If you need more information on reporting this number, see "Social insurance number (SIN)" in Chapter 1.

Box 16 — Pension or superannuation
Enter the taxable part of any 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. 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
In box 18, enter the following payments:

- The taxable part of a **single payment** out of a pension fund or plan because of a:
  - withdrawal from the plan, retirement from employment, or death of an employee or former employee; or
  - 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:

- 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 (a person who is) an independent agent.

Box 22 — Income tax deducted
Enter the amount of federal, provincial (except for Quebec), and territorial income tax you deducted. Leave this box blank if you did not deduct any tax.

Do not include any amount you withheld under the authority of a "garnishee" or a "requirement to pay" which applies to the employee's previously assessed tax arrears.

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.

When you report annuity payments from other sources on the T4A, follow these guidelines:

- 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. For more details, see Information Circular IC 77-1, *Deferred Profit-Sharing Plans*, and Information Circular IC 79-8, *Forms to be Used for Direct Transfer of Funds to or Between Plans or for the Purchase of an Annuity.*

Notes

You should report the following amounts 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

In this box, 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 "Retiring allowances" in Chapter 7.

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 IC 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 15.

   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 13.
3. Benefits under a trust that provides health and welfare benefits to employees. For more details, see Interpretation Bulletin IT-85, *Health and Welfare Trusts for Employees.*
4. Any fees or other amounts paid to Canadian residents for services and from which income tax has been deducted. In box 28, report any other amount from which you have deducted income tax, and which you do not have to report elsewhere on a T4A or 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 the space marked "footnotes" (box 38), enter the following footnote codes and descriptions: Code 04 = research grants; Code 05 = scholarships, bursaries, or fellowships. You can find more information in Interpretation Bulletin IT-75, *Scholarships, Fellowships, Bursaries, Prizes, and Research Grants.*
7. Certain payments made under a wage-loss replacement plan. However, 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, *Wage-Loss Replacement Plans: Changes to Pre-June 19, 1971 Plans*, and IT-428, *Wage-Loss Replacement Plans.*
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 the space marked "footnotes" (box 38), enter: "Box 28, Death benefit." In the footnote code box, enter code 06.

11. Payments out of an employee-benefit plan. However, this does not include:

    - the part of a payment that is a death benefit, or would be a death benefit except for the deduction provided in the definition of "death benefit" (see item 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 this type of 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 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 RRSP, in the space marked "Footnotes" (box 38), enter: "Box 18 — Benefit for non-resident services transferred under paragraph 60(j)." In the footnote code box, enter code 02.

    In box 16, report periodic superannuation or pension benefits paid from an employee benefit plan. 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. Do not report this at the time of payment. For more information, see Interpretation Bulletin IT-502, *Employee Benefit Plans and Employee Trusts*, and its Special Release.

13. Benefits from board and lodging, or transportation supplied by a third party (a 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 (a 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 Chapter 8). For more information, see Interpretation Bulletin IT-91, *Employment at a Special or Remote Work Sites*, and its Special Release.

    If an employee usually lives in a designated area, and works at a special work site in a designated area, report any non-business travel assistance (including medical travel assistance) in box 28. Separate the medical travel from the non-business travel, and in the area marked "Footnotes" (box 38), enter: "Box 28, Medical travel $_____." In the footnote code box, enter code 16.

    If an employee does not usually live in a designated area but works at a work site in a designated area, and meets the residency requirements (see Chapter 8) for the northern residents' deductions, do not include 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 to pay all or part of a pensioner's premiums or contributions to a provincial hospital or provincial medical care insurance plan (see Interpretation Bulletin IT-247, *Employer's Contribution to Pensioners' Premiums Under Provincial Medical and Hospital Services Plans*). For more details, see "Premiums under provincial hospitalization and medical care insurance plans and certain Government of Canada plans" in Chapter 2 of the *Employer's Guide to Payroll Deductions - Taxable Benefits and Non-Resident Information.*

    Note

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

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

Box 30 — Patronage allocations
In this box, report all allocations given to customers for their patronage. This includes payments made in cash or in kind, by certificate of indebtedness, issue of shares, set-off, assignment, or in any other manner. The allocation should be in proportion to the amount of patronage.

Box 32 — Registered 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 area marked "Footnotes" (box 38), 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 an 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 46 — Charitable donations
In this box, enter the amount you deducted from the recipient for donations to registered charities in Canada. In the space marked "Footnotes," enter all registration numbers obtained from the Department for the charity trust. In the footnote code box, enter code 13.

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 *Income Tax 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. The following is a list of 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	Scholarships, bursaries, or fellowships — 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 boxes 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	Status Indians (exempt income). 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 Summary

Report only the total of the amounts that you reported on the T4A Supplementary slips. See the exhibits at the back of this guide for a sample of a T4A Summary.

Total number of T4A slips filed (line 88)
Enter the total number of all T4A Supplementary slips (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 who have an address in the United States. File these slips at the end of the return, after the T4As, for people who have a Canadian address.

Registered pension or superannuation (line 16)
Add the amounts in box 16 on all T4A Supplementary slips. Enter the total on line 16.

Lump-sum payments (line 18)
Add the amounts in box 18 on all T4A Supplementary slips. Enter the total on line 18.

Self-employed commissions (line 20)
Add the amounts in box 20 on all T4A Supplementary slips. Enter the total on line 20.

Annuities (line 24)
Add the amounts in box 24 on all T4A Supplementary slips. Enter the total on line 24.

Retiring allowance (line 26)
Add the amounts in box 26 on all T4A Supplementary slips. Enter the total on line 26.

Other income (line 28)
Add the amounts in box 28 on all T4A Supplementary slips. Enter the total on line 28.

Patronage allocations (line 30)
Add the amounts in box 30 on all T4A Supplementary slips. Enter the total on line 30.

Pension plan contributions (past service) (line 32)
Add the amounts in box 32 on all T4A Supplementary slips. Enter the total on line 32.

Pension adjustment (line 34)
Add the amounts in box 34 on all T4A Supplementary slips. Enter the total on line 34.

Total tax deductions reported (line 22)
Add the amounts in box 22 on all T4A Supplementary slips. Enter the total on line 22.

Remittances (line 82)
On line 82, enter the total amount you sent in under this account number for the year.

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 the amount you sent in for the year, leave lines 84 and 86 blank. 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 what you would like us to do.

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 have a balance due, attach to the T4A Summary a cheque or money order made payable to the Receiver General for the balance owing. If you remit your payment late, any balance owing may be subject to a penalty and interest at the prescribed rate.

Revenue Canada issued registration number(s) for RPP
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 Supplementary

Complete a T4A-NR Supplementary for every non-resident person (including corporations) to record the payments you made for services the person (or corporation) performed in Canada. These payments include fees, commissions, or other amounts we describe in box 18 (below). However, 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. See the exhibits at the back of this guide for a sample of a T4A-NR 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 code or other code and country.

Employer's or payer's name
Enter your business name on each slip in the space provided.

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 you each month.

Box 12 and box 14 — Foreign social security number and Canadian social insurance number
In box 12, enter the social security number given to the non-resident by the country of residence. In box 14, enter the social insurance number provided by Canada.

Box 16 — Professional name (if applicable)
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.

In the box labelled "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. For more information, see Information Circular 75-6, *Required Withholding from Amounts Paid to Non-Resident Persons Performing Services in Canada.*

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." In box 18, include all other expenses paid for, or reimbursed to, the non-resident payee.

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. See "How to complete the T4 Supplementary," Box 10, for abbreviations for the provinces and territories.

Box 26 — Number of days recipient was in Canada during the calendar year
Enter the total number of days the non-resident was in Canada. Include weekends and holidays.

How to complete the T4A-NR Summary

Report the total of the amounts that you reported on the T4A-NR Supplementary slips. See the exhibits at the back of this guide for a sample of a T4A-NR Summary.

Total number of T4A-NR slips filed (line 88)
Enter the total number of all T4A-NR Supplementary slips (T4A-NR slips) that you are including with this T4A-NR Summary.

Gross income (line 18)
Add the amounts in box 18 on all T4A-NR Supplementary slips. Enter the total on line 18.

Travel expenses (line 20)
Add the amounts in box 20 on all T4A-NR Supplementary slips. Enter the total on line 20.

Total tax deductions reported (line 22)
Add the amounts in box 22 on all T4A-NR Supplementary slips. Enter the total on line 22.

Remittances (line 82)
On line 82, enter the total amount you sent in under this account number for the year.

Difference
Subtract line 22 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, leave lines 84 and 86 blank. 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 what you would like us to do.

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 have a balance due, attach to the T4A-NR Summary a cheque or money order made payable to the Receiver General for the balance owing. If you remit your payment late, any balance owing may be subject to a penalty and interest at the prescribed rate.

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)

"Designated employers" of fisherman, or other buyers with whom a fisherman has filed a TD3F, are required to file a T4F information 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

To complete the supplementary, please keep in mind the following points:

- Make sure you have the correct social insurance number for the fisherman.
- Complete the T4F Supplementary slips 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 Supplementary slips. If you have adjustments to make for a previous year, prepare an amended T4F Supplementary for that year.

See the exhibits at the back of this guide for a sample of a T4F Supplementary.

Name and address of fisherman
Enter the fisherman's surname first (in capital letters), followed by the first name and 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 28 — Account number
Enter the account number of the designated employer.

Box 12 — Social insurance number
Enter the social insurance number of the fisherman. For more information on reporting a SIN, see "Social insurance number (SIN)" in Chapter 1.

In the box labelled "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. To calculate this amount, use the information under "Determining earnings" in the pamphlet called *Fishermen and Unemployment Insurance.*

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 pamphlet called *Fishermen and Unemployment Insurance*. Leave this box blank if there are no insurable earnings.

Box 18 — UI premium
Enter the amount of UI premiums you deducted from the fisherman's earnings. Leave this box blank 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's 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. See the exhibits at the back of this guide for a sample of a T4F Summary.

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

Gross earnings (line 14)
Add the amounts in box 14 on all T4F Supplementary slips. Enter the total on line 14.

Unemployment Insurance insurable earnings (line 16)
Add the amounts in box 16 on all T4F Supplementary slips. Enter the total on line 16.

Unemployment Insurance premiums — Fishermen's (line 18)
Add the amounts in box 18 on all T4F Supplementary slips. Enter the total on line 18.

Unemployment Insurance premiums — Designated employer's (line 26)
Enter the total amount of your share of UI premiums.

Income tax deducted (line 22)
Add the amounts in box 22 on all T4F Supplementary 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)
On line 82, enter the total amount that you sent in under your employer account number for the year.

Difference
Subtract line 82 from line 80. Enter the difference in the space provided. If there is no difference between the total deductions you reported and the amounts you sent in for the year, leave lines 84 and 86 blank. 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 what you would like us to do.

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 have a balance due, attach to the T4 Summary a cheque or money order made payable to the Receiver General for the balance owing. If you remit your payment late, any balance owing may be subject to a penalty and interest at the prescribed rate.

Don't forget

1. **Information slips (T4, T4A, T4A-NR)**
   Every employer or payer must give each employee, pensioner, officer, or independent agent **two** copies of the T4, T4A, or T4A-NR Supplementary slip by the last day of February.

2. **Filing date**
   You have to file T4, T4A, T4A-NR, and T4F Supplementary slips and their respective summary reports by the **last day of February**. The NR4B Supplementary slips and summary return must be filed no later than **March 31**.

3. **Common reporting errors**
   When completing the T4 Supplementary slip, you should pay particular attention to entries in boxes 24, 26, and 28.

4. **Summaries**
   The totals you report on your summary forms must agree with the totals you report on your supplementary slips.

5. **GST component of taxable benefits**
   Remember to include the 7% taxable GST component on certain benefits.

6. **Magnetic media filers**
   If you send us your information returns on tape or diskette, you do not have to send the paper copies of your summary or supplementary slips.

7. **Unemployment insurance premium tax credit**
   To claim the credit, you must complete Form T93-098, *Claim for UI Premium Tax Credit,* and file it with the 1993 T4 information return before **March 1, 1994**, or **within 30 days** after ceasing operations.

Chapter 7
Special Payments

Contents

* * *

This chapter tells you which amounts you should deduct from certain types of special payments that your employees may receive. It also explains how to deduct these amounts.

Bonuses and retroactive pay increases

If you paid bonuses and retroactive pay increases to your employees, you have to deduct the following amounts:

- CPP contributions;
- UI premiums; and
- income tax.

CPP contributions

If you have already deducted the total yearly maximum CPP contribution from an employee's income, do not deduct more contributions. In addition, 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 to date, his employer has deducted $300 in CPP contributions.

Maximum contribution for the year	$752.50
Contributions to date for the year	300.00
Balance that the employer can deduct for Jorem for the rest of the year	$452.50
Multiply the retroactive pay increase of $450 × the CPP rate of 2.5% =	$ 11.25

The employer can deduct CPP contributions of $11.25 from Jorem's retroactive pay increase. This is the lesser of $452.50 and $11.25.

UI premiums

You have to allocate bonuses and retroactive pay increases to the pay period in which you actually pay them. For more details, see "How to allocate insurable earnings," in Chapter 3.

Income tax
To determine how much income tax to deduct from bonuses or retroactive pay increases, take the total remuneration for the year (including the bonus or increase) and subtract the following amounts:

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

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

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 a year. Examples 1 and 2 show you how to determine the amount to deduct in the case of a bonus. Example 3 shows you how to determine this amount in the case of a retroactive pay increase.

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 "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. As a result, the rate of pay for the year would be $405.77 per week.

Step 3 — Use claim code 1 and the "Weekly tax deductions" table, in Part C of the *Payroll Deduction Tables*, to find the increased weekly tax you should deduct on the additional $5.77 per week. Do the following calculation:

- find the tax you deduct on $405.77 per week;
- **subtract** the tax you deduct on $400 per week.

The resulting amount is the tax you have to deduct on the additional $5.77 increase per week.

Step 4 — Multiply the additional tax you deduct per week by 52 (number of weeks in the year). This gives you the amount of income 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 **(amount 1)**.You paid him a bonus of $300 in January, and $780 in February. The "claim code" on his TD1 form is 1.

The calculation must take into account all bonuses you paid during the year. You must calculate, for the entire year, the amount of tax you deduct regardless of when you pay the bonus.

Step 1 — Divide the bonus you paid in January by the number of pay periods in the year ($300 ÷ 52 = $5.77), **(amount 2)**. Add the $5.77 to the weekly salary of $400 to determine the adjusted weekly pay before the February bonus ($400 + $5.77 = $405.77).

Step 2 — Divide the last bonus you paid Marcos by the number of pay periods in the year ($780 ÷ 52 = $15), **(amount 3)**. Add amounts 1, 2, and 3 to determine the adjusted weekly pay for the year of $420.77 ($400 + $15 + $5.77).

Step 3 — Use the "Weekly Tax Deductions" table, in Part C of the *Payroll Deduction Tables*, to determine the increased weekly tax you should deduct on the additional $15 a week: Do the following calculation:

- find the tax you deduct on $420.77 per week;
- **subtract** the tax you deduct on $405.77 per week.

The resulting amount is the tax you have to 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. The increase was retroactive to 12 weeks which gives her a total retroactive payment of $240 (12 x $20). The "claim code" on her TD1 form is 6.

Step 1 — Use the "Weekly Tax Deductions" table, in Part C of the *Payroll Deduction Tables*, to determine the increase in the weekly tax you should deduct because of the increased rate of pay. Do the following calculation:

- find the tax you deduct on $460 per week;
- **subtract** the tax you deduct on $440 per week.

The resulting amount is the tax you have to deduct on the additional $20.

Step 2 — Multiply the increase in the weekly tax you deduct by the number of weeks that the pay increase is retroactive. This amount represents the tax you should deduct on the retroactive payment.

Overtime pay

CPP contributions and UI premiums

When you deduct CPP contributions and UI premiums from overtime pay, use the same method outlined in the previous section, "Bonuses and retroactive pay increases."

Income tax

To determine the amount of income tax to deduct, add the overtime pay to the regular pay in the period you are paying the overtime. Deduct income tax from the total amount in the usual way.

Vacation pay and statutory holidays

a) When you pay vacation pay, and your employee **takes holidays**, you have to deduct CPP contributions, UI premiums, and income tax in the following way:

CPP contributions

Deduct CPP contributions from vacation pay in the same way as you would from regular pay. See Chapter 2 for more information.

UI premiums

Allocate vacation pay or statutory holidays to the pay period for which it is paid. We explain this in Chapter 3.

Income tax

When you calculate the amount of income tax to deduct, 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 biweekly table; or

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.

b) When you pay vacation pay and your employee **does not take holidays**, deduct CPP contributions, UI premiums, and income tax in the following way:

CPP contributions
To deduct CPP contributions, use the method we explained earlier in this chapter under the heading "Bonuses and retroactive pay increases."

UI premiums
When determining the amount of UI premiums, allocate the vacation pay to the pay period in which you pay it to the employee. For more information, see Chapter 3.

Income tax
Use the method we explained earlier in this chapter under the heading "Bonuses and retroactive pay increases."

Note

Include contributions you make to a trust for vacation credits that an employee earns 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. For more information, see Interpretation Bulletin IT-389, *Vacation Pay Trusts Established Under Collective Agreements.*

Death benefits

When you pay a death benefit, you do not have to deduct CPP contributions or UI premiums. However, you must withhold income tax.

Income tax
If you pay a death benefit to a surviving spouse or heir, that person may be able to deduct part of this payment (to a maximum of $10,000) when he or she files a tax return. Do not deduct income tax from this part of the payment. See Interpretation Bulletin IT-508, *Death Benefits - Calculation*, for more information.

Use the withholding rates for lump-sum payments shown later in this chapter under the heading "Lump-sum payments" to deduct income tax from the rest of the death benefit. Report the total amount of the payment on the T4A Supplementary.

Director's fees

CPP contributions
When you pay director's fees to a corporation director, 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 in the following way:

- Prorate the basic exemption to get the quarterly amount: $3,300 ÷ 4 = $825.
- The amount from which you deduct contributions is $225 ($1,050 minus $825).
- The amount of CPP contribution you send in for this payment is:

Director's contribution ($225 x 2.5%)	$ 5.63
Employer's contribution	5.63
Total	$11.26

UI premiums
Do not deduct UI premiums from the director's fee.

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

If you only pay a director's fee, and you estimate that the total of these fees will not be more than the "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 more than the "claim amount" on the TD1 form, you have to deduct income tax. To calculate the amount, use the "Monthly Tax Deductions" table in Part C of the *Payroll Deduction Tables.*

Divide the fee by the number of months that have passed since the last payment, or since 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 since the first day of the year, whichever is later. The result will give you the income tax to deduct from the fee.

For more information, see Interpretation Bulletin IT-377, *Director's, Executor's and Juror's Fees.*

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 Supplementary slips as a taxable benefit. There are four benefits that are usually paid or given to employees in these areas.

a) **Medical travel assistance** — This benefit is for employees and members of their household to travel to get medical services that are not available in their area of residence. Include this amount in boxes 32 and 14 of the T4 Supplementary. Show the total amount of "Medical travel" assistance benefits as a separate footnote. In the space marked "Footnotes," enter: "Box 32, Medical travel $_________."

Note

You have to separate "medical travel" assistance from other types of travel. If you do not do this, we will consider all travel assistance as "vacation travel," and an employee would not be entitled to claim the deduction for medical travel on the income tax return. In addition, we would limit the employee's deduction, as well as that of the members of the household, to two trips each.

b) **Other travel assistance** — This benefit is for travel for any purpose other than business or medical reasons. It includes vacation, bereavement, and travel for compassionate reasons. Include this amount in boxes 32 and 14 of the T4 Supplementary.

c) **The valuation of the housing benefit** — You have to put a value on and report all housing benefits you provide to your employee. This includes any utilities you subsidize or provide. Include this amount in boxes 30 and 14 of the T4 Supplementary.

d) **Board and lodging at a special work site that is also considered a designated area** — Do not include in boxes 32 and 14 of the T4 Supplementary, 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 (7%) on the related benefits.

If you are a **third party** (a prime contractor or another subcontractor) and you supply benefits for board and lodging, or transportation to employees of another subcontractor, there are special T4A Supplementary reporting instructions. See "How to complete the T4A Supplementary," box 28 - item 13, in Chapter 6 for details.

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

Lump-sum payments

For instructions on how to report lump-sum payments, see "How to complete the T4A Supplementary," box 18, in Chapter 6.

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 from the surrender, cancellation, or redemption of an income-averaging annuity contract;
- from an RRSP, or a plan referred to in subsection 146(12) of the *Income Tax Act* as an "amended plan";
- from an RPP (the pension income credit does not apply on these payments); and
- more than the minimum amount required to be paid to the original annuitant under an RRIF.

Note

If a lump-sum payment (e.g., a refund of premiums) is paid to a deceased annuitant's spouse, you do not have to deduct income tax.

Withholding rates for lump-sum payments

Use these federal and provincial composite rates:

- 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 these amounts when they file their tax return. To avoid this situation, if an employee requests, you can:

- Calculate the annual tax to deduct from the employee's yearly remuneration. **Include** the lump-sum payment (see "Step-by-step calculation of tax deductions" in Part A of the *Payroll Deductions Tables).*
- Calculate the annual tax to deduct from the employee's yearly remuneration. **Do not include** the lump-sum payment.

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 income tax office to find out how to deduct income tax. For information on how to report these payments, see "How to complete the T4A Supplementary," boxes 18 and 28 in Chapter 6.

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 "claim amount" on the employee's TD1 form. This does not apply 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 or DPSP, or to an RRSP. If the full amount is **transferred directly** (not paid to the employee) to another RPP, RRSP, or DPSP, do not deduct income tax. We use Form T2151, *Record of Direct Transfer of a "Single Amount" (Subsection 147(19) or Section 147.3)* to instruct administrators 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 are directly transferred, deduct income tax on the amount not directly transferred. Report the amount in box 18 of a T4A Supplementary 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 Supplementary 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 or RRSP on a T4A Supplementary. You can make these transfers without withholding payroll deductions as long as an individual completes a TD2 form.

An annuitant of an RRSP can ask for a transfer of funds (before the plan matures) to another RRSP or RRIF, or to an RPP under which the annuitant is a member. To do this, the annuitant must complete Form T2033, *Notice of Direct Transfer — Under Paragraph 146(16)(a) or 146.3(2)(e).* These transfers are made without deducting income tax. For more details on these transfers, see Information Circulars 72-22, *Registered Retirement Savings Plans*, and 79-8, *Forms to be Used for Direct Transfer of Funds to or Between Plans or for the Purchase of an Annuity.*

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 guide, *RRSPs and Other Registered Plans for Retirement*, available at your income tax office.

Employees' profit-sharing plans (EPSP)

Report payments from EPSPs on a T4PS Supplementary return instead of a T4 Supplementary. For more information, see Interpretation Bulletin IT-379, *Employees' Profit-Sharing Plans - Allocations to Beneficiaries*, and Information Circular 77-1, *Deferred Profit-Sharing Plans.*

Patronage payments

Patronage payments include:

- certificates of indebtedness;
- an amount credited towards a balance a recipient may owe the payer of the patronage; and
- shares of a corporation that an individual receives due to a patronage payment.

You have to apply a withholding tax of 15% on the value of patronage payments that Canadian residents receive in a particular year. This withholding tax applies to the payment, or to the total of several payments made during the year that exceed $100. Complete Form PD7A, and include it with the deducted amount you are sending to the Receiver General. All payments must be listed in box 30 of the T4A Supplementary. The income tax deducted must be listed 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 Supplementary 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, *Patronage Dividends*, and IT-493, *Agency Co-operative Corporations.*

Retiring allowances

A retiring allowance (also called severance pay) is an amount (other than a superannuation or pension benefit, an amount received as a result of an employee's death, or a benefit derived from certain counselling services) paid to officers or employees:

- at the time, or after, they retire from an office or employment in recognition of long service; or
- for the loss of office or employment.

The retiring allowance includes:

- payments for unused sick-leave credits; and
- amounts individuals receive when their office or employment is terminated, even if the amount is for damages (wrongful dismissal).

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

Note

We publish a pamphlet called *When You Retire.* It gives information about the tax measures that affect people who are planning their retirement. You may wish to get copies of this pamphlet for your employees, or let them know they can get one from their income tax office.

CPP contributions

Do not deduct CPP contributions from retiring allowances.

UI premiums

Retiring allowances (except for damages) are considered insurable earnings for Unemployment Insurance purposes. Take these payments into account when you determine the insurable earnings for the last pay period of insurable employment.

If you paid the retiring allowance when an individual's office or employment is terminated, allocate the allowance 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 in which the employee received regular wages or salary, as long as that period was insurable.

For information on how to report these amounts, see "Box 24 — UI insurable earnings" and "Special application," in Chapter 6.

Income tax

If you pay a retiring allowance to a **resident** of Canada, deduct income tax from any part that you pay directly to the recipient. Use the lump-sum withholding rates to deduct income tax. We discussed these rates earlier in this chapter under the heading "Lump-sum payments."

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.

Transferring a retiring allowance to an RPP or RRSP

An individual 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 that the retiree worked for you (or a person related to you); **plus**
- $1,500 for each year or part-year (before 1989) of that employment, 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 x 0.6]).

If an employee wants to transfer an eligible amount to an RPP or RRSP, you do not have to deduct income tax if the employee completes Form TD2. You can get this form and Information Circular 79-8 from your income tax office. The circular explains your responsibilities when this kind of transfer occurs. As explained in the *General Income Tax Guide* and in the pamphlet, *When You Retire*, **employees should be aware that they may have to pay minimum tax.**

For information on how to report retiring allowances, see "Box 26 — Retiring allowances," in Chapter 6.

Retirement compensation arrangements

If you are considering starting this type of plan, contact your income tax office, or see the *Retirement Compensation Arrangement Guide.*

If you set up certain unregistered pension or retirement arrangements, you have to deduct a 50% tax on any contributions made to a custodian of the arrangement. Send the amount of tax you collect to the Receiver General. For more information, see the *Retirement Compensation Arrangement Guide.*

You have to report retirement compensation arrangements on Form T4A-RCA Supplementary, and Form T4A-RCA Summary.

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 salary and wages as employment income in the year the employee earns the amount. Report it on the employee's T4 Supplementary for that year.

Prescribed plans or arrangements are excluded from the above salary deferral rules. 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* available at your income tax office.

If you have employees participating in a prescribed plan, deduct CPP contributions and UI premiums in the following way:

A. Deduct CPP contributions:

- from the participant's net salary (i.e., the salary minus the deferred amounts) while the person is working (the period of deferral); and
- from the deferred amounts when you pay these to the participant during the leave period.

B. For UI premiums:

- deduct UI premiums from the participant's gross salary while the person is working (the period of deferral); and
- 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 at your income tax office.

Wage-loss replacement plans

When a **trustee** or **insurance company** pays wage-loss replacement plan benefits, from a plan to which the employer contributed, the benefits are not subject to UI premiums. In addition, the benefits are not subject to CPP contributions when the employer does not exercise a degree of control over the terms of the plan, and does not determine the eligibility to benefits.

Although the payments are subject to income tax, no withholding is required. The trustee or insurance company has to report these payments on a T4A Supplementary. For more information about wage-loss replacement plans, see Interpretation Bulletin IT-428, *Wage-Loss Replacement Plans.*

Workers' Compensation Board (WCB) awards

Any WCB amounts that a province awards are not subject to income tax, CPP contributions, or UI premiums.

The rest of the WCB information in this section applies to 1991 and subsequent years.

For WCB purposes, there are two types of employers:

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

The regular employer — If you do not pay your employee an amount over the amount of the WCB awards (a top-up amount), do not report WCB award payment advances.

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

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.

The self-insured employer — If you pay an amount equivalent to a WCB benefit directly to your employee, do not include the amount of the benefit in box 14 when you prepare the employee's T4 Supplementary. However, the amount of such a benefit is subject to UI premiums. As a result, you have to withhold the appropriate UI premiums. Include the amount of the benefit in the employee's insurable earnings — Box 24 of the employee's T4 Supplementary 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.

The top-up amount

The top-up amount is the amount you pay your employee that is over and above the amount the WCB awards.

Deduct CPP contributions, UI premiums, and income tax from the top-up amount.

When you file the T4 Supplementary, include the top-up amount in box 14, "Employment income before deductions," and show the related CPP, UI, and income tax you deducted.

Denial of a WCB award

If the WCB denies an award, you have to send us all amounts for income tax, CPP contributions, and UI premiums that you usually would have deducted. Send these amounts to us on or before the due date of your next remittance. Follow these guidelines:

- **For a regular employer**
  Prepare an amended T4 Supplementary and show the actual payments made (this includes the award) and the revised deductions.

- **For a self-insured employer**
  Prepare an amended T4 Supplementary and show the actual payments made (this includes the award) and the revised deductions.

Examples

The following examples show how to treat WCB payments made under a variety of circumstances.

Example 1

Anne was injured at work on July 10, 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 an amount equal to the amount of the WCB award. Anne's wages in excess of the WCB award are considered to be a "top-up" amount.

- The **regular employer** has to report on a T4 Supplementary:
  - the amounts paid to Anne up to the date of injury (and the related deductions); and
  - the top-up amount paid to Anne (and the related deductions) while she was off work due to the work-related injury.

  The WCB will report the amount of the WCB award reimbursement on Form T5007.
- The **self-insured employer** has to report amounts on a T4 Supplementary in the same way as the regular employer.

  There are differences between the two types of employers. Advances that a self-insured employer pays to employees 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. The board 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 the amount of the WCB award on Form T5007.

Example 2

Adrian was injured on April 1, 1992, and was 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 Supplementary:
  - 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 the amount of the WCB award paid directly to Adrian on Form T5007.

  This example does not affect the **self-insured employer**, since the WCB is making the payment.

Example 3

Jenna was injured at work on November 13, and was 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 (a top-up amount).

- The **regular employer** has to report on a T4 Supplementary:
  - 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 the amount of the WCB award paid directly to Jenna on Form T5007.

  This example does not affect the **self-insured employer**, since the WCB is making the payment.

Example 4

Gloria was injured in May 1993 and was paid by the employer's insurance company until May 1994. The WCB accepted the claim in June 1994 and reimbursed the company. The income amounts have to be reported as follows:

- the **regular employer** has to report on a T4 Supplementary the remuneration paid to Gloria up to the date of injury (and the related deductions); and
- 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 1993 (and the related deductions).

  The WCB accepts the claim in 1994 and reimburses the employer at that time. The WCB has to issue to Gloria two copies of Form T5007 that show the amount of the WCB award for 1993 and 1994. If the employer has reimbursed the insurance company, the insurance company will give a receipt (a letter) to Gloria. This will allow her to claim a deduction on her income tax return for 1994.

This example does not affect the **self-insured employer** since the WCB is making the payment.

Don't forget

The following chart will help you to quickly determine whether or not you should withhold CPP, UI, or income tax on the following special payments you make to your employees.

Special payments	CPP contributions[1]	UI premiums[1]	Tax deductions
1. Bonuses and retroactive pay increases	Yes	Yes	Yes
2. Overtime pay	Yes	Yes	Yes
3. Vacation pay and statutory holidays	Yes	Yes	Yes
4. Death benefits	No	No	Yes
5. Director's fees	Yes	No	Yes[2]
6. Housing and travel assistance benefits in a designated area:			
a) Medical travel assistance[3]	Yes	Yes	Yes
b) Other travel assistance[3]	Yes	Yes	Yes
c) The valuation of the housing benefit	Yes	Yes	Yes
d) Board and lodging at special work sites that are also considered a designated area	No	No	No
7. Lump-sum payments	No	No[4]	Yes[5]
8. Patronage payments	No	No	Yes
9. Retiring allowances	No	Yes	Yes[5]
10. Retirement compensation arrangements	No	No	Yes[6]
11. Salary deferral arrangements	Yes	Yes	Yes
12. Wage-loss replacement plans	No	No	No
13. Worker's Compensation Board (WCB)	No	No[7]	No
• Top-up	Yes	Yes	Yes
• Denial of award	Yes	Yes	Yes

Notes

1. If you have deducted the maximum total yearly maximum contributions from the employee's income, do not deduct contributions.
2 Do not deduct income tax if you only pay a director's fee, and you estimate that the total fee will not exceed the claim amount reported on Form TD1.
3. Special rules apply for employees who worked at a qualified remote work location. For more information, see Interpretation Bulletin IT-91, *Employment at Special or Remote Work Sites.*
4. If the lump-sum payment constitutes a retiring allowance, see item 9 of this chart.
5. Do not deduct income tax in situations involving direct transfers.
6. See instructions in the *Retirement Compensation Arrangement Guide.*
7. Deduct contributions if you are a self-insured employer, and you pay the WCB benefit directly to your employee.

Chapter 8
Special Situations

Contents

* * *

Certain classes of workers and some types of employment have special situations that require us to apply unique rules. As a result, in these special situations, the deductions you make and the way in which you report them will differ from what we have explained earlier in the *Employer's Guide to Payroll Deductions.*

Barbers, hairdressers, taxi drivers, and drivers of other passenger-carrying vehicles

If these workers are your employees, and are employed under a contract of service, you have to deduct Canada Pension Plan contributions, Unemployment Insurance premiums, and income tax as you would for regular employees. We explain this in greater detail in Chapters 2, 3, and 4 of this guide.

However, if these workers **are not** employed under a contract of service, special rules apply. See the explanations below under the heading "Special rules for UI premiums, CPP contributions and income tax."

Barbers and hairdressers
This class of workers includes barbers, hairdressers, manicurists, and other people who provide services in a barbershop or hairdressing business. The owner, proprietor, or operator of the barbershop or hairdressing business is considered to be the employer, for UI purposes, of the individuals who perform services in connection with the establishment.

Drivers of taxis and other passenger-carrying vehicles
In the case of a taxi business, you are considered to be the operator of the business if you supply one or more vehicles to others, as well as provide facilities like taxi stands and dispatch services.

At the taxi industry's request, a special UI regulation was created to protect taxi and passenger-vehicle drivers who are not actually hired as regular employees. Since these independent workers often go through periods without work, their earnings are insurable even though they are self-employed. This applies to drivers of taxis and other passenger vehicles who:

- Are not the registered or beneficial owner of the vehicle. A beneficial owner has a legitimate sales contract to purchase the vehicle. Drivers are not considered the owners of vehicles they lease or rent.
- Do not own or operate the business or public authority.

These workers' 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.

Special rules for UI premiums, CPP contributions, and income tax

The following rules apply to both categories of workers (mentioned above) that are not considered employees.

UI premiums

If you are the owner or operator of the business, you have to pay both the workers' share and your share of UI 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 a week:

A. If you **do not know** how much the worker earned in that week, the amount of the weekly insurable earnings is the lesser of these two amounts:

- the number of days worked in that week **multiplied** by 2/15 of the maximum insurable earnings; or
- 2/3 of the maximum weekly insurable earnings.

Example

The following chart illustrates the required calculations.

Determination of Weekly Insurable Earnings (1993)

Number of days worked	Calculation (lesser of the two amounts)	Deemed earnings for the week	Weekly insurable earnings
1	2/15 × $745* = $99 2/3 × $745 = $497	$99	Nil**
2	4/15 × $745 = $199 2/3 × $745 = $497	$199	$199
3	6/15 × $745 = $298 2/3 × $745 = $497	$298	$298
4	8/15 × $745 = $397 2/3 × $745 = $497	$397	$397
5 or more	10/15 × $745 = $497 2/3 × $745 = $497	$497	$497

* This amount represents the maximum weekly insurable earnings for 1993.

** If the earnings are less than $149, the employment and earnings are not insurable, unless you can establish that they were earned for a period of 15 hours or more during that work week.

B. If you **do know** how much the worker earned in that week, the amount of the individual's weekly insurable earnings is the lesser of these two amounts:

- the total earnings from the individual's employment for the week; or
- the maximum insurable earnings for that week.

As the employer, you must send in the UI premiums that you had to pay on behalf of these workers.

When the workers have an interruption of earnings, you have to complete Form EMP 2106, *Record of Employment*, within five days of the last day worked. For more information, see Chapter 3 of this guide.

CPP contributions and income tax
For CPP and income tax purposes, we consider individuals who are not employed under a contract of service to be self-employed. They are responsible for paying their own CPP contributions and income tax. As a result, do not deduct CPP or income tax from these workers.

T4 Supplementary slip
For UI purposes, you have to complete a T4 Supplementary slip for each worker who is not considered an employee. Complete the following entries on the T4 slip:

Employee's name and address — Enter the worker's name and address, including the province and postal code.

Employer's name — Enter your operating or trade name on each slip.

Box 54 — Account number — Enter the employer account number you use to send us your workers' deductions.

Box 12 — Social insurance number — Enter the social insurance number shown on the worker's SIN card.

Box 18 — UI premium — Enter the amount of the individual's UI premium.

Box 24 — UI insurable earnings — Enter the amount of the individual's insurable earnings on which you calculated the UI premium.

Enter "nil" in all remaining boxes.

Identify the occupation of the worker in a footnote.

Fishermen and UI

Special rules also apply for fishermen. If you are a designated employer of fishermen who have insurable earnings, get these two publications from your income tax office:

- the pamphlet called *Fishermen and Unemployment Insurance*; and
- the *Table of Weekly Unemployment Insurance Premiums.*

Placement agency workers

A. Workers from a placement agency who are employed under a contract of service with the agency (even if they are located at a client's premises) are considered 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 Supplementary slip in the usual way.

B. A placement agency worker, not engaged under a contract of service, is considered to occupy an insurable and pensionable employment when sent to a client under the following conditions:

   - the worker is paid by the placement agency; and
   - the client directs and controls the worker.

   The placement agency has to deduct CPP contributions and UI premiums for the worker, but does not deduct income tax. The agency has to prepare a T4 Supplementary slip for the worker, and in the box marked "Footnotes," enter: "Placement agency — S.E."

C. A placement agency worker, not engaged under a contract of service, is not considered to occupy an insurable and pensionable employment when sent to a client under the following conditions:

   - the client pays the worker; and
   - the client does not direct and control 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, depending on the clients' needs. Workers of these firms are usually employed under a contract of service. As a result, the firm has to deduct income tax, CPP contributions, and UI premiums. It also has to send us these amounts, and report them on a T4 Supplementary.

If you have any doubts about whether an employee-employer relationship exists for CPP and UI purposes, you can get a ruling from the Source Deductions section at your district taxation office. Just complete Form CPT1, *Request for a Ruling to the Status of a Worker Under the Canada Pension Plan or Unemployment Insurance Act (for Use by a Payer)*, and Form 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)*, and send them to your income tax office.

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 Supplementary 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. In box 14, include rental payments you paid to employees for the use of their own power saws.

Status Indian employees

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." The following information will help you determine which deductions you have to make in the case of Status Indians.

Taxable salary or wages paid to Status Indians

Canada Pension Plan
If you are an employer paying taxable salary or wages to a Status Indian, you have to deduct CPP contributions.

Unemployment Insurance
If you are an employer paying taxable salary or wages to a Status Indian, you have to deduct UI premiums.

T4 Supplementary reporting
Complete all T4 Supplementary reporting boxes in the usual way. No footnotes are required.

Non-taxable salary or wages paid to Status Indians

Canada Pension Plan
The employment of a Status Indian whose income is exempt from tax is excepted from pensionable employment. Therefore, if you are an employer paying non-taxable salary or wages to a Status Indian, you do not have to deduct CPP contributions.

However, under CPP you can include in pensionable earnings any non-taxable salary or wages you paid to Status Indians. Although you do not have to deduct CPP from non-taxable income paid to a Status Indian, you may choose to provide your Status Indian employee with optional CPP coverage. You can elect to do this by completing and filing Form CPT 124, *Application for Coverage of Employment of an Indian in Canada Under the Canada Pension Plan Whose Income is Exempt Under the Income Tax Act*, available at any income tax office. However, once you do this, you cannot revoke the election, and you have to cover all employees.

CPP coverage starts on either the date you sign the application, or on a later date which you can specify. Coverage cannot be retroactive to a date before you signed the application.

Unemployment Insurance
The non-taxable salary or wages paid to a Status Indian are subject to UI premiums.

T4 Supplementary reporting
If you made the election to provide CPP coverage, prepare the T4 Supplementary in the following 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) — CPPR" (CPPR stands for "Canada Pension Plan Regulations.")

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.

If you do not make the election to provide CPP coverage, prepare the T4 Supplementary in the following 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 24: Enter the UI insurable earnings.

Note

As a result of a recent Supreme Court of Canada decision, we are presently developing comprehensive guidelines to follow when determining how the tax exemption for Status Indians, which the *Indian Act* provides, will apply to employment income earned by Status Indians.

Unfortunately, these guidelines are not available at this time. They will be released as soon as possible.

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 paid this type of allowance, do not report the amount as taxable income on the employee's T4 Supplementary, and do not deduct income tax from the amount. However, the employee has to meet certain conditions. If not, the allowance could be a taxable benefit which you would report on a T4 Supplementary, and from which you would deduct income tax. These conditions are listed in the following sections.

Special work site

The allowance you pay to an employee who works at a **special work site** is not taxable if the employee works away from home under **all** these conditions:

- The duties at the work site are of a temporary nature, and the work site is far enough way from the employee's principal place of residence (home), that the employee could not be expected to return home each day.
- The employee 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 allowance for board, lodging and transportation was for a period when the employee was away from the place he or she usually lives for at least 36 hours.

If the employee meets all these conditions, you and the employee should complete Form TD4, *Declaration of Exemption — Employment at a 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. After you complete Form TD4 with the employee, keep it with your payroll records.

You can get TD4 forms and Interpretation Bulletins IT-91, *Employment at Special or Remote Work Sites* and its Special Release, and IT-254, *Fishermen — Employees and Seafarers — Value of Rations and Quarters*, from any income tax office.

If you do not complete Form TD4, or if the employee does not meet all the conditions, treat the amounts as the employee's income. Make the necessary deductions and report the amounts on the employee's T4 Supplementary. This also applies to any part of an allowance for board, lodging, and transportation that is more than a reasonable amount.

Note

If the special work site is also a "designated area," identify the amount of the allowance in the footnote area of the T4 Supplementary. See the *Employers' Guide to Housing and Travel Benefits in Prescribed Areas*, available at your income tax office.

Benefits supplied by a third party

It is possible that a third party may supply benefits for board, lodging, or transportation to the employees of another employer. If this happens, and the allowance is taxable, the third party has to report the benefits on a T4A Supplementary. If the allowance **is not** taxable, no T4A is necessary.

Remote locations

You may not have to deduct income tax from certain allowances that you give to employees who work in remote locations. There are two types of allowances that may be exempt from income tax:

a) board and lodging allowances; and

b) transportation allowances.

Board and lodging allowances are exempt from income tax as long as the following conditions are met:

- the employee must be located where he or she could not be reasonably expected to set up and maintain a self-contained domestic establishment because of the remoteness of the location, and the distance 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 principal place of residence; or
  - the employee has to be at the remote location.

For **transportation allowances**, you must have paid the allowance for transportation between the remote work location in a), and any location in Canada. If the remote location is outside Canada, the allowance for transportation between that location and any location in Canada 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 provide board, lodging, and transportation under the above conditions, you do not have to report the equivalent value or any 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 income tax office.

Employment outside or partly outside Canada

CPP contributions

If you are a Canadian employer, and you employ someone to work for you outside Canada, you should deduct CPP contributions if:

- the employee usually reports for work at 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 either of these conditions, the employment outside Canada is not pensionable. As a result, do not deduct CPP from the employee's remuneration.

Under certain conditions, you have the option of extending CPP coverage and deducting contributions from employment outside Canada that is not usually pensionable employment. To do this, complete Form CPT8, *Application and Undertaking for Coverage of Employment in a Country Other Than Canada Under the Canada Pension Plan*, available at your income tax office. Special rules apply to employment on ships, trains, trucks, and aircraft. To find out more about these rules, contact a CPP/UI rulings officer at your district taxation office.

Please note that Form CPT8 does not apply if Canada has a social security agreement with the country in which the employment will take place. You will find a list of the countries with whom Canada has reciprocal social security agreements in Chapter 2 of this guide.

UI premiums

You have to deduct UI premiums from employment income an employee earns outside or partly outside Canada if:

- you, as the employer, reside in Canada, or have a place of business in Canada;
- the person usually resides in Canada;
- the employment is not insurable in the country where the person is employed; and
- the employment is not excluded from insurable employment for any other reason.

Special rules apply to employment on ships outside, or partly outside, Canada. Contact your income tax office for more information.

Income tax deductions

If an employee performs services for you outside Canada, you may have to deduct income tax from that employee's remuneration. If you are not sure if you should withhold income tax, contact your income tax office.

Overseas employment tax credit

If you employ a resident of Canada to work outside Canada for more than six months in a row, the employee may be entitled to an overseas employment tax credit. The six consecutive months of employment may start in the year or a previous year. The employment duties performed outside Canada must either be for the purpose of obtaining a contract for the employer, or in connection with a contract under which the employer carried on business outside Canada. The contract or business must relate 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.

An employee who is eligible for the OETC may ask you to reduce the amount of tax you deduct. The employee must make this request through a district taxation office. If the office approves the reduction in tax deductions, it will send you a letter to confirm that you may reduce the amount of tax deductions. Keep this letter for inspection by our officers. If you would like more information on this subject, see Interpretation Bulletin IT-497, *Overseas Employment Tax Credit.*

Reporting on the T4 Supplementary slip
In box 14 of the T4 Supplementary, report the total amount of remuneration paid that relates to any employment outside Canada. Do this even if the employee has received a letter of authorization from an income tax office which allows you to reduce the amount of income tax you deduct from the employee's income. On the slip, 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: _____."

Canadian International Development Agency (CIDA)

If you are paying an employee for services being performed under a CIDA program, you may have to deduct income tax from that employee's remuneration. If you are not sure if you should be deducting income tax, contact your income tax office.

Employment by a trustee

A trustee 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. A trustee does the following:

- administers, manages, distributes, winds up, controls, or otherwise deals with another person's property, business, estate, or income; and
- authorizes a payment, or causes a payment to be made, on behalf of another person.

The trustee is "jointly and severally" liable for the tax that has to be deducted and sent in for all payments made. For more information, contact your income tax office.

Don't forget

1. **Barbers, hairdressers, taxi drivers, and drivers of other passenger-carrying vehicles**
   For Unemployment Insurance purposes, you must prepare a T4 Supplementary slip for each worker who is not considered an employee. Complete the following entries on the T4 slip:

   Employee's name and address — Enter the worker's name and address, including the province and postal code.

   Employer's name — Enter your operating or trade name on each slip.

   Box 54 — Account number — Enter the employer account number that you use to send us your workers' deductions.

   Box 12 — Social insurance number — Enter the social insurance number shown on the worker's SIN card.

   Box 18 — UI premium — Enter the amount of the individual'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.

   Identify the occupation of the worker in a footnote.

2. **CIDA**
   If you are paying an employee for services being performed under a CIDA program, you may have to deduct income tax from that employee's remuneration.

Revenue Canada Customs, Excise and Taxation — Revenu Canada Accise, Douanes et Impôt

STATEMENT OF ACCOUNT PD7A Rev.92

1 Account number Employer name

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

PD7A Rev.92

2 Account number Employer name

PIERRE GRAVELLE, QC
DEPUTY MINISTER, DEPARTMENT OF NATIONAL REVENUE, TAXATION

3 Revenue Canada Customs, Excise and Taxation — Revenu Canada Accise, Douanes et Impôt

REMITTANCE FORM FOR CURRENT SOURCE DEDUCTIONS PD7A Rev.92

6

Account number

For Taxation use only

Amount of payment

If your payment is not for the period indicated, please enter the correct period here Year Month

Gross monthly payroll 0 0

Number of employees in last pay period

RECEIPT – REÇU

ACCOUNT NO
N DE COMPTE

DEDUCTION PERIOD PERIODE 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 N° DE CHEQUE	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

SEE REVERSE – VOIR AU VERSO

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

Revenue Canada
Customs, Excise and Taxation

Revenu Canada
Accise, Douanes et Impôt

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

PD7A-RB Rev. 93

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

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-INCLUS

$	$	¢	¢

ACCOUNT NUMBER
NUMÉRO DE COMPTE

6

Sub-Code Sous-code		No. of Periods Nombre de periodes		

DATE PAYMENT MADE TO EMPLOYEES (OR OTHER PAYEES) FROM WHICH ABOVE WITHHOLDINGS WERE MADE DATE DU PAIEMENT AUX EMPLOYES (OU A D'AUTRES BENEFICIAIRES) SUR LEQUEL LES RETENUES CI-DESSUS ONT ETE FAITES	YEAR ANNEE	MONTH MOIS	DAY JOUR

Revenue Canada
Taxation

Revenu Canada
Impôt

PD7A (TM) Rev. 92

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

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

1

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- INCLUS.

$	$	¢	¢

6

ACCOUNT NUMBER NUMÉRO DE COMPTE	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

2

ACCOUNT NUMBER
NUMÉRO DE COMPTE

PD7A (TM) Rev. 92

STATEMENT OF ACCOUNT AS OF RELEVÉ DE COMPTE DU		AMOUNT PAID MONTANT PAYÉ	AMOUNT OWING MONTANT DÛ
DATE	EXPLANATION OF CHANGES – EXPLICATION DES CHANGEMENTS	AMOUNT – MONTANT	

Revenue Canada Customs, Excise and Taxation — Revenu Canada Accise, Douanes et Impôt

T4 – 1993 Supplementary / Supplémentaire

STATEMENT OF REMUNERATION PAID
ÉTAT DE LA RÉMUNÉRATION PAYÉE

9160631

14 Employment income before deductions — Revenus d'emploi avant retenues

16 Employee's pension contributions — Canada Plan / Quebec Plan — Cotisations de pensions (employé) — Du Canada / 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 — Exemption RPC/RRQ A-C

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 designated area — Voyage dans une région désignée

34 Personal use of employer's auto — Usage personnel de l'auto de l'employeur

36 Interest-free and low-interest loan — Prêts sans intérêt ou à faible intérêt

38 Stock option benefits — Avantages tirés d'une 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 pension

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 lettres majuscules) | First name — Prénom | Initials — Initiales

→

Footnotes: Notes :

Employer's name – Nom de l'employeur

54 Account number – Numéro de compte

56 Employee no. – N° de l'employé

Return with T4 Summary Return
À retourner avec la déclaration T4 Sommaire **1**

Revenue Canada Customs, Excise and Taxation — Revenu Canada Accise, Douanes et Impôt

T4A - 1993 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

46 Charitable donations — Dons de charité

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 slip.
Si votre numéro d'assurance sociale ne figure pas dans cette case, reportez-vous au verso de ce feuillet.

Recipient's name and address – Nom et adresse du bénéficiaire

Surname (in capital letters) — Nom de famille (en lettres 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
Customs, Excise and Taxation

Revenu Canada
Accise, Douanes et Impôt

T4F
Supplementary – Supplémentaire
Rev. 93

STATEMENT OF FISHING INCOME
ÉTAT DES REVENUS DE PÊCHE

Year / Année	14 Gross Earnings / Revenus bruts	16 Unemployment insurance insurable earnings / Gains assurables d'assurance-chômage	18 UI premiums / Cotisations à l'A-C	20 UI exempt / Exemption 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 lettres 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 Customs, Excise and Taxation — Revenu Canada Accise, Douanes et Impôt

SUMMARY OF REMUNERATION PAID
(For the year ending December 31, 1993)
SOMMAIRE DE LA RÉMUNÉRATION PAYÉE
(Pour l'année se terminant le 31 décembre 1993)

T4 SUMMARY SOMMAIRE

1993

Complete this return using the instructions in the *Employers' Guide to Payroll Deductions*.

Vous devez remplir cette déclaration selon les instructions du *Guide de l'employeur – Retenues sur la paie*.

Copy Copie **1**

If you file your T4 return on tape or diskette, you no longer need to complete this form. See the guide called *Computer Specifications for Data Filed on Magnetic Media* for more information.

Si vous produisez votre déclaration T4 sur disquette ou sur bande, vous n'avez plus à remplir cette formule. Consultez le guide *Spécification informatiques pour données produites sur support magnétique* pour obtenir plus d'informations.

Important Employer's name and number must be the same as those shown on your PD7A remittance form. **The T4 Summary must be filed on or before February 28, 1994.**

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 produite au plus tard le 28 février 1994.**

Employer account number – Numero 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 — **Totaux des feuillets T4 Supplémentaire**

For returns with over 300 T4 slips, please see instructions in the *Employers' Guide to Payroll Deductions* about the breakdown of large returns.

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.

		Box	
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	
Employee's 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	

Of the total number at left, indicate how many T4 slips are for employees whose address are in the U.S.A.

Indiquez le nombre de feuillets T4 total émis pour des employés dont l'adresse est au 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

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 have to pay 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 issued registration number(s) for RPP or DPSP – Numéro(s) d'enregistrement émis par Revenu Canada pour le RPA ou le 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 de l(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 certify that the information given in this T4 return (T4 Summary and related T4 Supplementary slips) is to the best of my knowledge, correct and complete.
J'atteste que les renseignements fournis dans cette déclaration T4 (la T4 Sommaire et les feuillets T4 Supplémentaire connexes) sont, à ma connaissance, exacts et complets.

Date	Name and surname (in capital letters) – Nom et prénom (en lettres majuscules)	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

Reject number – Numéro de rejet

Prepared by – Établi par — Date

1 T4 balance Solde T4 — 1 Override Sauter — 3 Delete Supprimer

	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.
* 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.

Canadian Human Rights Act Federal Information Bank Number: 15615.

* Conservez le brouillon de la formule T4 Sommaire pour vos dossiers.
* 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.

Loi canadienne sur les droits de la personne : Numéro de la banque fédérale de données : 15615.

Revenue Canada Customs, Excise and Taxation | Revenu Canada Accise, Douanes et Impôt

SUMMARY OF REMUNERATION PAID
(For the year ending December 31, 1993)
SOMMAIRE DE LA RÉMUNÉRATION PAYÉE
(Pour l'année se terminant le 31 décembre 1993)

T4A SUMMARY SOMMAIRE

1993 **Complete this return using the instructions in the *Employers' Guide to Payroll Deductions.***

Vous devez remplir cette déclaration selon les instructions du *Guide de l'employeur – Retenues sur la paie.*

Copy Copie **1**

If you file your T4A return on tape or diskette, you no longer need to complete this form. See the guide called *Computer Specifications for Data Filed on Magnetic Media* for more information.

Si vous produisez votre déclaration T4A sur disquette ou sur bande, vous n'avez plus à remplir cette formule. Consultez le guide *Spécification informatiques pour données produites sur support magnétique* pour obtenir plus d'informations.

Important
Employer's name and number must be the same as those shown on your PD7A remittance form. **The T4A Summary must be filed on or before February 28, 1994.**

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 produite au plus tard le 28 février 1994.**

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

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 T4, 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	

Of the total number at left, indicate how many T4A slips are for employees whose address are in the U.S.A.

Indiquez le nombre de feuillets T4A total émis pour des employés dont l'adresse est au 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 have to pay 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 issued registration number(s) for RPP – Numéro(s) d'enregistrement émis par Revenu Canada pour le 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 de l'(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 Area code – Indicatif régional | Telephone number – Numéro de téléphone

Certification – Attestation

I certify that the information given in this T4A return (T4A Summary and related T4A Supplementary slips) is to the best of my knowledge, correct and complete.
J'atteste que les renseignements fournis dans cette déclaration T4A (la T4A Sommaire et les feuillets T4A Supplémentaire connexes) sont, à ma connaissance, exacts et complets.

Date	Name and surname (in capital letters) – Nom et prénom (en lettres majuscules)	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 nº
Initials – Initiales							
Date							

* Keep the working copy of this Summary for your records.
* Send copies 1 and 2 of this Summary and copy 1 of the related T4A Supplementary 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 T4A Sommaire pour vos dossiers.
* Envoyez les copies 1 et 2 de la formule T4A 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, 19___)
SOMMAIRE DE LA RÉMUNÉRATION PAYÉE
(Pour l'année se terminant le 31 décembre 19___)

T4F
SUMMARY/SOMMAIRE
Rev. 93
Copy / Copie **1**

19___ **Complete this return using the instructions in the *Employers' Guide to Payroll Deductions*.**

Vous devez remplir cette déclaration selon les instructions du *Guide de l'employeur – Retenues sur la paie*.

Important
Employer's name and number must be the same as those shown on your PD7A remittance form. The T4F Summary must be filed on or before the last day of February after 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. La T4F Sommaire doit être produite au plus tard le dernier jour de février suivant l'année civile précédente.

Employer account number – Numéro de compte de l'employeur

Name and address of designated employer – Nom et adresse de l'employeur désigné

Taxation centre – Centre fiscal | DO code – Code du BD

Total number of T4F slips filed	Nombre total de feuillets T4F produits	88	△
Gross earnings	Revenus bruts	14	△
Unemployment Insurance insurable earnings	Gains assurables d'assurance-chômage	16	△
Fishermen's Unemployment Insurance premiums	Cotisations des pêcheurs à l'assurance-chômage	18	△
Designated employer's Unemployment Insurance premiums	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 have to pay 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
Telephone number – Numéro de téléphone
78 Area code – Indicatif régional

CERTIFICATION – ATTESTATION

I certify that the information given in this T4F return (T4F Summary and related T4F Supplementary slips) is to the best of my knowledge, correct and complete.
J'atteste que les renseignements fournis dans cette déclaration T4F (la T4F Sommaire et les feuillets T4F Supplémentaire connexes) sont, à ma connaissance, exacts et complets.

Date	Name and surname (in capital letters) – Nom et prénom (en lettres majuscules)	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
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 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.

* 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.

Canadian Human Rights Act Federal Information Bank Number: 15615.
Loi canadienne sur les droits de la personne : Numéro de la banque fédérale des données : 15615.

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** — Sir Humphrey Gilbert Building, P.O. Box 5968, A1C 5X6	772-2639	1-800-563-2639	772-5088	1-800-563-2600
PE	**Charlottetown** — 94 Euston St., P.O. Box 8500, C1A 8L3	628-4244	1-628-4244	628-4250	1-628-4250
NS	**Halifax** — 1256 Barrington St., P.O. Box 638, B3J 2T5	426-3296	1-800-563-3296	426-2210	1-800-565-2210
	Sydney — 47 Dorchester St., P.O. Box 1300, B1P 6K3	564-7099	1-800-561-7099	564-7120	1-800-563-7120
NB	**Bathurst** — 120 Harbourview Blvd., 4th floor, P.O. Box 8888, E2A 4L8	548-6744	1-800-561-5591	548-7100	1-800-561-6104
	Saint John — 126 Prince William Street, E2L 4H9	636-4462	1-800-222-8472	636-4618	1-800-222-9622
QC	**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 — 44 du Lac Avenue, J9X 6Z9	764-3474	1-800-567-6487	764-5171	1-800-567-6403
	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 111 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., P.O. Box 2220, L8N 3E1 from area code 416 and 905 from area code 519	(905) 572-2026	1-800-263-8562 1-800-263-9297	(905) 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, P.O. Box 6000, L5A 4E9 from area codes 519, 705 and 905	(905) 566-6702	(905) 566-6702	(905) 566-6005	1-800-387-1710
	North York — Suite 1000, 5001 Yonge St. M2N 6R9 from area codes 519, 705 and 905	(416) 221-5695	1-800-263-1170	(416) 221-8492	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., P.O. Box 3038, L2R 3B9	688-3523	1-800-263-5421	688-4000	1-800-263-5672
	Scarborough — 200 Town Centre Court M1P 4Y3 from area code 905 from area codes 519 and 705	(416) 296-0757	1-800-387-5228 1-800-387-5183	(416) 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 — 130 South Syndicate Avenue, P7E 1C7	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	258-8302	1-800-265-4841
MB	**Winnipeg** — 325 Broadway Avenue, R3C 4T4	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 — 340-3rd Avenue North, 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 — Suite 10, 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	492-9200	1-800-663-5065
	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 Calls from outside Canada	952-3741	1-800-267-5177 (613) 952-3741		

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, NF
Sherbrooke, Québec, Rouyn-Noranda, Chicoutimi, Rimouski and Trois-Rivières	Jonquière Taxation Centre, 2251 de la Centrale Blvd., Jonquière, QC
Montréal, St-Hubert and Laval	Shawinigan Taxation Centre, 4695 — 12th Avenue, Shawinigan-Sud, QC
Ottawa, Toronto, Mississauga, North York and Scarborough	Ottawa Taxation Centre, 875 Heron Road, Ottawa, ON
Kingston, Belleville, Hamilton, Kitchener, Peterborough, St. Catharines, London, Windsor, Sudbury and Thunder Bay	Sudbury Taxation Centre, 1050 Notre Dame Avenue, Sudbury, ON
Alberta, Saskatchewan, Manitoba and Northwest Territories	Winnipeg Taxation Centre, 66 Stapon Road, Winnipeg, MB
British Columbia and Yukon Territory	Surrey Taxation Centre, 9755 King George Highway, Surrey, BC

SD-DOTC-10-93(E)-p1

Long-distance calls — We accept collect calls	Problem Resolution Program — If your problem is not resolved to your satisfaction, call the Problem Resolution Program coordinator.				
District Taxation Office	**Other Business Enquiries**	**Problem Resolution**	**Chief of Employer Services**	**Director**	**Fax Number**
St. John's	772-4068	772-0172 1-800-563-9330	772-5128 1-800-563-2639	772-5074	(709) 754-5928
Charlottetown	628-4227 1-628-4227	628-4092 1-628-4092	628-4030	628-4011	368-0248 1-368-0248
Halifax	426-2577 1-800-663-2577	426-4909 1-426-4909	426-3135	426-4253 1-426-4253	(902) 426-7170
Sydney	564-7122 1-800-563-7122	564-7123 1-564-7123	564-7112	564-3168 1-564-3168	(902) 564-3095
Bathurst	636-5314 1-800-363-1052	548-6745 1-800-561-2199	548-7929	548-7927	(506) 548-9905
Saint John	636-5314 1-800-363-1052	636-3920 1-800-561-9629	636-3837	636-4760	(506) 648-9658
Chicoutimi	649-3277	1-800-263-3479	698-5570	698-5560	(418) 698-5544
Laval	956-6705 1-800-363-2218	956-6864 1-800-465-4779	956-6685	956-6666	(514) 956-6915
Montréal	283-5328 1-800-361-2808	496-1606	283-5334	283-6539	(514) 496-1309
Québec	649-3277	649-4056 1-800-263-3479	649-3227 1-800-463-1825	648-4586	(418) 649-6478
Rimouski	649-3277	1-800-263-3479	1-800-463-1825	722-3104	(418) 722-3027
Rouyn-Noranda	1-800-363-2218	797-4674 1-800-567-3973	797-7337 (819) 797-7337	797-7300 (819) 797-7300	797-8366 (819) 797-8366
Sherbrooke	821-8504 1-800-567-7372	821-8528 1-800-263-7804	821-8541	821-8597	(819) 564-4226
St-Hubert	283-5328 1-800-361-2808	445-5237 1-800-267-0478	445-5250	445-5217	(514) 445-6301
Trois-Rivières	1-800-567-7372	1-800-567-9330	371-7017	371-7027	(819) 371-2744
Belleville	391-2727 1-800-267-8030	391-2728 1-800-565-7603	391-2681	391-2665	(613) 969-7845
Hamilton . . . . *from area code 416 and 905* . . . . from area code 519	(905) 572-2917 (416) (905) 572-2917 (416) (905) 572-2917	(905) 572-2449 1-800-363-4389 1-800-363-4389	(905) 572-2376 (416) (905) 572-2376 (416) (905) 572-2376	(905) 572-2601 (416) (905) 572-2601 (416) (905) 572-2601	(905) 546-1615 (416) (905) 546-1615 (416) (905) 546-1615
Kingston	545-8371 1-800-267-9447	541-3636 1-800-267-9447	541-3640	541-3629	(613) 545-3272
Kitchener	570-7453	570-7562 1-800-565-3870	570-7587	570-7400	(519) 579-4532
London	645-4493 1-800-265-4900	645-4240 1-800-268-2976	645-5357 1-800-265-4498	645-4180	(519) 432-2807
Mississauga . . . . from area codes 519, 705 and 905	(905) 566-6155	(905) 566-6168 (905) 566-6168	(905) 566-6207 (905) 566-6207	(905) 566-6165 (905) 566-6165	(905) 566-6182 (905) 566-6182
North York . . . . from area codes 519, 705 and 905	(416) 221-7281 (905) 221-7281	(416) 221-6048 1-800-668-4467	(416) 512-4094 1-800-387-0703	(416) 512-4000 (905) 512-4000	(416) 512-2558 (905) 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	598-4092 1-800-267-6550 1-800-267-3323	941-2020 (613) 941-2020 (613) 941-2020	238-7125 (613) 238-7125 (613) 238-7125
Peterborough	(613) 391-2727	876-3138 1-800-565-7603	876-3102	876-3100	(705) 876-6422
St. Catharines	984-2259	984-2285 1-800-668-2298	984-2230 (905) 984-2230	984-2202	(416) 688-5996
Scarborough . . . . from area code 905 . . . . from area codes 519 and 705	(416) 973-6960 1-800-387-5229 1-800-387-5183	(416) 973-4673 1-800-667-1604 1-800-667-1604	(416) 973-4141 1-800-387-5229 1-800-387-5183	(416) 973-3945 1-800-387-5229 1-800-387-5183	(416) 973-5126 (905) 973-5126 (905) 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	625-7074	625-7033 1-800-665-6825	625-7171	625-7061	(807) 622-8512
Toronto	973-3071	973-3392	973-3301	954-2759	(416) 360-8908 (416) 954-5961
Windsor	973-7904 1-800-265-4841	973-7907 1-800-565-3536	973-7141	973-7101	(519) 973-7188
Winnipeg	983-6350 1-800-282-8079	983-2346 1-800-661-3436	983-4200	983-7085	(204) 943-3928
Regina	780-6075	780-7703 1-800-667-5862	780-6032	780-7702 1-800-667-5862	(306) 757-1412
Saskatoon	975-4643 1-800-667-2083	975-5483 1-800-563-7712	975-4612	975-6470	(306) 652-3211
Calgary . . . . from Southern Alberta	691-6567 (403) 691-6567	292-5063 1-800-661-6634	691-6950 (403) 691-6950	691-6886 (403) 691-6886	264-5843 (403) 264-5843
Edmonton . . . . from northern Alberta . . . . from northeastern B.C. and NT	495-3624 (403) 495-3624 (403) 495-3624	423-3815 1-800-661-9476 1-800-661-4248	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	492-9418 1-800-565-9333	492-9203	492-9393	(604) 492-8346
Vancouver . . . . from northwestern B.C. and YT . . . . from n-east B.C. (to Edmonton)	669-8367 1-800-663-1511 (403) 495-3624	669-8647 1-800-663-9334 1-800-661-4248	669-8520 (604) 669-8520 (403) 495-6564	669-8374 (604) 669-8374 (403) 495-3622	689-7536 (604) 689-7536 (403) 428-1584
Victoria	363-3474	363-3219 1-800-661-1705	363-3382	363-3219	(604) 363-3726
INTERNATIONAL TAX OFFICE . . . . Calls from the Ottawa area . . . . Calls from anywhere in Canada		(613) 952-3502 1-800-661-4985		526-6477 (613) 526-6477	941-2505 (613) 941-2505

Source Deduction Enquiries	Instalments and Payments	Problem Resolution	Assistant director	Director	Fax Number
A1B 3Z1	A1B 3Z3	772-0271 1-800-563-3131	772-6599	772-0279	(709) 754-3416
G7S 5J1	G7S 5J3	548-9171 1-800-263-1485	548-0881	699-0540 1-800-263-1485	(418) 548-0846
G9N 7S6	G9N 7W2	537-9381 1-800-263-4888	537-6693	536-6200 1-800-263-4888	(819) 536-7078
K1A 1A2	K1A 1B1	941-3333 1-800-461-5018	954-9606	954-9622	(613) 739-1147
P3A 5C1	P3A 5C3	671-0317 1-800-661-7419	670-5570	670-5563	(705) 671-3994
R3C 3M2	R3C 3P8	984-2469 1-800-565-3439	984-3431	984-2470	(204) 661-6989
V3T 5E1	V3T 5E5	585-7318 1-800-661-1955	585-5765	585-5760	(604) 585-5769

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