

Employers' Guide

**Filing the T4 Slip and
Summary Form
2001**

Problem Resolution Program

We are always looking at ways to make it easier for you to file your information returns, and resolve any problems you may have.

If you have a problem, you can call 1-800-959-5525 for service in English or 1-800-959-7775 for service in French.

You can also write or visit any tax centre. The addresses are listed at the end of this guide.

If, after this step, your problem still cannot be resolved through the usual channels, you should get in touch with the Problem Resolution Program co-ordinator at your tax services office. The address and phone numbers for this office are listed in the government section of your telephone book.

Do you need other publications?

Throughout this guide, we mention other publications that cover topics in more detail. To get any of these publications, including blank copies of T4 slips, you can:

- print or download them from our Web site at www.ccra.gc.ca/forms;
- complete the online order form at www.ccra.gc.ca/orderforms; or
- call 1-800-959-2221.

Related guides

- *Computer Specifications for Data Filed on Magnetic Media – T4, T4A, and T4A-NR*—T4028 (available in electronic format only)
- *Payroll Deductions (Basic Information)*—T4001

- *Taxable Benefits*—T4130
- *Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary Form*—RC4157
- *Remitting Payroll Deductions*—RC4163
- *Filing the T4F Slip and Summary Form*—RC4200

To cancel or reinstate a mailing of the guide

To save paper, we want to reduce the number of guides we mail out. If you receive more than one copy of this guide because you have more than one payroll deductions account, and you want to cancel the extra copies, contact any tax services office. You have to provide your employer name, mailing address, and Business Number to cancel a mailing.

If you cancelled this publication and want to receive it again, contact any tax services office.

TTY users

If you use a teletypewriter (TTY), you can call our toll-free, bilingual enquiry service at 1-800-665-0354.

Your opinion counts!

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 Services Directorate
Canada Customs and Revenue Agency
Vanier Place, Tower A
Ottawa ON K1A 0L5

Visually impaired persons can get this publication in Braille or large print, or on audio cassette or computer diskette, by calling 1-800-267-1267 weekdays between 8:15 a.m. and 5:00 p.m. (Eastern Time).

This guide uses plain language to explain the most common tax situations. If you need more help after you read this guide, you can call 1-800-959-5525 for service in English or 1-800-959-7775 for service in French.

La version française de ce guide est intitulée *Comment établir le feuillet T4 et le formulaire Sommaire*.

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Major changes that have taken place since last year
are outlined in red.

What's New?

Structure of the guide

We have re-organized some of the information in Chapters 1 and 2. We have also numbered the sections within all the chapters to make the guide easier to use.

The middle pages

The middle pages contain important information that was not available or not yet official when we were finalizing the page set-up of the guide. To make these pages stand out, we printed them on red-framed paper. Make sure you read them carefully before starting to prepare your T4 return.

Magnetic media guide

Starting this year, the guide called *Computer Specifications for Data Filed on Magnetic Media – T4, T4A, and T4A-NR (T4028)*, will no longer be printed. To get your electronic version, visit our Web site at www.ccra.gc.ca/magmedia.

Paper reduction

As part of our ongoing efforts to save paper and money, within the next two years we will stop mailing a printed copy of the *Payroll Deductions Tables (T4032)* to employers

with multiple accounts or identified as electronic filers. If you want a printed copy, please complete the order form at www.ccra.gc.ca/orderforms or call 1-800-959-2221.

Four-copy carbon-loaded slips

As the first step of our plan to eliminate the carbon-loaded slips, this is the last year the continuous four-copy carbon-loaded slips (with perforated leaders on the sides) will be made available. Next year, the four-copy carbon-loaded slips will be available only in single units of two slips per sheet.

T4 Internet filing and the Web access code

Employers who will file 70 T4 slips or less are invited to file their 2001 T4 return via the Internet. If you filed 70 or fewer paper slips last year, a Web access code will be printed on your personalized T4 Summary. See section 2.7 for details.

Director's fees paid to non-residents

Starting this year, director's fees paid to non-residents for services rendered in Canada are to be reported on a T4 slip rather than on a T4A-NR slip. See page 12 for details.

Notice

New Hires Program

Premium relief application deadlines for 1997 and 1998

The New Hires Program was a temporary two-year initiative intended to give small businesses relief from the employer share of Employment Insurance (EI) premiums and to encourage job creation. Eligible small businesses can receive up to \$10,000 in EI premiums relief for 1997 and 1998 if the employer EI premiums for either of these two years are \$250 more than their 1996 employer EI premiums.

To claim the premium relief to which you may be entitled, you have to complete Form RC89, *Employer's Application for a Refund of Employment Insurance Premiums Under the New Hires Program*.

You have to make your claim no later than three years from the end of the year in which the premium relief arose. As a result, we no longer accept claims for 1997, and we have to receive your claim for 1998 **before** January 1, 2002. We **will not** accept late-filed applications.

The pamphlet called *New Hires Program* has detailed information for employers about eligibility for the program and how to calculate the amount of premium relief.

Federal Youth Hires Program

Premium relief application deadlines for 1999 and 2000

If you employed youths aged 18 to 24 in the 1999 or 2000 calendar years, you could have been eligible to receive premium relief under the Federal Youth Hires Program. This program was part of the Government of Canada's Youth Employment Strategy. It provided two years of relief from Employment Insurance (EI) premiums for employers who hired additional youths aged 18 to 24 as employees. Any increase—over the 1998 base amount—in the insurable earnings for this age group was exempt from employer EI premiums for the 1999 and 2000 calendar years.

In most cases, we calculated the premium relief for eligible employers for 1999 and 2000 when we processed their 1999 and 2000 T4 and T4F information returns. However, some associated employers **did not** provide the necessary information to allow us to calculate and process the Federal Youth Hires Program premium relief.

If you are eligible to receive benefits under the program **and** you are an associated employer under the program, you can claim the amount of credit available to you. To do so, complete Form RC104, *Federal Youth Hires Program – Associated Group of Employers*.

You must make your request to us no later than three years from the end of the year in which the premium relief arose. Accordingly, any claims for 1999 must be received **before** January 1, 2003, while any claims for 2000 must be received **before** January 1, 2004. We **will not** accept late-filed requests or Form RC104.

For more information about this program, see the pamphlet called *Federal Youth Hires Program*.

Construction businesses

Construction businesses have to record amounts paid or credited to subcontractors for goods and services rendered in connection with construction activities, and report these payments in a T5018, *Summary of Contract Payments* information return. They can report payments on either a calendar- or fiscal-year basis. Information returns have to be filed six months from the end of the reporting period.

For more information, visit our Web site at www.cra.gc.ca/contract or contact any tax services office.

Business Number (BN)

The BN is a numbering system that simplifies and streamlines the way businesses deal with the federal government. The BN is based on the simple principle of "one business, one number."

All new businesses will get a BN (a 15-digit number) when they open any of the following business accounts with us:

- corporate income tax;
- import/export;
- payroll deductions; or
- goods and services tax/harmonized sales tax (GST/HST).

The BN also includes accounts for registered charities, registered Canadian amateur athletic associations, and national arts service organizations.

Chapter 1 – General Information

1.1 Who should use this guide?

You should use this guide if you are an employer and you pay your employees the following types of income:

- employment income;
- commissions;
- taxable allowances and benefits; or
- any other payments paid for services rendered during the year.

The instructions in this guide apply mainly to employers. However, we also provide certain guidelines for trustees.

1.2 Social insurance number (SIN)

Make sure you always use the correct name and number as shown on the employee's SIN card.

An incorrect SIN can affect an employee's future CPP benefits if the record of earnings file is not accurate. Also, if you report an incorrect SIN on a T4 that has a pension adjustment (PA) amount, the employee may receive an inaccurate annual RRSP deduction limit statement. In addition, the related information on the employee's *Notice of Assessment* will be inaccurate.

Even if you cannot get a SIN from your employee, file your information return, without the SIN, no later than the last day of February. If you do not, you may be subject to a **penalty** for late filing.

For more information, see Information Circular 82-2, *Social Insurance Number Legislation That Relates to the Preparation of Information Slips*.

1.3 Penalties and interest

Penalties – Failure to deduct or remit tax

We can assess a penalty of **10%** of the amount you failed to withhold or remit when:

- we receive the amounts you withheld past the due date; for example:
 - a remittance that was due on January 15 of the current year (for deductions made in December of the previous year) is paid with the previous year's T4 information return, and this return is filed after January 15;
 - you have not paid by the prescribed date the total deductions reported and you include with your T4 return the balance due indicated in box 86 of the T4 Summary form;
- you withhold the amounts, but do not remit them; or
- you fail to deduct the required amount of income tax.

If you are subject to a penalty for any of the above reasons more than once in a calendar year, we **may** apply a **20%** penalty to the second or later failures if they were made knowingly or under circumstances of gross negligence.

Exemption

We only apply the 10% penalty to the part of the amount you failed to withhold or remit that is more than \$500. However, we may apply the 10% penalty to the total amount, if the failure was made knowingly, or under circumstances of gross negligence.

Interest

We can charge interest from the day your payment is due. For due dates, see "When do you remit deductions?" in the guide called *Remitting Payroll Deductions*.

Failure to file the T4 information return

The T4 information return is the T4 slips and the T4 Summary form, and in some cases T4 Segment forms, as explained in section 2.9. You have to file an information return and give information slips to the employees by the **last day of February following the calendar year to which the information return applies**. 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.

If the last day of February is a Saturday or a Sunday, your information return is due the next business day.

Waiving penalties and interest

The fairness provisions of the *Income Tax Act* give us certain discretion to cancel or waive all or a part of interest charges and penalties. This flexibility allows us to consider extraordinary circumstances that may have prevented employers or payers from fulfilling their obligations under the *Income Tax Act*.

For more information, see Information Circular 92-2, *Guidelines for the Cancellation and Waiver of Interest and Penalties*.

1.4 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 slip. Keep our copy of the slip and include it with your T4 Summary when you file it by the **last day of February of the following year**.

In addition, you have to prepare a *Record of Employment (ROE)* for each former employee. For more information, see the guide called *How to Complete the Record of Employment (ROE) Form*, which is available from the nearest Human Resources Centre of Canada.

1.5 What should you do if your business stops operating?

Send all CPP contributions, EI premiums, and income tax deductions to your tax centre within seven days of the day your business ends. For more information on how to send us deductions, see the guide called *Remitting Payroll Deductions*.

Complete the necessary T4 slips and T4 Summary and send them to the Ottawa Technology Centre within 30 days of the day your business ends. You have to calculate the **pension adjustment (PA)** that applies to your former employees who accrued benefits for the year under your **registered pension plan (RPP)** or **deferred profit sharing plan (DPSP)**.

Distribute copies of the T4 slips to your former employees. For detailed information on how to complete the T4 slip and T4 Summary form, see Chapters 3 and 4.

If you prepare 500 slips or more, you have to file your return on magnetic media, as explained in section 2.6.

Prepare and give a record of employment to each former employee. For more information, see the guide called *How to Complete the Record of Employment (ROE) Form*, which is available from the nearest Human Resources Centre of Canada.

1.6 Other types of information returns

If you pay fishing income, you have to complete a T4F return. See the guide called *Filing the T4F Slip and Summary Form*.

If you pay pension, retirement, annuity, and other income, you have to complete a T4A return. See the guide called *Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary Form*.

If you pay fees, commissions, or other amounts to non-residents for services rendered in Canada, you have to complete a T4A-NR return. See our publication called *Non-Resident Withholding Tax Guide (T4061)*.

If you pay amounts from a retirement compensation agreement, you have to complete a T4A-RCA return. See the publication called *Retirement Compensation Arrangements Guide (T4041)*.

Chapter 2 – T4 Information Return

2.1 Which forms should you use?

Use the T4 slip and the T4 Summary form to report income amounts you paid and deductions you withheld during the year.

The T4 slip and T4 Summary form apply to resident and non-resident employers.

2.2 Types of T4 slips available

You can order the two following types of slips:

- **four-copy:** carbon-loaded for impact printer (continuous), typed, or hand filled; and
- **single-page:** 1 page (not carbon-loaded) for laser or ink jet printers, typed, or hand filled.

For each type, there are two T4 slips on a sheet.

Note

This is the last year the **continuous** carbon-loaded slips are available. Next year, the carbon-loaded slips will be available only in single units of two slips per sheet.

2.3 How to order your blank T4 slips

To order blank copies of T4 slips, regardless of the type, complete the online order form at www.cra.gc.ca/orderforms or call 1-800-959-2221.

2.4 How to file the T4 information return

To prepare a T4 information return, you must complete the T4 slips and the related T4 Summary form. In some cases, you may also have to complete a T4 Segment form, as explained in section 2.9.

A summary form alone is not an information return.

When to file the information return

You have to file your T4 information return by the **last day of February following the calendar year to which the information return applies** (e.g., you have to file your 2001 T4 information return by the **last day of February 2002**).

If the last day of February is a Saturday or a Sunday, your information return is due the next business day.

Where to send the information return

After you complete your return, mail it to:

Ottawa Technology Centre
Canada Customs and Revenue Agency
875 Heron Road
Ottawa ON K1A 1G9

When you send us copies of the slips, **keep the T4 slips two to a page**. This will allow us to process your information return faster.

Note

If, after you file your return, you need to send us amended slips, send copy 1 of the slips to any tax centre.

Distributing copies of T4 slips

Copy 1

Copy 1 of each T4 slip must be appended to the T4 Summary form. If you file on magnetic media (tape, cartridge, or diskette), **do not submit** a paper copy of the slips or summary form.

Copies 2 and 3

Copies 2 and 3 must be delivered or mailed to the employees by the **last day of February following the calendar year to which the slips apply**.

Copy 4

Keep copy 4 of the slips and a copy of the summary form for your files.

2.5 Customized forms

To reduce the workload of those who complete large numbers of forms, we will accept forms other than our own. If you use your own computer-printed forms, you have to get written approval from us before you issue them.

Send your proposed samples to:

Forms Management Division
Publishing Directorate
Canada Customs and Revenue Agency
17th floor, Albion Tower
25 Nicholas Street
Ottawa ON K1A 0L5

You will receive either our written approval or a request to make changes to the forms before we approve them.

For more information about customized forms, see Information Circular 97-2, *Customized Forms*.

2.6 When do you have to file information returns on magnetic media?

If you or your service bureau files more than 500 information slips for the calendar year (the total number of T4, T4A, T4A-NR, T4RIF, T5, T5008, T4RSP, NR4, and T3 slips), you **have to file** your information returns on magnetic media using computer tape, diskette, or cartridge.

When sending your information returns on magnetic media, **do not send us** paper copies of your summary form or slips. Only attach paper copies of any slips that are not included on the magnetic-media submission.

Simply attach Form T619, *Magnetic Media Transmittal*, to the magnetic media, and drop off the package at any tax services office or tax centre. You can also mail it to:

Magnetic-Media Processing Team
Ottawa Technology Centre
Canada Customs and Revenue Agency
875 Heron Road
Ottawa ON 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 slips, see section 2.10, "How can you amend, cancel, or replace slips?"

If a service bureau is filing an information return for you, you are still responsible for the accuracy of the information and for any balance owing.

If you have overpaid, include a letter explaining how you want us to apply the overpayment. If you owe an amount, indicate on your cheque which account and tax year the payment is for.

For more information, refer to the electronic guide called *Computer Specifications for Data Filed on Magnetic Media – T4, T4A, and T4A-NR*, which you will find on our Web site at www.ccra.gc.ca/magmedia, or call 1-800-665-5164.

2.7 Can you file your T4 return via the Internet?

You can file your 2001 T4 return via the Internet if you will be filing 70 slips or less.

If our records indicate that you filed 70 or fewer paper T4 slips last year, your personalized T4 Summary form contains a pre-printed Web access code. Your Web access code appears on the top of your summary, above your BN. You must use your access code to file your T4 return via our Web site at www.cra.gc.ca/T4Internet.

If you want to file your 2001 T4 return via the Internet (and will file 70 slips or less) and you did not receive a Web access code on your personalized T4 Summary form, visit www.cra.gc.ca/T4Internet to find out how to obtain one.

The code is comprised of six characters. Two of the characters are letters and four are numbers. The letters can be in upper or lower case, and they are identified with an asterisk * below them.

When you enter your Web access code, you must enter the letters in the same case as they appear on your T4 Summary form. If you do not enter the letters exactly as they appear on your summary, you will not be able to access our secure web pages.

Example

5	1	s	2	B	7
		*		*	

In this example, the “s” must be entered in lowercase, and the “B” must be entered in uppercase.

For more information about T4 Internet filing, visit our Web site at the address quoted above.

Note

If your records indicate that you did not file 70 or fewer paper slips last year, the Web access code box on your personalized T4 Summary form will indicate “Not applicable.”

2.8 Branch offices filing information returns

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

2.9 What should you do with large returns?

If you have a T4 return that contains more than 200 slips, split the return into bundles of 200 slips (about 100 sheets). Make sure a T4 segment form is on the top of each bundle. **The total of all amounts shown on each segment form has to agree with the corresponding totals on the summary form.**

If you would like to order segment forms, or if you need more instructions, contact any tax services office or tax centre or visit www.cra.gc.ca/forms.

2.10 How can you amend, cancel, or replace slips?

Amending slips

After you file your information return, you may notice that you made an error when preparing the T4 slips. If so, you will have to prepare amended slips to correct the information. Clearly identify the new slips as amended slips by writing “amended” at the top. When you amend a slip, make sure you complete all the necessary boxes, including the information that was correct on the original slip. Distribute the amended slips to your employees the same way as the originals. Send copy 1 of the slips to any tax centre with a letter explaining the reason for the amendment. The addresses of our tax centres are listed at the end of this guide.

Note

Do not send an amended summary form when you send in amended slips.

Pension adjustment (PA)

You have to recalculate a pension adjustment (PA) when both of the following conditions are met:

- an employee returns from a leave of absence, or from a period of reduced services; and
- benefits are retroactively provided for the period concerned.

If a recalculated PA applies, you have to report an amended PA for each year after 1989 that is affected by the leave.

You **do not have** to report an amended PA when the difference between the previously reported PA and the amended PA is less than \$50. However, you **do have** to report one if an employee asks you to accurately report the PA, or if we ask you to report the amended PA.

For the years in which you had not previously reported a PA for the employee, you have to file an amended T4 slip showing the correct PA. If you previously reported a PA for the employee in a particular year, you have to show the **total** PA that applies for that year on an amended T4.

For information on recalculating a PA, see the *Pension Adjustment Guide* (T4084). For information on calculating and reporting a Past Service Pension Adjustment (PSPA), see the *Past Service Pension Adjustment Guide* (T4104).

Cancelling slips

If you are cancelling a T4 slip, enter an “X” in the “Void” box.

If you notice errors on the T4 slips **before** you file them with us, you can correct them by preparing new slips and **removing** any incorrect slips from the return. If you do not prepare a new slip, initial any changes you make on the slip. Make sure you also correct the summary form.

Replacing slips

If you issue T4 slips to replace copies that recipients lost or destroyed, do not send us any copy. Clearly identify them as **duplicate copies**, and keep any copies you do not distribute with your records.

2.11 What happens after you send in your completed information return?

When we receive your information return, we check it to see if you have prepared it correctly. After an initial review, we will send your return to be entered into our processing system, which captures the information and performs various validity and balancing checks. If there are any problems, we may contact you.

Additional processing information

Other federal government departments use our T4 information. Most importantly, Human Resources Development Canada (CPP Branch) uses the information on the T4 slip to update a person's **record of earnings** file.

The information on CPP contributions that we send to HRDC determines the CPP benefits that a person will receive.

2.12 Pensionable and insurable earnings review (PIER)

Each year, we review the T4 slips that you send in with your T4 Summary form to check your calculations. We do this to make sure that the CPP-pensionable and EI-insurable earnings you reported agree with the deductions you have sent in.

We check the calculations by matching the pensionable and insurable earnings you reported with the required CPP contributions or EI premiums indicated in the *Payroll Deductions Tables* (T4032). We then compare these required amounts with the CPP contributions and EI premiums indicated on the T4 slips.

If you file on magnetic media and report an employee number on your T4 slips, we will display the employee number on the PIER.

If there is a difference between the contributions or premiums required and the ones you reported, we print the figures on a PIER listing. We will send you the listing showing the name of the affected employee and the figures we used in the calculations. The listing will also show any balance due.

Note

You will be responsible for remitting the balance due including your employee's share.

Why is a review important?

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

- EI benefits if the employees become unemployed or take maternity leave; and

- CPP benefits if the employees retire, become disabled, or die.

Note

If you report incorrect amounts, it could reduce a person's benefits.

CPP deficiency calculations

If your employee has 52 pensionable weeks during the year, you usually calculate the required **CPP** contributions as follows:

Step 1: Subtract the CPP basic exemption for the year (\$3,500 for 2001) from the CPP pensionable earnings shown in box 26 on the employee's T4 slip.

Step 2: Multiply the result of Step 1 by the current year's CPP contribution rate (4.3% for 2001).

The result is the employee's yearly CPP contributions, which you report in box 16 of the T4 slip.

If you did not report pensionable earnings in box 26 of the T4 slip, we base the calculation on the amount in box 14, "Employment earnings," up to the maximum allowable amount.

There may be cases when you have to prorate the CPP basic exemption for the year [see Chapter 2 of the guide called *Payroll Deductions (Basic Information)*].

In these cases, to verify the employee's CPP contributions before you file the T4 slip, you can complete the "Year-end calculation of deductions for employee Canada Pension Plan contributions" provided at the end of the guide called *Payroll Deductions (Basic Information)*.

EI deficiency calculations

To calculate the required EI premiums, multiply the EI insurable earnings, shown in box 24 of the employee's T4 slip, by the current year's EI premium rate (2.25% for 2001).

The result is the employee's yearly EI premiums, which you report in box 18 of the T4 slip.

If you did not report insurable earnings in box 24 of the T4 slip, we base the calculation on box 14, "Employment income," up to the maximum allowable amount.

To verify the employee's EI premiums before you file the T4 slip, you can complete the "Year-end calculation of deductions for employee Employment Insurance premiums" provided at the end of the guide called *Payroll Deductions (Basic Information)*.

Note

If you put an "X" in box 28 (CPP-QPP and EI exempt) of the T4 slip and you reported amounts in boxes 16 or 17, and 26 for CPP-QPP, or in boxes 18 and 24 for EI, the system ignores the "X." For more information, see "Box 28 – Exempt (CPP-QPP and EI)" in Chapter 3.

How to avoid common reporting errors

The most common reporting errors occur when you do not complete correctly the following boxes on the T4 slip:

- box 24, “EI insurable earnings;”
- box 26, “CPP-QPP pensionable earnings;” and
- box 28, “Exempt (CPP-QPP and EI).”

Questions and answers

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

CPP-QPP Question 1

Was the employee exempt for the entire reporting period?

If *yes*, put an “X” in box 28. Leave boxes 16 or 17 and 26 blank.

If *no*, go to Question 2.

CPP-QPP Question 2

Did the employee turn 18 or 70 years old during the reporting period?

If *yes*, make sure that you:

- started to calculate the CPP contributions and pensionable earnings on the first of the month after the employee’s 18th birthday; or
- stopped calculating the CPP contributions and pensionable earnings on the first of the month after the employee’s 70th birthday.

Note

The requirements are different for QPP. For more information, see the *Guide for Employers – Deductions and Contributions*, which you can get from the ministère du Revenu du Québec.

If *no*, go to Question 3.

CPP-QPP Question 3

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

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

Note

The requirements are different for QPP. For more information, see the *Guide for Employers – Deductions and Contributions*, which you can get from the ministère du Revenu du Québec.

If *no*, leave box 26, “CPP-QPP pensionable earnings,” blank.

Make sure you did not interchange numbers or make addition errors.

CPP-QPP Question 4

Did you deduct contributions from an employee’s vacation pay, bonuses, director’s fees, or other taxable benefits?

If *yes*, see Chapter 5 of the guide called *Payroll Deductions (Basic Information)* for more information on calculating contributions for vacation pay, bonuses, and director’s fees. For more information on taxable benefits, see the guide called *Taxable Benefits*.

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

EI 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*, make sure that you deducted contributions for each type of remuneration that is subject to EI.

EI Question 2

Was the employee a student?

If the employee was a student, make sure that you deducted contributions for each type of remuneration that is subject to EI as you do for an ordinary employee.

There is no age limit for deducting EI premiums.

Chapter 3 – Completing T4 slips

3.1 When to complete the T4 slip

You have to complete T4 slips to report the following:

- salary, wages (including pay in lieu of termination notice), tips or gratuities, bonuses, vacation pay, employment commissions, and all other remuneration you paid to employees during the year;

Note

Paycheques with a pay date of 2001 are reported on 2001 T4 slips and paycheques with a pay date of 2002 are reported on 2002 T4 slips, regardless of when the services are performed or rendered.

- taxable benefits or allowances;
- deductions you withheld during the year; and
- pension adjustment (PA) amounts for employees who accrued a benefit for the year under your registered pension plan (RPP) or deferred profit sharing plan (DPSP).

You have to complete T4 slips for all individuals who received remuneration from you during the year if:

- you had to deduct CPP contributions, EI premiums, or income tax from the remuneration; or
- the remuneration was **\$500** or more.

Note

If you provide employees with taxable **group term life insurance** benefits, you **always** have to prepare a T4 slip, even if the total remuneration is less than \$500.

3.2 General guidelines

Before you start, please read the following:

- Complete the slips clearly and in alphabetical order.
- Use a standard 10- or 12-character per inch font if typed or computer generated.
- Make sure the SIN and name you enter on the T4 slip for each employee are the same as on his or her SIN card.
- If you had an employee who worked in more than one province or territory during the year, prepare a separate T4 slip for earnings and deductions that apply to each province or territory.
- Report, in **Canadian** dollars, all amounts you paid to employees during the year.
- Do not enter hyphens or dashes between numbers or names.
- Do not enter the dollar sign (\$).
- Report all amounts in dollars and cents. However, report the pension adjustment (PA) in box 52 in dollars only.
- Do not show negative dollar amounts on slips. To make changes to previous years, send us an amended slip for the years in question.
- If you do not have to enter an amount in a box, do not enter “nil” — leave the box blank.
- Do not change the headings of any of the boxes.
- If you give employees multiple slips, either because they were employed in more than one province or territory, or on different payrolls, you should report the PA proportionately on each T4 slip. If you are unable to apportion the PA this way, you can report it on one slip.
- For information on completing the T4 slip for special situations (e.g., barbers and hairdressers, or taxi drivers), see Chapter 6 of the guide called *Payroll Deductions (Basic Information)*.

3.3 Guidelines relating to slips for laser or ink jet printers (not carbon-loaded)

You can use these slips if you file by **paper** or **magnetic media**.

Filing on paper

If you file your T4 slips on **paper**, keep the following in mind:

- Complete **one copy** of the T4 for each employee to send with your T4 Summary return. On one sheet, enter the information for two different employees.

- Complete **two copies** to give or mail to each employee by the last day of February. On one sheet, complete the two T4 slips that you have to give to each employee. **Do not enter** your Business Number (box 54) on these copies.
- Complete **one copy** to keep for your file (since this is optional, you can complete another sheet or simply photocopy the one you have to send with your T4 Summary form).

Filing on magnetic media

If you file your T4 slips on **magnetic media**, keep the following in mind:

- Do not print a copy to send to us. Refer to the electronic guide called *Computer Specifications for Data Filed on Magnetic Media – T4, T4A, and T4A-NR* for an explanation of the technical specifications and instructions you need to file the remuneration and deduction data produced on magnetic media.
- Print **two copies** to give or mail to each employee by the last day of February. On one sheet, print the two T4 slips that you have to give to each employee. **Do not print** your Business Number (box 54) on these copies.
- Print **one copy** to keep for your file (since this is optional, you can print the information for two different employees on one sheet).

3.4 Detailed instructions

Employer's name

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

Employee's name and address

Enter the employee's last name, followed by the first name and initial. If the employee has more than one initial, in the “First name” box, enter the employee's first name followed by the initials. If you enter only the employee's initials, enter them at the beginning of the “First name” box. Do not enter the title of office, or courtesy title of the employee (e.g., Director General, Mr., or Mrs.). Enter the employee's address, including the province, territory, or U.S. state, Canadian postal code or American zip code, and country.

Note

Complete the T4 slip using the employee's name, not the company name. If you pay an amount to a proprietor or partner of an unincorporated business, do not issue a T4 slip. Instead, issue a T4A slip. For more information, see “T4A slip” in the guide called *Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary Form*.

Year

Enter the four digits of the calendar year in which you paid the remuneration to the employee.

Box – Void

Enter an “X” in this box if the T4 is cancelled. Otherwise, leave it blank.

Box 10 – Province of employment

Enter one of the following abbreviations to indicate where the employee reported to work:

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

The province or territory of employment you enter depends on whether or not an employee has to report for work at your place of business [see “Which provincial or territorial tax tables should you use?” in Chapter 1 of the guide called *Payroll Deductions (Basic Information)* for more details].

If an employee worked in a country other than Canada or the USA, or worked in Canada 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, territory, or country in the year, complete separate T4 slips. For each location, indicate the total remuneration paid to the employee and the related deductions, such as CPP/QPP contributions, EI premiums, and tax.

Box 12 – Social insurance number

Enter the employee’s social insurance number (SIN) as it appears on the employee’s SIN card. For more information on reporting this number, see section 1.2, “Social insurance number (SIN).”

Box 14 – Employment income

Report the total income before deductions. Include all salary, wages (including pay in lieu of termination notice), bonuses, vacation pay, tips and gratuities, honorariums, director’s fees, management 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).

Director’s fees paid to a non-resident for services rendered in Canada must also be reported in box 14 of a T4 slip. See Chapter 5 of the guide called *Payroll Deductions (Basic Information)* for details.

If you are in the forestry business and have employees who use their own power saws at their own expense, include rental payments you paid to employees for the use of their own power saws. Do not reduce the amount by the cost or

value of saws, parts, gasoline, or any other materials the employee supplies.

Include commissions, taxable allowances, the value of taxable benefits (including any GST/HST), and any other payments you paid to employees during the year.

Include these in box 14, even if they appear separately in the “Other Information” area of the slip. Also include payments out of an employee benefit plan (EBP) and amounts that a trustee allocated under an **employee trust**. If the trustee allocates the income, but you do not pay it immediately, include it in the income of the employee. Do not report it when you make the payment. For more information, see Interpretation Bulletin IT-502, *Employee Benefit Plans and Employee Trusts*, and its Special Release.

Note

In the following cases, see the guide called *Payroll Deductions (Basic Information)* for instructions on how to complete box 14 on the T4 slip:

- if you are an employer paying salary or wages to a status Indian; or
- if you have an employee who is a Canadian resident and who works for you outside Canada for more than six months in a row (the employee may be entitled to an overseas employment tax credit).

Boxes 16 and 17 – Employee’s CPP-QPP contributions

Enter the amount you deducted from the employee for contributions to the Canada Pension Plan (CPP) or Quebec Pension Plan (QPP). Make your entry under “CPP” (box 16) or “QPP” (box 17), depending on the province or territory of employment. Leave both boxes blank if the employee did not contribute to either plan.

Do not report the employer’s share of CPP-QPP contributions on the T4 slip.

The total contribution to both plans **should not be more than** the maximum contribution for the year. If an employee contributed to both plans, you have to prepare **two** T4 slips, as follows:

- one showing the QPP you deducted, the province of employment as Quebec, the applicable pensionable earnings, and the remuneration the employee earned in the province of Quebec; and
- one showing the CPP you deducted, the applicable province or territory of employment (other than Quebec), the applicable pensionable earnings, and the remuneration the employee earned in the other province or territory.

If you over deducted contributions from the employee, **do not adjust** the amounts you report on the T4 slip. We will credit the excess CPP contributions to employees when they file their income tax and benefit return. Complete Form PD24, *Statement of Overpayment and Application for Refund*, to apply for a refund of your CPP overpayment. Send it to us with your T4 information return. However, if you choose to request your refund at a later date, your request must be made no later than four years from the end of the year in which the overpayment occurred.

Box 18 – Employee’s EI premiums

Enter the amount of EI premiums you deducted from the employee’s earnings. Leave this box blank if you did not deduct premiums.

Do not report the employer’s share of EI premiums on the T4 slip.

If you over deducted premiums from an employee, **do not adjust** the amounts you report on the T4 slip. We will credit excess EI premiums to employees when they file an income tax and benefit return. Complete Form PD24, *Statement of Overpayment and Application for Refund*, to apply for a refund of your EI overpayment. Send it to us with your T4 information return. However, if you choose to request your refund at a later date, your request must be made no later than three years from the end of the year in which the overpayment occurred.

Box 20 – RPP contributions

Enter the total amount the employee contributed to a registered pension plan (RPP). Leave this box blank if the employee did not contribute to a plan.

Enter any deductible retirement compensation arrangement (RCA) contributions you withheld from the employee’s income. Do not include amounts that are not deductible. If the amount in box 20 includes RPP contributions and deductible RCA contributions, you should attach a letter informing the employee of the amounts.

If the amount you report is a combination of contributions for current and past services that relates to pre-1990 past service, enter, in the “Other Information” area, code 74 for past-service contributions while the employee was a contributor and code 75 for past-service contributions while the employee was not a contributor, and the corresponding amount in one of the boxes.

To determine if the employee made past-service contributions before 1990 while a contributor or while not a contributor, see Interpretation Bulletin IT-167, *Registered Pension Plans – Employee’s Contributions*.

Include instalment interest in box 20. Instalment interest includes interest charged to buy back pensionable service.

Note

Do not use box 20 to show what you contributed to an employee’s RRSP. The **employer’s contribution** is a taxable benefit. Enter code 40 in the “Other Information” area and the corresponding amount in one of the boxes. Include this amount in box 14 on the employee’s T4 slip.

If you have a group RRSP for your employees, the trustee will send you official receipts for income tax purposes. The receipts show the employee and employer contribution amounts. Provide a copy of these receipts to the employee. Do not report these amounts in box 20.

Do not use box 20 to report lump-sum payments directly transferred from one registered pension plan to another. For more information, contact any tax services office or tax centre.

Status Indian – Registered pension plan contributions that have been made in respect of tax exempt income are not

deductible. Do not enter those contributions in box 20. If the employment income that relates to an RPP contribution is comprised of both taxable and tax exempt income, you have to prorate the RPP contribution.

You do not have to prorate the amount of pension adjustment (PA). Report the total amount in box 52 of the T4 slip, “Pension adjustment.”

Box 22 – Income tax deducted

Enter the **total** income tax you deducted from the employee’s remuneration. This includes the federal, provincial (except Quebec), and territorial taxes that apply. Leave the 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 that applies to the employee’s previously assessed tax arrears.

Box 24 – EI insurable earnings

Enter the **total** amount you used to calculate the employee’s EI premiums. Do not include the unpaid portion of any earnings from insurable employment that you did not pay because of your bankruptcy, receivership, or non-payment of remuneration for which the employee has filed a complaint with the federal or provincial labour authorities. Leave the box blank if:

- there are no insurable earnings;
- insurable earnings are the same as the employment income in box 14 (see box 28 later in this chapter for details); or
- insurable earnings are over the maximum for the year.

A retiring allowance is not insurable. Do not deduct EI premiums from this amount. Report the amount on a T4A slip. For more information, see Chapter 2 of the guide called *Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary Form*.

Box 26 – CPP-QPP pensionable earnings

In most cases, you will leave the box blank. **However, you have to complete the box in the following situations:**

CPP – Complete the box if you included any of the following types of remuneration in box 14, “Employment income”:

- 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 was considered to be disabled under the CPP or QPP; or
 - after a CPP retirement pension became payable;

Note

The requirements for a retirement pension paid under the QPP are different. For more information, see the *Guide for Employers – Deductions and Contributions*, which you can get from the ministère du Revenu du Québec.

- b) remuneration paid to the employee while the employee worked in excluded employment [see “Employment and amounts not subject to CPP contributions” in Chapter 2 of the guide called *Payroll Deductions (Basic Information)*]; or
- 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).

Subtract any of the amounts noted in a), b), or c) above 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, see “Prorating the maximum contribution for the year” in Chapter 2 of the guide called *Payroll Deductions (Basic Information)*.

Status Indian – Complete this box if you paid remuneration to a status Indian on a reserve and have elected to cover this employee for CPP. Subtract the amount of remuneration paid before the election from the total amount included under code 71 in the “Other information” area. Enter the difference in box 26.

QPP – Regardless of the employee’s province of residence, complete box 26 if the employee is subject to QPP and the pensionable earnings are more than the employment earnings in box 14 of the T4 slip, “Employment income.” The ministère du Revenu du Québec considers certain benefits and earnings to be pensionable earnings for employees working in Quebec such as:

- private health benefit plan premiums; and
- assumed earnings (persons 55 years of age or over whose working time is reduced by reason of phased retirement may nonetheless choose, with their employers, to make contributions to the QPP on all or part of the amount of the reduction in remuneration).

For more information, see the *Guide for Employers – Deductions and Contributions*, which you can get from the ministère du Revenu du Québec.

Box 28 – Exempt (CPP-QPP and EI)

Do not complete the **CPP-QPP** part of this box if you entered an amount in box 16, 17, or 26. Enter an “X” under CPP/QPP only if the earnings were exempt for the **entire** period of employment.

Do not complete the **EI** part of this box if you entered an amount in box 18 or 24. Enter an “X” under EI only if the earnings were exempt, or if they were not eligible for the **entire** reporting period of employment.

Box 29 – Employment code

Enter the appropriate code in this box if one of the following situations applies. Otherwise, leave it blank.

- 11 – Placement agency – self-employed
- 12 – Driver of taxi or other passenger-carrying vehicle

- 13 – Barber or hairdresser
- 14 – Withdrawal from a prescribed salary deferral arrangement plan
- 15 – Seasonal Agricultural Workers Program
- 16 – Detached employee – social security agreement

Box 44 – Union dues (completed at employer’s option)

Use this box only if you and the union agree that the union will not issue receipts for union dues to employees. In this case, include a *Certificate of Agreement* with the T4 information return.

Enter in box 44 the amount you deducted from employees for union dues. Include amounts you paid to a parity or advisory committee that qualify for a deduction.

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

For more information, see Interpretation Bulletin IT-103, *Dues Paid to a Union or to a Parity or Advisory Committee*.

Status Indian – Annual union, professional, or like dues related to exempt income are not deductible. When a part of the income is exempt, the portion related to the exempt income is not deductible.

Box 46 – Charitable donations (completed at employer’s option)

Enter the amount you deducted from the employees’ earnings for donations to registered charities in Canada.

Box 50 – RPP or DPSP registration number

Enter the seven-digit registration number we issue for a registered pension plan (RPP) or a deferred profit sharing plan (DPSP), or the seven-digit plan identification number we issue for an unregistered foreign pension plan under which you report a pension adjustment (PA). Do this even if your plan requires only employer contributions. However, if you make contributions to union pension funds, you have to indicate the union’s plan number, which the union has to give you. 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 PA.

Box 52 – Pension adjustment

If you have a registered pension plan (RPP) or a deferred profit sharing plan (DPSP), enter only the dollar amount of the employee’s PA for the year. If you have to prepare more than one T4 slip for the employee because the employee worked for you in more than one work location, you should report the PA proportionately on each T4 slip. If you are unable to apportion the PA, report it on one slip.

If an employee participates in different pension plans that you sponsored (e.g., an RPP and DPSP), you have to calculate his or her PA using the **total** amount of all pension credits accumulated by the employee under all these pension plans for the year.

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

- The calculated PA is a negative amount or zero.
- The employee died during the year.
- The employee, even if he or she is still a member of the plan, no longer accrues new pension credits in the year (this happens when, for example, the employee has accrued the maximum number of years of service in respect of the plan).

Special rules

Special calculation rules 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 *Pension Adjustment Guide* (T4084). If you need more help calculating a PA, see your pension plan administrator, or call our Registered Plans Directorate 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)

Unregistered retirement plans or arrangements

Measures ensure that the uniform limits on tax-deferred retirement savings take into consideration savings under three types of unregistered retirement plans or arrangements:

- a specified retirement arrangement (SRA);
- a government-sponsored retirement arrangement (GSRA); and
- a foreign pension plan (FPP).

If you have any questions about the PA for these types of plans or arrangements, please contact:

Registered Plans Directorate
Canada Customs and Revenue Agency
45 Sacré-Coeur Boulevard
Hull QC K1A 0L5

or call toll free at the numbers quoted above.

Box 54 – Business Number

Enter your 15-digit Business Number that you use to send us your employees' deductions. This number appears at the top of your statement of account, which we send to you each month. Your Business Number does not appear on the two copies of the T4 slip that you give to your employees.

“Other information” area

The “Other information” area at the bottom of the T4 slip has boxes for you to enter codes and amounts that relate to employment commissions, taxable allowances and benefits, deductible amounts, and other entries, if they apply.

The boxes are not pre-numbered as in the top part of the slip. Enter the codes that apply to the employee.

Note

If more than six codes apply to the same employee, use an additional T4 slip.

Codes 30 to 77 – Taxable allowances and benefits, deductible amounts, employment commissions, and other entries

Use the codes below to enter taxable allowances and benefits, deductible amounts, employment commissions, and other entries.

- 30 – Housing, board, and lodging
- 31 – Special work site
- 32 – Travel in a prescribed zone
- 33 – Medical travel
- 34 – Personal use of employer's automobile
- 36 – Interest-free and low-interest loan
- 37 – Employee home-relocation loan deduction
- 38 – Stock option benefits
- 39 – Stock option and shares deductions 110(1)(d)
- 40 – Other taxable allowances and benefits
- 41 – Stock option and shares deductions 110(1)(d.1)
- 42 – Employment commissions
- 53 – Deferred stock option benefits
- 70 – Municipal officer's expense allowance
- 71 – Status Indian employee
- 72 – Section 122.3 income – employment outside Canada
- 73 – Number of days outside Canada
- 74 – Pre-1990 past service contributions while a contributor
- 75 – Pre-1990 past service contributions while not a contributor
- 77 – Workers' compensation benefits repaid to the employer

The following instructions briefly outline what you should enter for each taxable allowance or benefit, or deductible amount, and for employment commissions. Some of these benefits must include the goods and services tax (GST) and the provincial sales tax (PST, or TVQ in Quebec), if they apply, or the harmonized sales tax (HST).

The guide called *Taxable Benefits* explains how to calculate the value of these benefits. The guide also explains which taxable benefits are subject to GST/HST.

Code 30 – Housing, board, and lodging

If you provided an employee with free or subsidized housing, or board and lodging, enter code 30 and the corresponding amount in one of the boxes. Also include this amount in box 14. As an employer, you have to estimate and report the fair market value of these benefits.

Under certain circumstances, transportation benefits and the value for board and lodging for remote work locations and special work sites are exempt from income tax.

If you need more information, see the guide called *Taxable Benefits*.

Code 31 – Special work site

If the employee received a benefit for board and lodging at a **special work site** in a prescribed zone and you completed Form TD4, *Declaration of Exemption – Employment at a Special Work Site*, enter code 31 and the corresponding amount in one of the boxes (enter only the exempted portion that is related to work sites that are within 30 kilometres from the nearest urban area having a population of at least 40,000 persons). Do not include this amount in box 14 or under code 30.

Code 32 – Travel in a prescribed zone

If you provided an employee living in a prescribed zone with an amount for travel assistance, enter code 32 and the corresponding amount in one of the boxes. Include this amount in box 14.

Code 33 – Medical travel

If you provided an employee living in a prescribed zone with an amount for medical travel assistance, you have to identify it. Enter code 33 and the medical portion of the travel assistance reported under code 32 in one of the boxes.

If you need more information, see the guide called *Taxable Benefits*.

Code 34 – Personal use of employer's automobile

If you provided an employee with the use of an automobile, enter code 34 and the corresponding amount in one of the boxes. Include this amount in box 14. Calculate the amount in two parts:

- standby charges; and
- operating costs.

For more information on standby charges and operating costs and how to report them, see the guide called *Taxable Benefits*.

Code 36 – Interest-free and low-interest loan

If you provided an employee with a benefit from this type of loan, including a home loan, because of an office or employment (or intended employment), enter code 36 and the corresponding amount in one of the boxes. Include this amount in box 14.

If you need more information, see the guide called *Taxable Benefits*.

Code 37 – Employee home-relocation loan deduction

If the employee receives an interest-free or low-interest home-relocation loan, you have to identify the amount the employee can deduct. Enter code 37 and the deductible portion of the amount reported under code 36 in one of the boxes.

If you need more information, see the guide called *Taxable Benefits*.

Code 38 – Stock option benefits

If, in 2001, an employee received a taxable benefit under a corporation's agreement to issue its eligible publicly-listed shares or units of mutual fund trusts to the employee, enter code 38 and the corresponding amount in one of the boxes. Include this amount in box 14.

For more information about this benefit, see the guide called *Taxable Benefits*.

Code 39 – Stock option and shares deductions 110(1)(d)

If, in 2001, the employee is entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act*, enter code 39 and one-half of the amount you reported under code 38 for those shares.

Code 40 – Other taxable allowances and benefits

If you provided an employee with any other taxable allowances or benefits that you did not include elsewhere on the T4 slip, enter code 40 and the corresponding amount in one of the boxes. Include this amount in box 14.

For more information on how to calculate taxable benefits, see the guide called *Taxable Benefits*. In particular, the guide has details on how to calculate the following taxable benefits:

- group term life insurance;
- municipal officer's expense allowance;
- flat rate automobile allowance; and
- combination of flat rate automobile allowance and reasonable per-kilometre allowances.

Code 41 – Stock option and shares deductions 110(1)(d.1)

If, in 2001, the employee is entitled to a deduction under paragraph 110(1)(d.1) of the *Income Tax Act*, enter code 41 and one-half of the amount you reported under code 38 for those shares.

Code 42 – Employment commissions

If an employee sold property or negotiated contracts for you, enter code 42 and the amount of the employee's commissions in one of the boxes. Include this amount in box 14.

For more details, see Interpretation Bulletin IT-522, *Vehicle, Travel and Sales Expenses of Employees*.

Code 53 – Deferred stock option benefits

If an eligible employee receives a taxable benefit under a corporation's agreement to issue its eligible publicly-listed shares or units of mutual fund trusts to the employee, and he or she wishes to defer the taxable benefit until the disposition of the eligible securities, enter code 53 and the corresponding amount in one of the boxes.

Do not include this amount in box 14.

If you need more information, see the guide called *Taxable Benefits*.

Code 70 – Municipal officer's expense allowance

If you are a municipal corporation or board and you pay an expense allowance to an elected officer to perform the duties of that office, see the guide called *Taxable Benefits*.

Code 71 – Status Indian employee

If you are an employer paying non-taxable salary or wages to status Indians, see Chapter 6 of the guide called *Payroll Deductions (Basic Information)*.

Code 72 – Section 122.3 income – employment outside Canada and Code 73 – Number of days outside Canada

If your employee is entitled to an overseas employment tax credit, see Chapter 6 of the guide called *Payroll Deductions (Basic Information)*.

Code 74 – Pre-1990 past service contributions while a contributor

If an employee contributed to a registered pension plan (RPP) for pre-1990 past service contributions while a contributor, see “Box 20 – RPP contributions” in this chapter.

Code 75 – Pre-1990 past service contributions while not a contributor

If an employee contributed to a registered pension plan (RPP) for pre-1990 past service contributions while not a contributor, see “Box 20 – RPP contributions” in this chapter.

Code 77 – Workers' compensation benefits repaid to the employer

Enter the amount of workers' compensation benefits repaid to the employer, which was previously included in the employee's salary. This will allow the employee to claim a corresponding deduction as other employment expenses on his or her income tax and benefit return.

For more information, see Chapter 5 of the guide called *Payroll Deductions (Basic Information)*.

Chapter 4 – Completing the T4 Summary form

4.1 General guidelines

The summary form is used to report the totals of the amounts that you reported on the related slips.

Before you start to enter information on the summary form, please keep the following points in mind:

- If you did not receive a personalized T4 Summary form, you can: download and print a blank one from our Web site at www.cra.gc.ca/forms; order one online at www.cra.gc.ca/orderforms; or call 1-188-959-2221.

- Report amounts in Canadian dollars and cents on all T4 Summary forms.
- Complete a separate summary form for each one of your payroll deductions accounts. Ensure each summary form is in front of the related slips.
- **The totals you report on your summary form have to agree with the totals you report on your slips.** Errors or omissions can cause unnecessary processing delays.
- You can make a photocopy of the original T4 Summary form, and use it as your working copy. Keep the working copy for your records.
- Send the original T4 Summary form along with the related slips to the Ottawa Technology Centre. You can find the address on the summary form and on page 19 of this guide.

4.2 Detailed instructions

If you did not receive a personalized T4 Summary form, enter your 15-digit Business Number that you use to send us your employees' deductions, your operating or trading name, and your address in the area provided at the top of the form.

Year

Enter the two last digits of the calendar year for which you file the return.

Line 14 – Employment income

Add the amounts in box 14 on all T4 slips. Enter the total on line 14.

Line 16 – Employee's CPP contributions

Add the amounts in box 16 on all T4 slips. Enter the total on line 16.

Line 18 – Employee's EI premiums

Add the amounts in box 18 on all T4 slips. Enter the total on line 18.

Line 19 – Employer's EI premiums

Enter your share of Employment Insurance premiums (multiply the employees' total premiums by the employer's premium rate).

Line 20 – Registered pension plan (RPP) contributions

Add the amounts in box 20 on all T4 slips. Enter the total on line 20.

Line 22 – Income tax deducted

Add the amounts in box 22 on all T4 slips. Enter the total on line 22.

Line 27 – Employer's CPP contributions

Enter your share of Canada Pension Plan contributions on line 27.

Line 52 – Pension adjustment

Add the amounts in box 52 on all T4 slips. Enter the total on line 52, in dollars only.

Lines 74 and 75 – Canadian-controlled private corporations or unincorporated employers

Enter the social insurance numbers of any proprietors or principal owners.

Lines 76 and 78 – Person to contact about this return

Enter the name and telephone number of a contact person that we can call to get or clarify information you reported on the summary form.

Line 80 – Total deductions reported

Add the amounts reported on lines 16, 27, 18, 19, and 22 of the summary form. Enter the total on line 80.

Line 82 – Remittances

Enter the amount you remitted for the year under your Business Number.

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 amount you remitted for the year, leave lines 84 and 86 blank. We do not refund or charge a difference of less than \$2.

Line 84 – Overpayment

If the amount on line 82 is more than the amount on line 80 (and you do not have to file another type of return for this account number), enter the difference on line 84. Attach a note indicating the reason for the overpayment and whether you want us to transfer this amount to another account or another year, or refund the overpayment to you.

Line 86 – Balance due

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

Amount enclosed

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

Line 88 – Total number of T4 slips filed

Enter the total number of T4 slips that you are including with the T4 Summary form.

Certification

A current officer of the business has to sign the T4 information return to show that the information is correct and complete.

Address of the Ottawa Technology Centre

If you file on paper, send the original summary form and copy 1 of the related T4 slips to:

Ottawa Technology Centre
Canada Customs and Revenue Agency
875 Heron Road
Ottawa ON K1A 1G9

If, after you file your return, you need to send us amended slips, send copy 1 of the slips to any tax centre.

Addresses of Tax Centres

If you need to send us amended T4 slips, send them to any tax centre listed below.

Summerside Tax Centre 275 Pope Road Summerside PE C1N 6A2	Jonquière Tax Centre 2251 René-Lévesque Boulevard Jonquière QC G7S 5J1
Shawinigan-Sud Tax Centre 4695 – 12th Avenue Shawinigan-Sud QC G9N 7S6	Sudbury Tax Services Office 1050 Notre-Dame Avenue Sudbury ON P3A 5C1
Winnipeg Tax Centre 66 Stapon Road Winnipeg MB R3C 3M2	Surrey Tax Centre 9755 King George Highway Surrey BC V3T 5E1
St. John's Tax Centre 290 Empire Avenue St. John's NF A1B 3Z1	

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T4 Internet Filing

At the Canada Customs and Revenue Agency, we are always striving to provide more ways to serve you.

For the 2001 tax year, businesses that file **70 or fewer T4 slips** will be invited to choose from the following electronic filing options:

- **T4 Web forms** – This is the most convenient filing option for employers who have to either:
 - file a nil return; or
 - file 3 or fewer T4 slips.

With T4 Web forms, all you need is a browser to complete, print, and transmit your T4 information return.

- **T4 Java application** – This is the most convenient filing option for employers who have to:
 - file more than 3 T4 slips, but no more than 70 slips.

This downloadable Java application lets you create, save, print, and transmit your electronic T4 information return.

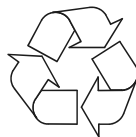
What will these options do for you?

Our T4 Web forms and T4 Java application will allow you to:

- create an electronic T4 information return;
- validate data;
- calculate totals for the summary;
- use the electronic data to print employee T4 slips; and
- securely transmit your encrypted return via the Internet.

For more information, please visit our Web page at www.cra.gc.ca/T4Internet.

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