



Canada Revenue  
Agency

Agence du revenu  
du Canada

Employers' Guide

# Filing the T4 Slip and Summary Form

## Do you need more information?

If you need more help after you read this publication, visit our Web site at [www.cra.gc.ca](http://www.cra.gc.ca) or call 1-800-959-5525.

You can get forms and publications from our Web site at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms) or by calling 1-800-959-2221.

## Teletypewriter users

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

## Related publications

- *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)*
- *Fishers and Employment Income (T4005)*

Visually impaired persons can get our publications in braille, large print, or etext (computer diskette), or on audio cassette from our Web site at [www.cra.gc.ca/alternate](http://www.cra.gc.ca/alternate) or by calling 1-800-267-1267 weekdays from 8:15 a.m. to 5:00 p.m. (Eastern Time).

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

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In this publication, we use the name “Canada Revenue Agency” and the acronym “CRA” to represent the Canada Customs and Revenue Agency. This reflects recent changes in the structure of the Agency.

## Notice

### Electronic mailing lists

If your business has access to the Internet, we can now notify you immediately about new information on the following:

- payroll deductions
- GST/HST news
- magnetic media
- media room (includes news releases on a variety of topics including payroll deductions and the GST/HST)

Visit our Web site to subscribe, **free of charge**, to one or more of these electronic mailing lists.

### Construction businesses

Construction businesses have to record certain amounts paid or credited to subcontractors for goods and services rendered in connection with construction activities. They have to report these payments by filing a T5018, *Summary of Contract Payments* information return with the applicable T5018 *Statement of Contract Payment* slips. They can report payments on either a calendar year or fiscal-year basis. Information returns have to be filed no later than six months after the end of the reporting period.

For more information, visit our Web site at [www.cra.gc.ca](http://www.cra.gc.ca) or call 1-800-959-5525.

## Chapter 1 – General Information

### 1.1 Who should use this publication?

Use this publication if you are an employer and you pay your employees any of the following types of income:

- employment income;
- commissions;
- taxable allowances and benefits;
- fishing income (see Notes); or
- any other payments for services rendered during the year.

#### Notes

The reporting of a fisher's income on a T4 slip will be mandatory for the 2006 tax year. If you are a self-employed fisher's designated employer (for

example, the buyer of the catch) or a buyer with whom, in a calendar year, a self-employed fisher has filed Form TD3F, *Fisher's Election to Have Tax Deducted at Source*, you have to file an information return for that year.

If you are a designated employer, and you want to calculate the insurable earnings of a self-employed fisher, see the publication called *Fishers and Employment Insurance* (T4005).

The instructions in this publication are mainly for employers who file a paper return. However, we also provide information regarding electronic filing and certain guidelines for trustees.

## 1.2 Social insurance number (SIN)

Persons employed in pensionable or insurable employment have to show their SIN card to their employer. Always use the correct name and number as shown on the employee's SIN card.

An incorrect SIN can affect an employee's CPP benefits if the record of earnings filed 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.

If the employee does not give you his or her SIN, you should be able to show that you made a reasonable effort to get it. For example, if you contact an employee by mail to ask for his or her SIN, record the date of your request and keep a copy of any correspondence that relates to it. If you do not make a reasonable effort to get a SIN, you may be subject to a penalty of \$100 for each failure.

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 related to the SIN, see Information Circular 82-2, *Social Insurance Number Legislation That Relates to the Preparation of Information Slips*, or visit the Web site of Human Resources and Skills Development Canada at [www.hrsdc.gc.ca](http://www.hrsdc.gc.ca).

## 1.3 Penalties and interest

### Penalty – Failure to deduct or withhold

We can assess a penalty of 10% of the amount of CPP, EI, or income tax you fail to deduct or withhold.

If you fail to deduct or withhold the required amount of CPP, EI, or income tax 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. Generally, we only apply the 10% penalty to the part of the amount you failed to deduct or withhold 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.

## Penalty – Failure to remit

We can assess a penalty of up to 20% of the amount you failed to remit when you withhold the amounts, but do not remit them or when we receive the amounts you withheld past the due date; for example:

- if a remittance that was due on January 15 of the current year (for deductions made in December of the previous year) is paid after January 15 or with the previous year's T4 information return, and this return is filed after January 15; or
- if you have not paid the total deductions reported by the prescribed date and you include, with your T4 return, the balance due as indicated in box 86 of the T4 Summary form;

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

If your remittance due date is a Saturday, Sunday, or a statutory holiday, your remittance is due on the next business day.

## Interest

We can charge interest from the day your payment is due. For due dates, see the publication called *Remitting Payroll Deductions* (RC4163).

## Failure to file the T4 information return

To prepare an information return, you must complete a T4 slip, the related T4 Summary form, and in some cases T4 Segment forms, as explained in section 2.1. You have to file a T4 information return and give information slips to your 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 Sunday, your information return is due the next business day.

## Waiving penalties and interest

The fairness provisions of the *Income Tax Act* give us some discretion to cancel or waive all or a portion of any 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 form 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 publication called *How to Complete the Record of Employment (ROE)*, which is available from a Human Resources and Skills Development Canada Centre or from their Web site at [www.hrsdc.gc.ca](http://www.hrsdc.gc.ca).

## 1.5 What should you do if your business stops operating?

Send all unremitted CPP contributions, EI premiums, and income tax deductions of the former employees to your tax centre within seven days of the day your business ends. For more information on how to send us deductions, see the publication called *Remitting Payroll Deductions (RC4163)*.

Complete the necessary T4 slips and T4 Summary form either on paper or using one of the electronic filing methods and send them to the Ottawa Technology Centre (see addresses in section 2.3 or 2.4) 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)**. For information on how to calculate pension adjustments, see the *Pension Adjustment Guide (T4084)*.

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 more than 500 various slips, you have to file your return on magnetic media, as explained in section 2.4.

Prepare and give a *Record Of Employment* to each former employee. For more information, see the publication called *How to Complete the Record of Employment (ROE)*, which is available from a Human Resources and Skills Development Canada Centre or from their Web site at [www.hrsdc.gc.ca](http://www.hrsdc.gc.ca).

## 1.6 Other types of information returns

If you need to calculate fishers' insurable earnings and need to know if you are an individual or corporation considered as a designated employer of fishers under the *Employment Insurance (fishing) Regulations*, see the publication called *Fishers and Employment Income (T4005)*.

If you pay pensions, retiring allowances, annuities, or other income, you have to complete a T4A return. See the publication called *Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary Form (RC4157)*.

If you pay fees (not including non-resident director fees), commissions, or other amounts to non-residents for services rendered in Canada, you have to complete a T4A-NR return. Directors fees paid to non-residents must be reported on a T4 slip. See the 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?

To prepare a T4 information return, you must complete a T4 slip. You also have to complete the related T4 Summary form. In some cases, for a paper filed return, you may also have to complete a T4 Segment form as explained under paragraph “What should you do with large returns?” A T4 Summary form alone is not an information return.

The T4 slip and T4 Summary form apply to resident and non-resident employers. See our Website for summary and slip requirements for electronic filing.

#### Types of T4 slips available

You can order the **single-page** slips that have 2 slips per page (not carbon-loaded), intended for laser or ink jet printers, for typing, or to be filled out by hand.

You can get copies of T4 slips and T4 Summary forms from our Web site. You can also open the **electronic** T4 fillable form from our Web site at **[www.cra.gc.ca/forms](http://www.cra.gc.ca/forms)**. After completing your electronic forms, you can print them on plain white paper. For more information, see the T4 Internet filing options on our Web site or see page 35.

We now accept slips that are printed on paper other than our original paper with red fonts. You can make photocopies of the completed slips to distribute to your employees.

#### What should you do with large returns?

If your return has more than 200 slips, split them into bundles of 200 slips (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 get segment forms or you need more instructions, visit our Web site.



If you file more than 500 various information slips (for example, T4, T4A, T5) for the calendar year, you **have to** file your information returns on magnetic media, as explained in section 2.4.

## 2.2 Customized forms

To reduce the workload of those who complete large numbers of forms, we accept forms other than our own. To get our written approval, send **two** samples of your proposed computer-printed slips to:

Operations Division  
Electronic and Print Media Directorate  
Canada Revenue Agency  
17th floor, Albion Tower  
25 Nicholas Street  
Ottawa ON K1A 0L5

For more information about customized forms, see Information Circular 97-2, *Customized Forms*, which is available only on our Web site at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms).

## 2.3 When and where to file the T4 information return

You have to file your T4 information returns, either on paper, on Magnetic Media (diskette or CD ROM) (see section 2.4) or via the Internet (see section 2.5) by the **last day of February following the calendar year to which the information return applies**.

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

After you complete your paper returns, mail them to:

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

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

### Distributing copies of T4 slips

You have to give two copies of the T4 slips to your employees by the **last day of February following the calendar year to which the slips apply**. You must keep copies of your records and books of accounts until the expiration of six years from the end of the last tax year to which the records and books of account relate. This applies to both paper **and** electronic formats.

## **Sending electronic tax slips**

You can provide T4 slips to your employees in electronic format. To authorize the electronic reception of their slips, the employees have to consent in writing by sending a letter or an email to you.

## **2.4 When do you have to file information returns on magnetic media?**

If you or your service bureau files more than 500 various information slips for the calendar year (for example T4, T4A, T5), you **have to** file your information returns on magnetic media in extensible mark-up language (XML) format. For more details, see the guide called *Computer Specifications for Data Filed on Magnetic Media – T4, T4A, and T4A-NR (T4028)*, which is only available on our Web site at **www.cra.gc.ca**.

Attach Form T619, *Magnetic Media Transmittal*, to the magnetic media (diskette or CD ROM) and deliver both to any tax services office or tax centre, or mail it to:

Magnetic Media Processing Team  
Ottawa Technology Centre  
Canada Revenue Agency  
875 Heron Road  
Ottawa ON K1A 1A2

## **Failure to file information returns in electronic format**

If you file more than 500 various information slips (for example T4, T4A, T5) and you do not file the information returns in an electronic format as required under the *Income Tax Act* and *Income Tax Regulations*, you are liable to a penalty of \$2,500 for the first offence. For each subsequent occurrence, the penalty will increase by increments of \$2,500.

You may need to correct original data submitted on magnetic media. For information on correcting slips, see section 2.7, "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, see our Web site or call **1-800-665-5164**.

## 2.5 Can you file your T4 return via the Internet?

If you are filing 1 to 499 slips, you can file your T4 information return on the internet. For details, see page 35.

To file your T4 return on the internet, you must use a Web access code. Your Web access code is preprinted at the top of your personalized T4 Summary form, above your Business Number (BN).

The code is made up of six characters: two letters and four numbers. The letters can be in upper or lower case and are identified with an asterisk \* below them.

When you enter your Web access code, you have to 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 form, you will not be able to access our secure Web pages.

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### Example

5	1	s	2	B	7
		*		*	

In this example, the “s” must be entered in lower case, and the “B” must be entered in upper case.

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If you want to file your T4 return on the internet and you did not receive a personalized T4 Summary form, visit our Web site to find out how to get your Web access code.

For more information about T4 internet filing, visit our Web site.

## 2.6 Branch offices filing returns

If the branch office of a company has sent in, CPP contributions, EI premiums and income tax deductions 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.

## 2.7 How can you amend, cancel, or replace T4 slips?

### Amending slips

**After you file** your information returns, you may notice that you made an error when preparing the T4 slips. See instructions under “cancelling slips”. If so, you will have to prepare amended slips to correct the information. Amended T4 slips can be filed on paper or electronically. See our website for guidelines for electronic amendments. Clearly identify the new paper 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.

## Using paper

Send a copy 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 publication.

### Note

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

## Using electronic format

We accept amended T4 slips in electronic format. See our Web site for more information regarding filing T4 amendments electronically.

### Note

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

## 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 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 did not previously report 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

### Using paper

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. Also correct the summary form.

If you are cancelling a T4 slip, enter an "X" in the "Void" box and send two copies of the cancelled slip to your employee.

### Using electronic format

We accept cancellations for T4 slips through electronic format. See our web site for more information regarding filing T4 amendments.

### Replacing slips

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

## 2.8 Pensionable and insurable earnings review (PIER)

Each year, we check the calculations you made on the T4 slips that you send us with your T4 Summary form. We do this to make sure that the CPP-pensionable and EI-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 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 there is a difference between the contributions or premiums required and the ones you reported, we print the figures on a PIER listing. If you file on magnetic media and report an employee number on your T4 slips, we will display the employee number on the PIER listing.

We will send you the listing showing the name of the affected employees and the figures we used in the calculations. The listing will also show any balance due.

#### Notes

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

If you agree with our calculations and are remitting the exact amount shown on the PIER listing as payment (either by mail or at your financial institution), do not send the listing back. We only need the listing if you are correcting the figures or a SIN, or are submitting information we should update on our file.

### Why is a review important?

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

- CPP benefits if the employees retire, become disabled, or die; and
- EI benefits if the employees become unemployed, take maternity, parental or compassionate care leave.

#### Note

If you report insufficient 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 from the CPP pensionable earnings shown in box 26 (or box 14 if box 26 is blank) on the employee's T4 slip.

**Step 2:** Multiply the result of Step 1 by the current year's CPP contribution rate.

The yearly CPP basic exemption and CPP rate appear in the *Payroll Deductions Tables* (T4032) on our Web site.

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. For more information, see Chapter 2 of the publication called *Payroll Deductions (Basic Information)* (T4001).

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 publication called *Payroll Deductions (Basic Information)* (T4001).

## EI deficiency calculations

To calculate the required EI premiums, multiply the EI-insurable earnings shown in box 24 (or box 14 if box 24 is blank) of the employee's T4 slip, by the current year's EI premium rate. The yearly EI premium rate appears in the *Payroll Deductions Tables* (T4032).

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 publication called *Payroll Deductions (Basic Information)* (T4001).

### 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, our processing 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 correctly complete the following boxes on the T4 slip:

- Box 24, EI insurable earnings
- Box 26, CPP-QPP pensionable earnings
- Box 28, Exempt (CPP-QPP and EI)

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 from CPP-QPP 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 day of the month after the employee's 18th birthday; or
- stopped calculating the CPP contributions and pensionable earnings on the first day 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 publication called *Payroll Deductions (Basic Information)* (T4001) for more information on calculating contributions for vacation pay, bonuses, and director's fees. For more information on taxable benefits, see the publication called *Taxable Benefits* (T4130).

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

**EI Question 1:** Was the employee exempt from EI 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.

## 2.9 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 enter your return into our processing system, which captures the information and performs various validity and balancing checks. If there are any problems, we may contact you.

If you file via the internet, certain validity and balancing checks are done prior to processing your return. If there are further problems, we may contact you.

### Additional processing information

Other federal government departments use our T4 information. Most importantly, Human Resources and Skills 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 HRSDC determines the CPP benefits that a person will receive.



## Chapter 3 – Completing T4 Slips

### 3.1 When to complete a T4 slip

You have to complete a T4 slip to report the following:

- salary, wages (including pay in lieu of termination notice), tips or gratuities, bonuses, vacation pay, employment commissions, gross and insurable earnings of self-employed fishers, and all other remuneration you paid to employees during the year (see Note);
- 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).

#### Note

You have to report income on a T4 slip for the year during which it was paid, regardless of when the services are performed or rendered. For example, if a pay cheque dated in January covers income earned in the last days of December, you report the income on the T4 slip for the year that starts in January.

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 more than \$500.

#### Note

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

### 3.2 General guidelines

Before you start, 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 amended slips for the years in question. See section 2.7.
- 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 were 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 certain employees such as barbers, hairdressers, and taxi drivers, see Chapter 6 of the publication called *Payroll Deductions (Basic Information)* (T4001).
- For information on fishers and Employment Insurance, see the publication called *Fishers and Employment Insurance* (T4005).

### 3.3 Guidelines relating to slips

#### Filing on paper

- Complete **one copy** of the T4 for each employee to send with your T4 Summary form. Enter the information for two different employees on one sheet. You can keep copies of the slips and summary for your files.
- Complete **two copies** to give to each employee by the last day of February. Complete the two T4 slips that you have to give to each employee on one sheet. For security purposes, **do not enter** your Business Number (box 54) on these copies.

#### Filing on magnetic media or by internet

- Do not send a printed copy to us. For an explanation of the technical specifications and instructions you need to file the remuneration and deduction data produced on magnetic media, see the publication called *Computer Specifications for Data Filed on Magnetic Media – T4, T4A, and T4A-NR* (T4028). This guide is only available on our Web site. You can also get information from our Web site at [www.cra.gc.ca/T4internet](http://www.cra.gc.ca/T4internet).
- Print **two copies** to give to each employee by the last day of February. Print the two T4 slips that you have to give to each employee on one sheet.

For security purposes, **do not print** your Business Number (box 54) on these copies.

**Note**

You can send **one copy** to each employee **by email** if you received his or her written consent. See section 2.3.

- You can print **one copy** to keep for your file. You have the option of printing 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, enter the employee’s first name followed by the initials in the “First name” box. 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 (such as Director General, Mr., or Mrs.). Enter the employee’s address, including the province, territory, or U.S. state, Canadian postal code or U.S. 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 publication called *Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary Form (RC4157)*.

#### 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:

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

The province or territory of employment you enter depends on where your employee has to report for work. For more details, see “Which provincial or territorial tax tables should you use?” in Chapter 1 of the publication called *Payroll Deductions (Basic Information)* (T4001).

If an employee worked in a country other than Canada or the U.S., or worked in Canada beyond the limits of a province or territory (for example, 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).

**Note**

Under proposed changes, a deduction from taxable income can be claimed for the amount of employment income earnings (including taxable allowance) to certain Canadian forces personnel and police. See the explanation under Code 43.

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 publication called *Payroll Deductions (Basic Information)* (T4001) for details.

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

Include amounts paid under a supplementary unemployment benefit (SUB) plan that do not qualify as a SUB plan under the *Income Tax Act* (such as employer paid maternity, parental and compassionate care top-up amounts).

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 power saws. Do not reduce the amount by the cost or value of saws, parts, gasoline, or any other materials the employee supplies.

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.

If you pay an amount for an employee benefit plan (EBP) that is a lump-sum payment, see the publication called *Deducting Income Tax on Pension and Other Income and Filing the T4A Slip and Summary Form* (RC4157).

#### Note

In the following cases, see the publication called *Payroll Deductions (Basic Information)* (T4001) 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 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 or 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 or QPP contributions on the T4 slip.

The total contribution to both CPP and QPP 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 overdeducted 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, *Application for a Refund of Overdeducted CPP Contributions and/or EI Premiums*, to apply for a refund of your CPP overpayment. Send it to us with your paper-filed T4 information return or mail it separately if you have filed your return electronically. 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. If you did not deduct premiums, leave this box blank.

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

If you overdeducted premiums from an employee, **do not adjust** the amounts you report on the T4 slip. We will credit the excess EI premiums to employees when they file an income tax and benefit return. Complete Form PD24, *Application for a Refund of Overdeducted CPP Contributions and/or EI Premiums*, to apply for a refund of your EI overpayment. Send it to us with your paper filed T4 information return or mail it separately if you have filed your return electronically. 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). If the employee did not contribute to a plan, leave this box blank. 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 the official receipts for income tax purposes to either you or your employees. If the trustee sends the receipts directly to you, provide these copies to the employees. The receipts will show the employee and employer contribution amounts. 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, see the publication called *Deducting Income Tax on Pension and Other Income, and filing the T4A Slip and Summary Form* (RC4157).

**Status Indian** – Registered pension plan contributions that have been made for tax-exempt income are not deductible. Do not enter those contributions in box 20. If the employment income that relates to an RPP contribution consists 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 applied. If you did not deduct tax, leave the box blank.

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, provincial, or territorial labour authorities. Leave the box blank if:

- there are no insurable earnings;
- insurable earnings are the same as the employment income in box 14 (for details, see box 28 later in this chapter); 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 publication called *Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary Form* (RC4157).

Subtract any amounts that relate to income/taxable benefits that are NOT insurable, from the amount in box 14. Enter the difference in box 24. Do not change the amount in box 14.

### **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 publication called *Payroll Deductions (Basic Information)* (T4001); 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 publication called *Payroll Deductions (Basic Information)* (T4001).

#### **Note**

**Taxable benefit only** – If you provide pensionable taxable benefits and no other remuneration is paid in a pay period (such as an employee on unpaid leave of absence and the employer continues to pay benefits during leave), leave box 26 blank. Do not code the slip CPP-exempt, since the employee may want to elect to pay CPP on the amount.

**Status Indian** – Complete this box if you paid remuneration to a status Indian on a reserve and have elected to cover all your employees for CPP purposes. 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. For more information, see Chapter 6 of the publication called *Payroll Deductions (Basic Information)* (T4001).



**QPP** – Regardless of the employee’s province or territory 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. Leave blank if the maximum pensionable earnings for the year have been reached.

The ministère du Revenu du Québec, considers certain benefits and earnings to be pensionable earnings for employees working in Quebec. These include:

- private health benefit plan premiums; and
- assumed earnings (persons 55 years of age or over whose hours of work are 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 (Note 2)
- 12 – Driver of taxi or other passenger-carrying vehicle (Note 2)
- 13 – Barber or hairdresser (Note 2)
- 14 – Withdrawal from a prescribed salary deferral arrangement plan
- 15 – Seasonal Agricultural Workers Program
- 16 – Detached employee – Social security agreement (Note 1)
- 17 – Fishers – Self-employed (Note 2)

#### **Note 1**

When CPP is paid by the employer on behalf of detached employees under **employment code 16**, box 14 is left blank provided no other type of income is reported. Boxes 16 and 26 are completed with the appropriate amounts and boxes 18 and 24 are left blank. Do not enter an “X” in the EI exempt box.

#### **Note 2**

**Box 14**, Employment income, should not be completed if you are using the **employment codes 11, 12, 13, or 17**.

### **Box 44 – Union dues (completion of this box is optional)**

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 **strike pay** the union paid to union members in this box.

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 part related to the exempt income is not deductible.

### **Box 46 – Charitable donations (completion optional)**

Enter the amount you deducted from the employee's 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, report the PA proportionately on each T4 slip. If you cannot apportion the PA, report it on one slip.

If an employee participates in different pension plans that you sponsored (such as 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; or

- the employee, even if he or she is still a member of the plan, no longer accrues new pension credits in the year (for example, the employee has accrued the maximum number of years of service in respect of the plan).

### **Special rules concerning the PA**

Special calculation rules apply, in some circumstances, 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 **1-800-267-3100** or in Ottawa **(613) 954-5102**

### **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)
- 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 Revenue Agency  
45 Sacré-Coeur Boulevard  
Gatineau QC K1A 0L5

or call **1-800-267-3100** or **(613) 954-5102** (in Ottawa)

### **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 should 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, fishers' income, and other entries if they apply.

The boxes are not prenumbered 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. Do not repeat all the data on the additional slip. Enter only the employer's name and address, employee's SIN and name, and complete the required boxes in the "Other information" area. Report each code and amount only once.

**Codes 30 to 80 – 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 – Security options benefits
- 39 – Security options deduction 110(1)(d)
- 40 – Other taxable allowances and benefits
- 41 – Security options deduction 110(1)(d.1)
- 42 – Employment commissions
- 43 – Canadian forces personnel and police deduction
- 53 – Deferred security options benefits
- 70 – Municipal officer's expense allowance
- 71 – Status Indian employee
- 72 – Section 122.3 income – employment outside Canada
- 73 – Number of days outside of 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
- 78 – Fishers – Gross earnings
- 79 – Fishers – Net partnership amount
- 80 – Fishers – Shareperson amount

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 QST in Quebec) if they apply, or the harmonized sales tax (HST).

See the publication called *Taxable Benefits* (T4130) for details on how to calculate the value of these benefits. The publication 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 taxable amount in one of the boxes. Also include this amount in box 14.

**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 exempt 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 part of the travel assistance reported under code 32 in one of the boxes.

**Code 34 – Personal use of employer’s automobile**

If you provided an employee with the use of an automobile, enter code 34 and the amount representing the benefit in one of the boxes. Include this amount in box 14.

**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.

**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.

**Code 38 – Security options benefits**

If an employee received a taxable benefit under a corporation’s agreement to issue its eligible 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.

### **Code 39 – Security options deduction 110(1)(d)**

If 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 in one of the boxes.

### **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 publication called *Taxable Benefits* (T4130). In particular, the publication 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 – Security options deduction 110(1)(d.1)**

If 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 in one of the boxes.

### **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 43 – Canadian forces personnel and police deduction**

Under proposed changes, a deduction from taxable income can be claimed for the amount of employment earnings (including taxable allowance) of Canadian forces personnel and police who are deployed outside Canada on a high-risk or current moderate-risk operational mission. This deduction can be claimed to the extent that those earnings have been included in computing income, up to the maximum rate of pay earned by a non-commissioned member of the Canadian Armed Forces (approximately \$6,000 per month).

### **Code 53 – Deferred security options 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 wants 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.

**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 publication called *Taxable Benefits* (T4130).

**Code 71 – Status Indian employee**

If you are an employer paying non-taxable salary or wages to status Indians, see Chapter 6 of the publication called *Payroll Deductions (Basic Information)* (T4001).

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

If your employee is entitled to an overseas employment tax credit, see Chapter 6 of the publication called *Payroll Deductions (Basic Information)* (T4001).

**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 publication called *Payroll Deductions (Basic Information)* (T4001).

**Code 78 – Fishers – Gross earnings**

The earnings of a fisher are the amount paid or payable to the fisher from the proceeds of a catch. These earnings do not include amounts paid for a catch or part of a catch made by other persons who were not members of the crew. For more information, see the section called “Earnings of a Fisher” in the publication called *Fishers and Employment Insurance* (T4005).

**Code 79 – Fishers – Net partnership amount**

Enter the amount that is the product of the gross earnings amount (or gross value of the catch) reported in box 78, minus the total amount paid to the sharepersons reported in box 80, multiplied by your partnership agreement allocation. Include this amount in box 24.

## Code 80 – Fishers – Shareperson amount

The amount paid or payable to the fisher from the proceeds of a catch based on the sharing arrangement agreed to prior to embarking on the fishing trip. Include this amount in box 24 and box 78.

# 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 entering information on the summary form, keep the following points in mind:

- If you did not receive a personalized T4 Summary form, you can get a non-personalized one from our Web site at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms) or by calling 1-800-959-2221.
- Report amounts in Canadian dollars and cents on all T4 Summary forms.
- Complete a separate summary form for each of your payroll deductions accounts. Place each summary form on top 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.
- If you file a paper return, send the original T4 Summary form with the related slips to the Ottawa Technology Centre. You can find the address on the back of the summary form and in Section 2.3, “When and where to file the T4 information return.”
- If you file your return on magnetic media, you do not need to send us a paper copy of the T4 Summary form. For more information, see section 2.4, “When do you have to file information returns on magnetic media?” or visit our Web site.
- If you file your return over the internet, do not send us a paper copy of the T4 Summary form. For more information, see section 2.5, “Can you file your T4 return over the Internet?” or visit our Web site.



## 4.2 Detailed instructions

If you did not receive a personalized T4 Summary form, enter the 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 are filing 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 – Minus: 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 on a difference of \$2 or less.

**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****Filing on paper**

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

**Filing on magnetic media or over the internet**

You must submit any balance owing separate from your electronic filing. With your payment, include a letter that indicates the tax year for which the payment applies, the amount covering your outstanding balance, and your Business Number. A payment can also be made at your financial institution.

**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, if you file on paper, to show that the information is correct and complete.

## T4 Internet Filing

The Canada Revenue Agency is always looking for more ways to serve you. Businesses that file 1 to 499 **T4 slips** are invited to choose from the following Internet filing options:

**T4 Internet File Transfer (XML)** – This convenient filing option is for employers who are using prepared payroll software to manage their business. T4 Internet File Transfer (XML) allows you to transmit a return with 1 to 499 slips. All you need is a Web browser to connect to the Internet and your software will create, print, and save, in XML format, your electronic T4 information return. If you want information about this filing option, contact your software publisher or visit our Web site.

**T4 Web forms** – This convenient filing option is for employers who have to file 1 to 3 T4 slips. With T4 Web forms, all you need is a compatible browser to complete, print, and transmit your T4 information return. If you want information concerning this filing option, visit our Web site.

**T4 Desktop application** – This convenient filing option is for employers who have to file 1 to 70 T4 slips.

This downloadable Desktop application lets you create, save, print, and submit your electronic T4 information return. If you want information concerning this filing option, visit our Web site.

## What will these options do for you?

The T4 Internet File Transfer (XML) option allows you to securely transmit your encrypted return on the Internet if you are using software commercially or in-house developed. Our T4 Web forms and T4 Desktop application lets you:

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

## Addresses of Tax Centres

If you need to send us paper copies of amended T4 slips, send them to your tax centre.

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 NL A1B 3Z1	

If you need to send electronic amendments on diskette or CD ROM, the address of the Magnetic Media Processing Team is:

Magnetic Media Processing Team  
Ottawa Technology Centre  
Canada Revenue Agency  
875 Heron Road  
Ottawa ON K1A 1A2

### Your opinion counts!

If you have any comments or suggestions to help us improve the information contained in this publication, we want to hear from you. Please send your comments to:

Client Services Directorate  
Canada Revenue Agency  
Lancaster Road  
Ottawa ON K1A 0L5