

1999

Employers' Guide

**Filing T4 and T4F Slips and Summary Forms**

**Includes Form RC104**

RC4120(E) 99

1253E

## As of November 1, 1999, Revenue Canada became the Canada Customs and Revenue Agency.

### 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, write, or visit any of our tax services offices. You can also write or visit any tax centre.

You can find the address and the telephone numbers for your tax services office listed in the Government of Canada section of the telephone book. The addresses of tax centres are listed at the end of this guide.

If, after this step, your problem is not resolved to your satisfaction, you should get in touch with the Problem Resolution Program co-ordinator of any tax services office.

### TTY users

If you have a hearing impairment and use a teletypewriter (TTY), you can call our toll-free, bilingual enquiry service at 1-800-665-0354 during regular hours of service.

### To cancel or reinstate a mailing of the guide

To save paper, we want to reduce the number of guides we mail to you. 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.

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

### Ordering publications

Throughout this guide, we mention other publications that cover topics in more detail. You can now order the publications you need, as well as blank copies of T4 slips, over the Internet. Complete the order form that you can find at [www.cra-adrc.gc.ca](http://www.cra-adrc.gc.ca), or call ~~1-800-959-2221~~.

### 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  
~~Room 8000~~  
~~400 Cumberland Street~~  
~~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, please contact any tax services office or tax centre.

La version française de ce guide de l'employeur est intitulée *Comment établir les feuillets T4 et T4F et les formulaires Sommaire*.

# Table of Contents

	Page		Page
What's New? .....	4	Pensionable and insurable earnings review (PIER) .....	9
<b>Chapter 1 – General Information</b>		Why is a review important? .....	10
Who should use this guide?.....	5	CPP deficiency calculations.....	10
Business Number (BN).....	5	EI deficiency calculations.....	10
Failure to file an information return.....	5	Common reporting errors and how to avoid them.....	10
What should you do if an employee leaves?.....	5	Questions and answers .....	10
What should you do if your business stops operating?.	5	General guidelines for completing slips.....	11
Payroll deductions tables.....	5	General guidelines for completing summary forms.....	11
<b>Chapter 2 – T4 and T4F Reporting</b>		T4 slip.....	11
Which forms should you use?.....	6	Handwritten slips .....	11
Types of T4 slips available .....	6	Typed or machine-printed slips.....	12
How to order your blank T4 slips.....	7	Slips for laser or ink jet printers .....	12
How to file information returns.....	7	When to complete the T4 slip.....	12
Distributing copies of T4 slips .....	7	How to complete the T4 slip .....	12
Customized forms.....	7	T4 Summary form.....	18
Do you file information returns on magnetic media? ....	7	How to complete the T4 Summary form .....	18
Branch offices filing information returns.....	8	T4F slip.....	19
What should you do with large returns? .....	8	When to complete the T4F slip.....	19
How can you amend, cancel, or replace slips?.....	8	How to complete the T4F slip .....	19
Pension adjustment (PA) and past-service pension		T4F Summary form .....	20
adjustment (PSPA) .....	9	How to complete the T4F Summary form.....	20
What happens after you send in your completed		<b>Form RC104, Federal Youth Hires Program –</b>	
information return?.....	9	<b>Associated Group of Employers .....</b>	21
Additional processing information.....	9	<b>Addresses of Tax Centres.....</b>	22
Reporting the correct social insurance number (SIN) ....	9		

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

## What's New?

### Do you file information returns on magnetic media?

For 1999 and subsequent years, if you (or a representative) file more than 500 information slips for the calendar year (this number may include different types of slips), you **have to** file your information returns on magnetic media using computer tape, diskette, or cartridge instead of paper.

#### Note

This new legislation applies **only** to those information returns for which we provide computer specifications (T4, T4A, T4A-NR, T4RIF, T5, T5008, T4RSP, NR4, and T3).

For more information, see "Do you file information returns on magnetic media?" in Chapter 2.

### How to order your blank T4 slips, guides, and other publications

You can now order your blank copies of T4 slips, guides, and other publications you need over the Internet.

Complete the order form that you can find at [www.ccra-adrc.gc.ca](http://www.ccra-adrc.gc.ca), or call ~~1-800-959-2221~~.

### Employment insurance premium relief – Federal Youth Hires Program

If you employ youths aged 18 to 24 in the 1999 or 2000 calendar years, you could be eligible under the Federal Youth Hires Program to receive premium relief. The Federal Youth Hires Program is part of the Government of Canada's Youth Employment Strategy and will provide two years of relief from Employment Insurance (EI) premiums for employers hiring more youths between the ages of 18 to 24 (the target group). Any increase in the insurable earnings for this target group over the 1998 base amount will be exempt from employer EI premiums in the 1999 and 2000 calendar years.

In January 2000, we will calculate the 1998 total insurable earnings for employees aged 18 to 24 for each employer, based on information provided in their 1998 T4 and T4F information returns, and provide this amount to each employer if they employed any youth in the target group in 1998. We will also calculate any premium relief to which the employer is entitled for 1999 and 2000 when we process his or her 1999 and 2000 T4 and T4F information returns. The employer will not need to make a separate application to receive this amount.

However, if you are part of an associated group of employers for purposes of the program, tick the box on line 98 of the summary form, and attach a completed Form RC104, *Federal Youth Hires Program – Associated Group of Employers*, with each T4 or T4F information return you file. You can find a copy of this form at the back of the guide.

For more information about this program, see the pamphlet called *Federal Youth Hires Program* or Chapter 3 of the employers' guide called *Payroll Deductions (Basic Information)*.

### Forms T4 and T4F Summary

Beginning in 1999, you will no longer have to provide us with two (2) copies of the T4 and T4F Summary forms. As a result, we have eliminated the carbon-loaded summary forms. All employers should now use Forms T4 and T4F Summary for laser or ink jet printer. You can make a photocopy of the original T4 and T4F Summary forms, and use it as your working copy. Keep the working copy for your records.

### Guide on taxable benefits

We will not send the employers' guide called *Taxable Benefits* to you anymore. If you would like to get a copy, complete the order form that you can find at [www.ccra-adrc.gc.ca](http://www.ccra-adrc.gc.ca), or call ~~1-800-959-2221~~.

### Keep this guide

We will not publish the entire guide next year. We will produce only an update.

This measure is part of our ongoing commitment to provide the best possible service to our clients in an efficient and cost-effective way.

## Chapter 1 – General Information

### Who should use this guide?

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

- employment income;
- commissions;
- taxable allowances and benefits; and
- 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.

### 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—“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; and
- goods and services tax/harmonized sales tax (GST/HST).

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

### Failure to file an information return

An information return is the T4 slip **and** the T4 Summary form. You have to file an 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.

#### Note

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

### 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 *How to Complete the Record of Employment (ROE) Form*, which is available from the nearest Human Resources Centre of Canada.

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

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

Complete the necessary T4 slips and T4 Summary and send them to the Ottawa Tax 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 more information on how to complete a T4 slip and T4 Summary form, see Chapter 2 of this guide.

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

### Payroll deductions tables

Our *Payroll deductions tables* contain information to help you calculate the amount of income tax, CPP contributions, and EI premiums that you have to deduct for your employees. You can obtain these tables either in a printed or electronic version at any tax services office or tax centre.

## Chapter 2 – T4 and T4F Reporting

### Which forms should you use?

Use the appropriate slip and its related summary form to report income amounts you paid and deductions you withheld during the year.

Type of slip	Use this slip to report:
T4 <i>Statement of Remuneration Paid</i>	<ul style="list-style-type: none"> <li>■ salary, wages, tips or gratuities, and employment commissions you paid to employees during the year</li> </ul> <p><b>Note</b> Paycheques with a pay date of 1999 are reported on the 1999 T4 slips and paycheques with a pay date of 2000 are reported on the 2000 T4 slips, regardless of when the services are performed or rendered.</p> <ul style="list-style-type: none"> <li>■ taxable benefits or allowances</li> <li>■ deductions you withheld during the year</li> <li>■ 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)</li> </ul>
T4F <i>Statement of Fishing Income</i>	<ul style="list-style-type: none"> <li>■ the gross and insurable earnings of each self-employed fisher and the EI premiums that a designated employer (the buyer of the catch)* has deducted</li> <li>■ remuneration and tax withheld when a self-employed fisher has asked that these amounts be withheld (by providing the payer with a completed Form TD3F, <i>Fisher's Election to Have Tax Deducted at Source</i>)</li> </ul> <p>*To find out if you are a designated employer, see the pamphlet called <i>Fishers and Employment Insurance</i>.</p>
Type of summary form	Use this form to report:
T4 and T4F	<ul style="list-style-type: none"> <li>■ the totals of all amounts you record on the related slips</li> </ul>

#### Notes

- The T4 slip and T4 Summary form apply to resident and non-resident payers. The T4F slip and T4F Summary form apply **only** to resident payers.
- For instructions on how to complete the T4A Return, see the employers' guide called *Filing the T4A Slip and Summary Form*.
- For instructions on how to complete the T4A-NR Return, see our publication called *Non-Resident Withholding Tax Guide*.
- For instructions on how to complete the T4A-RCA Return, see the publication called *Retirement Compensation Arrangements Guide*.

### Types of T4 slips available

Slip	Type of filing	Description*
T4 <i>Statement of Remuneration Paid</i>	paper	<b>four-copy:</b> carbon-loaded for impact printer (continuous) or hand filled
	paper or magnetic media	<b>single-page:</b> 1 page (not carbon-loaded) for laser or ink jet printers only

\*Each type includes two T4 slips per sheet.

## How to order your blank T4 slips

To order blank copies of T4 slips, complete the order form that you can find on the Internet at [www.ccr-a-drc.gc.ca](http://www.ccr-a-drc.gc.ca), or call **1-800-959-2221**.

## How to file information returns

An information return consists of two things:

- **slips**; and
- the related **summary forms**.

We use the information return to compare the deductions you reported on each slip with the amounts you sent in throughout the year. **A summary form alone is not an information return.**

You have to file your T4 and T4F information returns by the **last day of February following the calendar year to which the information returns apply** (e.g., you have to file your 1999 T4 and T4F information returns by the **last day of February 2000**). After you complete your returns, mail them to:

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

### Notes

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

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

When you send us copies of the slips, **keep T4s two to a page and T4Fs three to a page**. This will allow us to process your information return faster.

## Distributing copies of T4 slips

### Copy 1

Copy 1 of each T4 slip must be appended to the related summary form. If you file on magnetic media (cartridge or diskette), you do not have to 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.

## 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 can 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 – Returns and Information Slips*.

### Note

Now, we capture the paper-filed T4 slips using state-of-the-art scanning and imaging technology.

As detailed in Information Circular 97-2, approval of a customized Copy 1 of the T4 slip will only be given if your form is **identical** in size, location of image, paper stock, and ink type to our form. Any variation from our form will not be accepted. However, you can still customize the “employee’s copies” (copies 2 and 3), provided you follow the criteria in the above-mentioned circular.

## Do you file information returns on magnetic media?

For 1999 and subsequent years, if you (or a representative) file more than 500 information slips for the calendar year (this number may include different types of slips), you **have to** file your information returns on magnetic media using computer tape, diskette, or cartridge instead of paper.

### Example 1

For 1999, you file 525 information slips divided the following way:

T4 slips .....	350
T4A slips .....	150
T4A-NR slips .....	25
<b>Total</b> .....	<b><u>525</u></b>

You have to file your T4, T4A, and T4A-NR information returns on magnetic media, because the total number of slips is more than 500.

### Example 2

For 1999, you file 475 information slips divided the following way:

T4 slips .....	450
T4A slips .....	25
<b>Total</b> .....	<b><u>475</u></b>

You do not have to file your T4 and T4A information returns on magnetic media, because the total number of slips is not more than 500.

**Note**

This new legislation applies **only** to those information returns for which we provide computer specifications (T4, T4A, T4A-NR, T4RIF, T5, T5008, T4RSP, NR4, and T3).

Our magnetic media program saves time, paper, and money. Also, we can process your return more quickly.

To encourage you to file information returns on magnetic media, we are offering employers free copies of self-mailing T4 slips (to use with an impact or dot matrix printer). By using self-mailing T4 slips, you do not have to buy envelopes, and you can avoid the messy and time-consuming job of manually separating slips from carbons and distributing them.

**To get copies of the self-mailing T4 slips for 2000**, send your order to the following address before the end of August 2000:

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

**Note**

You cannot get the self-mailing T4 slips from any of our tax services offices or tax centres.

If you or your service bureau send us your information returns on tape or diskette, 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, or mail it to:

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

**Note**

If you are eligible to the Federal Youth Hires Program **and** you are an associated employer under that program, you have to complete Form RC104, *Federal Youth Hires Program – Associated Group of Employers*, that you can find at the back of this guide, to claim the amount of premium relief available to you. Send the form to the above Ottawa Tax Centre address.

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 the section later in this chapter called “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 the cheque which account and tax year the payment is for.

For more information, see the guide called, *Computer Specifications for Data Filed on Magnetic Media – T4, T4A, and T4A-NR*, or call ~~1-800-665-5164~~.

This publication is also available on the Internet at: [www.ccra-adrc.gc.ca/magmedia](http://www.ccra-adrc.gc.ca/magmedia)

## 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.

## 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. Make sure a 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.

## 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 or T4F 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 tax centres are listed at the end of this guide.

**Note**

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

### Cancelling slips

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

If you are cancelling a T4F slip, send us a copy of the original clearly marked “cancelled.”

If you see errors on the T4 slips **before** you file them with us, you can correct them by preparing new slips. Enter an “X” in the “void” box on incorrect copies. **Do not remove** any void copies from the return.

If you notice errors on the T4F slips **before** you file them with us, you can correct them by preparing new slips and



**removing** any incorrect copies from the return. If you do not prepare a new slip, initial any changes you make on the slip.

Ensure you also correct the summary form.

## Replacing slips

If you issue T4 or T4F slips to replace copies that employees lost or destroyed, do not send these copies to us. Clearly identify them as **duplicate copies**, and keep any copies you do not distribute with your records.

## Pension adjustment (PA) and past-service pension adjustment (PSPA)

You have to recalculate a pension adjustment (PA) or calculate a past-service pension adjustment (PSPA) when:

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

For information on recalculating a PA, see the *Pension Adjustment Guide*. For information on calculating a PSPA, see the *Past Service Pension Adjustment Guide*.

If a recalculated PA applies, you have to report an amended PA for the employee for each year after 1989 which is affected by the leave. You have to file the amendment(s) within 60 days of the date you decided to provide benefits for the period concerned.

If you need to amend a T4 slip to either correct a previously reported PA or to report an amended PA, you have to do two things:

- copy all the other data you reported on the original information slip to the amended slip; and
- change the previously reported PA to the amount that applies for the year.

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. This rule does not apply 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 a 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.

## 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 be in contact with you.

The Information Declaration System (INFODEC) records

and stores the information found on both the slips and the summary form.

## 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.

## Reporting the correct social insurance number (SIN)

You have to correctly report an employee's SIN on the T4 and T4F slips. Make sure you always use the correct name and number as shown on the recipient'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 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 returns 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*.

## 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*. We then compare these required amounts with the CPP contributions and EI premiums 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. The listing shows the name of the affected employee and the figures we used in the calculations.

### 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 1999) 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 (3.5% for 1999).

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 employers' 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 employers' guide called *Payroll Deductions (Basic Information)*.

## EI deficiency calculations

Calculate the required **EI** premiums as follows:

Multiply the EI insurable earnings, shown in box 24 of the employee's T4 slip, by the current year's EI premium rate (2.55% for 1999).

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 employers' guide called *Payroll Deductions (Basic Information)*.

### Note

If there is 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 "T4 - Box 28 - Exempt (CPP/QPP and EI)" later in this chapter.

## Common reporting errors and how to avoid them

The most common reporting errors occur when you do not report amounts correctly in 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.

**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 contributions and pensionable earnings on the first of the month after the employee's 18th birthday; or
- stopped calculating the contributions and pensionable earnings on the first of the month after the employee's 70th birthday.

If *no*, go to Question 3.

**Question 3:** Did the employee receive CPP or QPP pension benefits during the reporting period?

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

If *no*, leave box 26, "CPP/QPP pensionable earnings," blank.

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

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

If *yes*, see Chapter 5 of the employers' guide called *Payroll Deductions (Basic Information)* to verify the required contributions for vacation pay, bonuses, and director's fees. For more information on taxable benefits, see the employers' 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.

**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.

## General guidelines for completing slips

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

- Complete the slips clearly and in alphabetical order.
- Use a standard 10 or 12 characters per inch font if typed or computer generated.
- Ensure the SIN you enter on the T4 slip for each employee is the same as the one on the SIN card.
- If you had an employee who worked in more than one province 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 show hyphens or dashes between numbers or names.
- Do not print or type the dollar sign (\$).
- Report all amounts in Canadian dollars and cents. However, report the pension adjustment (PA) in box 52 in Canadian 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 print or type “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 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.

## General guidelines for completing summary forms

Use summary forms 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:

- Make sure you use a separate summary for each type of slip.
- If you did not receive a personalized T4 Summary form, get a blank one from any tax services office or tax centre. Enter your Business Number, operating or trading name, and address.
- Report amounts in Canadian dollars and cents on all T4 Summary forms.
- If you file a summary form for a taxation year other than the one printed on the form, cross out the year in the upper left corner, and enter the correct year directly below it.
- Complete a separate summary form for each one of your payroll deductions accounts. Ensure each summary form is in front of the related slips (do not use staples).
- **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 and T4F Summary** forms, and use it as your working copy. Keep the working copy for your records.

Send the original T4 and T4F Summary form along with the related slips to the Ottawa Tax Centre. You can find the address on the summary form.

## T4 slip

To increase efficiency and reduce processing costs, we capture the T4 slip information using electronic scanning machines. The scanning machines we use can read almost any character type. **However, our scanners cannot detect red. Please use black or blue ink.**

## Handwritten slips

When writing in the boxes that have framed spaces, neatly print one character within each frame. Enter large characters, but make sure that numbers and letters are completely within the frames and do not touch each other or overlap. You also have to line up the dollars and cents according to the dollar-cent delimiter triangle.

### Example 1

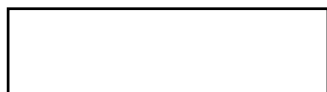
---

---

## Typed or machine-printed slips

If you type or machine-print your slips, you can ignore the frames and the dollar-cent delimiter triangle when entering the employee's name and postal code or any amount.

### Example 2



### Example 3

#### Note

The above instructions for handwritten and typed or machine-printed slips apply to four-copy carbon-loaded T4s. If you use T4 slips for laser or ink jet printers, read the next section.

## Slips for laser or ink jet printers

We provide T4 slips for laser printers. To complete these slips, please follow the instructions below.

You can use these slips if you file by **paper** or **magnetic media**. Do not use the laser T4 if you are handprinting the slips.

You no longer have to print a copy designation on the laser form.

If you file your T4 slips by **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, print 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, print the two T4 slips that you have to give to each employee. **Do not print** your Business Number (box 54) on these copies.
- Complete **one copy** to keep for your file (as it is optional you can print another sheet or simply photocopy the one you have to send with your T4 Summary return).

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

- Do not print the copy you normally have to send to us with your T4 Summary return. See the 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 (as it is optional you can print the information for two different employees on one sheet).

If you need additional copies of T4 slips for laser printers, complete the order form that you can find on the Internet at [www.rc.gc.ca](http://www.rc.gc.ca), or call ~~1-800-950-2221~~.

## When to complete the T4 slip

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

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

#### Note

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

To find out which type of income to report on a T4 slip, see “T4 - Box 14 – Employment income” in the next section.

## How to complete the T4 slip

### Employer's name

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

### Employee's name and address

Print or type 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, 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 employers' guide called *Filing the T4A Slip and Summary Form*.

For information on completing the T4 slip for special situations (e.g., barbers and hairdressers, or taxi drivers), see Chapter 6 of the employers' guide called *Payroll Deductions (Basic Information)*.

### Year

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

#### T4 - Box – Void

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

#### T4 - 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 of employment you enter depends on whether or not an employee has to report for work at your place of business (see “Which provincial tax tables should you use?” in Chapter 1 of the employers’ 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 tax, CPP/QPP contributions, and EI premiums.

#### T4 - 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 “Reporting the correct social insurance number (SIN)” above in this chapter.

#### T4 - Box 14 – Employment income

Report the total income before deductions. Include all salary, wages, 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). 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 payment 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 employers’ 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).

#### T4 - 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 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.

If an employee contributed to both plans, the total contribution **should not be more than** the maximum contribution for the year. In such a case, 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 of employment (other than Quebec), the applicable pensionable earnings, and the remuneration the employee earned in the other province.

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 an income tax return. Complete Form PD24, *Statement of Overpayment and Application for Refund – Employer’s Contributions Under the Canada Pension Plan and/or Premiums Under the Employment Insurance Act*, 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.

#### T4 - 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 overdeducted 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 return. Complete Form PD24, *Statement of Overpayment and Application for Refund – Employer’s Contributions Under the Canada Pension Plan and/or Premiums Under the Employment Insurance Act*, 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.

#### T4 - 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-167R6, *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. 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.”

#### T4 - 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.

#### T4 - 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 3 of the employers’ guide called *Filing the T4A Slip and Summary Form*.

#### T4 - 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 retirement pension became payable under either the CPP or QPP.
- 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 employers’ guide called *Payroll Deductions (Basic Information)*].
- 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).
- d) remuneration paid to a status Indian on a reserve before an election was made to cover the employee under the CPP [for more information, see Chapter 2 of the employers’ guide called *Payroll Deductions (Basic Information)*].

Subtract any of the amounts noted 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 employers’ guide called *Payroll Deductions (Basic Information)*.

**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, in accordance with their employers, to make contributions to the Quebec Pension Plan (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.

#### T4 - 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.

#### T4 - 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 – Taxi driver or other passenger-carrying vehicle
- 13 – Barber or hairdresser
- 14 – Withdrawal from a prescribed salary deferral arrangement plan

#### T4 - 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.

#### T4 - 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.

#### T4 - 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.

#### T4 - 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 use the **total** amount of all pension credits accumulated by the employee under all these pension plans for the year, to calculate his or her PA.

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*. If you need more help calculating a PA, see your pension plan administrator, or call our

Registered Plans Division at these toll-free numbers:

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

In Ottawa:

(613) 954-5102 (English)  
(613) 954-5104 (French)

### 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 Division  
Canada Customs and Revenue Agency  
~~45 Sacré-Coeur Boulevard~~  
~~Hull QC K1A 0L5~~

or call toll free:

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

### T4 - 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. Write the applicable codes by yourself.

#### Note

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

**Codes 30 to 76 – 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 that we refer to in this section.

- 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

- 35** – Total reasonable per-kilometre allowance
- 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
- 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

The following instructions briefly outline what you should enter in each allowance, 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 applicable, or the harmonized sales tax (HST). The employers' guide called *Taxable Benefits* explains how to calculate the value of these benefits.

The amount of taxable benefits you report may be affected if the employee is:

- at a special work site or remote work location; or
- living in a prescribed zone.

If you think one of these situations applies, see sections on codes 30, 31, and 32 below, or the employers' guides called *Filing the T4A Slip and Summary Form* and *Taxable Benefits*.

### T4 - Code 30 – Housing, board, and lodging

If you provided an employee with free or subsidized housing, meals, 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.

#### Note

Include any GST/HST that applies to the benefit in the amount you report in this box.

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.

For more information, see the employers' guide called *Taxable Benefits*.

### T4 - 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 which 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.

#### Note

Include any GST/HST that applies to the benefit in the amount you report in this box.



#### T4 - 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.

##### **Note**

Include any GST/HST that applies to the benefit in the amount you report in this box.

#### T4 - 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 employers' guide called *Taxable Benefits*.

##### **Note**

Include any GST/HST that applies to the related benefit.

#### T4 - 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:

- operating costs; and
- standby charges.

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

#### T4 - Code 35 – Total reasonable per-kilometre allowance

If the employee receives a flat-rate automobile allowance **and** a reasonable per-kilometre automobile allowance, he or she does not have to include the reasonable per-kilometre automobile allowance in his or her income. Do not include the total of the employee's reasonable allowance in box 14, "Employment income" or under code 40, "Other taxable allowances and benefits." Enter code 35 and the corresponding amount of total reasonable per-kilometre allowance in one of the boxes only.

For more information, see the employers' guide called *Taxable Benefits*.

#### T4 - 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.

##### **Note**

No GST or HST applies to this benefit.

For more information, see the employers' guide called *Taxable Benefits*.

#### T4 - 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. For more information, see the employers' guide called *Taxable Benefits*.

#### T4 - Code 38 – Stock option benefits

If an employee receives a taxable benefit under a corporation's agreement to issue its shares to the employee, enter code 38 and the corresponding amount in one of the boxes. Include this amount in box 14.

No GST or HST applies to this benefit.

##### **Note**

Under proposed changes, these rules will be extended to apply to options that are granted after February 1998, by mutual fund trusts to their employees to acquire trust units.

For more information about this benefit and how to calculate it for T4 reporting, see the employers' guide called *Taxable Benefits*.

#### T4 - Code 39 – Stock option and shares deductions 110(1)(d)

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

#### T4 - 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.

##### **Note**

Include any GST/HST that applies to the related benefits.

For more information on how to calculate taxable benefits, see the employers' 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; and
- flat rate automobile allowance.

#### T4 - Code 41 – Stock option and shares deductions 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-quarter of the amount you reported under code 38 for those shares.

#### **T4 - 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*.

#### **T4 - 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 employers' guide called *Taxable Benefits*.

#### **T4 - Code 71 – Status Indian employee**

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

#### **T4 - 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 employers' guide called *Payroll Deductions (Basic Information)*.

#### **T4 - Code 74 – Pre-1990 past service contributions while a contributor**

If an employee contributed to a registered pension plan (RPP) for pre-1990 past services contributions while a contributor, see "T4 - Box 20 – RPP contributions" in this chapter.

#### **T4 - 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 services contributions while not a contributor, see "T4 - Box 20 – RPP contributions" in this Chapter.

## **T4 Summary form**

You can make a photocopy of this form and use it as your working copy. Keep the working copy for your records.

### **How to complete the T4 Summary form**

In the boxes at the top of the form, enter your 15-digit Business Number that you use to send us your employees' deductions, name, and address.

#### **T4 - Line 14 – Employment income**

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

#### **T4 - Line 16 – Employee's CPP contributions**

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

#### **T4 - Line 18 – Employee's EI premiums**

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

#### **T4 - Line 19 – Employer's EI premiums**

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

#### **T4 - Line 20 – Registered pension plan (RPP) contributions**

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

#### **T4 - Line 22 – Income tax deducted**

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

#### **T4 - Line 24 – EI insurable earnings**

Add the amounts in box 24 on all T4 slips. Enter the total on line 24.

#### **T4 - Line 27 – Employer's CPP contributions**

Enter your share of CPP contributions on line 27.

#### **T4 - Line 52 – Pension adjustment**

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

#### **T4 - Lines 74 and 75 – Canadian-controlled private corporations or unincorporated employers**

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

#### **T4 - 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.

#### **T4 - 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.

#### **T4 - 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.

#### **T4 - 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.

#### T4 - 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.

#### T4 - Line 88 – Total number of T4 slips filed

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

#### T4 - Line 98 – Federal Youth Hires Program

We will calculate the premium relief you are entitled to for you. However, if you are part of an associated group of employers for purposes of the Federal Youth Hires Program, you have to tick this box and attach a completed Form RC104, *Federal Youth Hires Program – Associated Group of Employers*, with each T4 information return you file. You can find a copy of this form at the back of the guide.

Any credit will be automatically transferred to the current-year balance in your payroll deductions account unless you request otherwise.

#### Certification

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

### Reminder

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

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

If you file on magnetic media (cartridge or diskette), you **do not** have to submit copy 1 of the slips or summary form.

## T4F slip

### When to complete the T4F slip

If you are a self-employed fisher's designated employer (for example, the buyer of the catch) or another buyer with whom a self-employed fisher has filed Form TD3F, *Fisher's Election to Have Tax Deducted at Source*, you have to complete a T4F slip. On this slip you report the gross earnings, the insurable earnings, EI premiums, and any income tax you deducted. To find out if you are a **designated employer**, and how to calculate a self-employed fisher's earnings, see the pamphlet called *Fishers and Employment Insurance*. This pamphlet also contains information on how to complete a T4F return.

**Do not report** CPP contributions for self-employed fishers on a T4F slip. Self-employed fishers report their CPP

contributions on self-employed earnings on their income tax returns.

## How to complete the T4F slip

### Fisher's name and address

In the area next to the arrow, first print or type the self-employed fisher's last name, followed by the first name and initials. Directly below the name, enter the self-employed fisher's address, including the province, territory, postal code, and country.

### Designated employer's name

Enter the name of the designated employer.

### T4F - Box 12 – Social insurance number

Enter the social insurance number (SIN) that appears on the self-employed fisher's SIN card. For more information on reporting a SIN, see "Reporting the correct social insurance number (SIN)" at the beginning of this chapter.

### Year

Enter the calendar year in which the self-employed fisher earned the income.

### T4F - Box 14 – Gross earnings

Enter the gross earnings of the self-employed fisher who is **not** the owner or lessee of the boat or gear. To calculate this amount, use the information under "Earnings of a Fisher" in the pamphlet called *Fishers and Employment Insurance*.

If the self-employed fisher is the owner or lessee of the boat or gear, the amount of gross earnings is the value of all the catches delivered.

When a partnership is involved, the gross earnings of each partner (self-employed fisher) is the value of all the catches delivered.

### T4F - Box 16 – Employment Insurance insurable earnings

Enter the amount of the self-employed fisher's insurable earnings. For instructions on how to calculate insurable earnings, see the pamphlet called *Fishers and Employment Insurance*. Leave this box blank if there are no insurable earnings.

### T4F - Box 18 – EI premiums

Enter the amount of EI premiums you deducted from the self-employed fisher's earnings. Leave this box blank if you did not deduct any premiums.

### T4F - Box 20 – EI exempt

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

### T4F - Box 22 – Income tax deducted

Enter the amount of income tax you deducted during the year. Leave this box blank if you did not deduct any tax.

Do not include instalment payments you remitted for a self-employed fisher, or any amount you withheld under the authority of a garnishment order or a requirement to pay which applies to the fisher's previously assessed tax arrears.

#### **T4F - Box 24 – Fisher's number**

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

#### **T4F - Box 28 – Business Number**

Enter the 15-digit Business Number of the designated employer.

### **T4F Summary form**

You can make a photocopy of this form and use it as your working copy. Keep the working copy for your records.

#### **How to complete the T4F Summary form**

In the boxes at the top of the form, enter your 15-digit Business Number that you use to send us your employees' deductions, name, and address.

#### **T4F - Line 14 – Gross earnings**

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

#### **T4F - Line 16 – Employment Insurance insurable earnings**

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

#### **T4F - Line 18 – Fishers' Employment Insurance premiums**

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

#### **T4F - Line 22 – Income tax deducted**

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

#### **T4F - Line 26 – Designated employer's Employment Insurance premiums**

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

#### **T4F - Lines 76 and 78 – Contact person and telephone number**

Enter the name and telephone number of a person we can contact to get or clarify information reported on the T4F Summary form.

#### **T4F - Line 80 – Total deductions reported**

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

#### **T4F - Line 82 – Remittances**

Enter the amount that 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.

#### **T4F - 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.

#### **T4F - Line 86 – Balance due**

If the balance 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 T4F 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 penalty and interest at the prescribed rate.

#### **T4F - Line 88 – Total number of T4F slips filed**

Enter the total number of T4F slips that you are including with the T4F Summary form.

#### **T4F - Line 98 – Federal Youth Hires Program**

We will calculate the premium relief you are entitled to for you. However, if you are part of an associated group of employers for purposes of the Federal Youth Hires Program, you have to tick this box and attach a completed Form RC104, *Federal Youth Hires Program – Associated Group of Employers*, with each T4F information return you file. You can find a copy of this form at the back of the guide.

Any credit will be automatically transferred to the current-year balance in your payroll deductions account unless you request otherwise.

#### **Certification**

A current officer of the business has to sign the T4F information return to show that the information is correct and complete.

### **Reminder**

If you file on paper, send the original summary form and copies 1 and 2 of the related T4F slips to:

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