

- Enter the applicable taxation year in the box above.
- Use this schedule to calculate a spousal or common-law partner trust's capital gains deduction for the taxation year in which the beneficiary spouse or common-law partner died.
Note: A joint spousal or common-law partner trust or an alter ego trust **cannot** claim a capital gains deduction.
- If the spouse or common-law partner died in 2001, and the trust had capital gains (losses) for that year from dispositions **before** October 18, 2000, use the 2000 Schedule 5 to calculate the spousal or common-law partner trust's capital gains deduction.
- Before completing this schedule, you have to calculate:
 - the trust's eligible taxable capital gains (line 334 of Schedule 3, *Eligible Taxable Capital Gains*); and
 - the spouse's or common-law partner's unused lifetime capital gains deduction limit for the year the spouse or common-law partner died (Form T657, *Calculation of Capital Gains Deduction*, for the year of death).
- If the spousal or common-law partner trust is subject to the deemed realization rule, see the section, "Form T1055, *Summary of Deemed Realizations*" in the T3 guide.
- A **post-1971 spousal or common-law partner trust** can claim a capital gains deduction on qualified farm property or qualified small business corporation shares in the taxation year the beneficiary spouse or common-law partner dies. The trust can claim the deduction to the extent that the beneficiary spouse or common-law partner could have claimed a deduction for the eligible taxable capital gains if the gains had belonged to that spouse or common-law partner and not to the trust.
- A **pre-1972 spousal trust** can claim a capital gains deduction on qualified farm property or qualified small business corporation shares when reporting a deemed realization on the day the beneficiary spouse dies. The trust can claim this deduction if the trustee has never elected to defer the deemed realization day.
- For definitions of **post-1971 spousal or common-law partner trust** and **pre-1972 spousal trust**, see the *T3 Trust Guide*.

Part A – Deceased beneficiary spouse or common-law partner information

| | | | | | |
|-----------------------------------------------------------|---------|-------------------------|---------------|-------|-----|
| Name of deceased beneficiary spouse or common-law partner | Address | Social insurance number | Date of death | | |
| | | | Year | Month | Day |

Part B – Calculating the spousal or common-law partner trust's capital gains deduction on all property

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----|-----|
| Spousal or common-law partner trust's eligible taxable capital gains for the year, from line 334 of Schedule 3 | | A | |
| Amounts designated on lines 930 of Schedule 9 | - | B | |
| Trust's eligible taxable capital gains for the year (line A minus line B) | = | | 501 |
| Spouse's or common-law partner's cumulative loss amount claimed after 1984 (see note 1) | 5020 • | 502 | |
| Spouse's or common-law partner's cumulative eligible taxable capital gains reported after 1984 (see note 2) | 5030 • - | 503 | |
| Subtotal (line 502 minus line 503; if negative, enter "0") | = | | 504 |
| Net amount (line 501 minus line 504) | = | | 505 |
| Spousal or common-law partner trust's taxable capital gains for the year on qualified farm property and qualified small business corporation shares (line 310 of Schedule 3) | | | 517 |
| Spouse's or common-law partner's unused capital gains deduction for the year (see note 3 – attach a copy of Form T657) | 5200 • | | 520 |
| Capital gains deduction for spousal or common-law partner trust (line 505, 517, or 520, whichever is less) | | | 525 |

Note 1
The cumulative loss amount claimed after 1984 is the **total** of lines 21 to 25 of Form T657.

Note 2
The cumulative eligible taxable capital gains reported after 1984 is the amount calculated on line 20 of Form T657.

Note 3
The unused capital gains deduction is the **lesser** of lines 49 and 52 of Form T657, **MINUS** the amount entered on line 53 of Form T657.