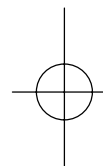
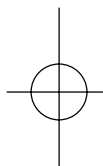
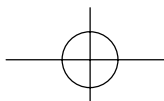


**How to File
the T5 Return of
Investment Income**



T4126(E) Rev. 00

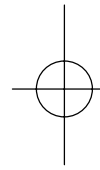
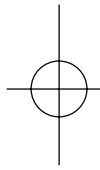




Many people who file a T5 information return do not need all of the detailed information we give in our guide called *T5 Guide – Return of Investment Income*.

If you are filing a T5 information return only to report interest and dividend payments, this pamphlet probably has all the information you need. For a list of some of the topics covered in our guide, see page 14.

This pamphlet uses plain language to explain the most common tax situations. If you need more help after reading this pamphlet, please call Business Enquiries at 1-800-959-5525. However, if your problem is still not resolved to your satisfaction, you can contact a Problem Resolution Program co-ordinator at your tax services office. The telephone numbers and addresses are listed in the government section of your telephone book.



Visually impaired persons can get information on services available to them, and can order publications in braille or large print, or on audio cassette or computer diskette, 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 remplir la Déclaration des revenus de placements (T5)*.



What's new?

Inclusion rate for disposing of capital property

Under proposed changes, the inclusion rate (taxable part) for capital gains and capital losses resulting from disposing of capital property has changed. Generally, for dispositions of property:

- from January 1 to February 27, 2000 (period 1), the rate remains at 75%;
- from February 28 to October 17, 2000 (period 2), the rate is 66.6666%; and
- after October 17, 2000 (period 3), the rate is 50%.

Revised – T5 slip

We added, for this year only, temporary boxes 40 and 41, “Capital gains dividends – Period 1” and “Capital gains dividends – Period 2” to the left of the “VOID” box. We have also changed the title of box 18 to “Capital gains dividends – Period 3.”

Breakdown of Capital Gains Dividends

You should include in box 40, any capital gains dividends realized from January 1 to February 27, 2000. Include in box 41, any capital gains dividends realized from February 28 to October 17, 2000. Include any capital gains dividends realized after October 17, 2000 in box 18.

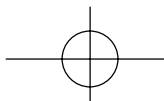
As an alternative to reporting amounts included in boxes 40, 41 and 18 you can elect to prorate the total amount of capital gains dividends realized. You can do this by dividing the number of days in each period by the total number of days in the tax year. In this case, report in the applicable box the amount calculated as follows:

$$\frac{\text{Number of days in the period}}{\text{Total number of days in the tax year}} \times \text{Capital gains dividends for the tax year}$$

Fillable forms

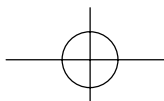
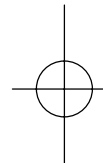
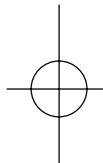
You can now complete your T5 forms online and print them. You will find form T5 on our Web site at:

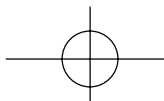
www.ccr-aadrc.gc.ca/forms/



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Is this pamphlet for you?

If you make certain payments to a resident of Canada, or if you receive certain payments as a nominee or agent for a person resident in Canada, you have to file a T5 information return.

Use this pamphlet if you are reporting the following amounts:

- dividends paid by Canadian corporations; or
- interest from:
 - a fully registered bond or debenture;
 - money loaned to, on deposit with, or property of any kind placed with, a corporation, association, organization, or institution;
 - an account with an investment dealer or broker;
 - an insurance policy or annuity contract (when the interest is paid by an insurer); or
 - an amount owing as compensation for expropriated property.

If the amount you paid is not included in this list, see our publication called the *T5 Guide – Return of Investment Income* for information on how to complete your T5 information return.

If you make certain payments to a non-resident of Canada, you should report the amounts on an NR4 Return. For more information, see our publication called the *Non-Resident Withholding Tax Guide*.

The T5 information return

Filing requirements

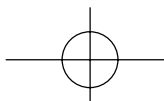
The T5 information return has two parts: the T5 Summary form and the related T5 slips. You may also have to complete T5 Segment forms.

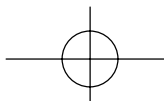
You have to file the T5 information return before March 1 of the year after the calendar year for which you are preparing it. For example, if you are filing a T5 information return for 2000, it has to be filed before March 1, 2001.

When a business or activity ends, you have to file the T5 information return no later than 30 days after the date the business or activity ended.

You have to send the recipient's copies of the T5 slips to the recipient at his or her last known address, or deliver them in person. Do this on or before the day you have to file the T5 information return.

If you file a T5 information return late or distribute T5 slips late, we may penalize you under the *Income Tax Act*. The penalty is \$25 per day, with a minimum \$100 penalty and a maximum \$2,500 penalty for each return. For





more information on penalties and offences, see our publication called *T5 Guide – Return of Investment Income*.

Note

Please do not file a blank T5 information return that contains no T5 slips. You do not have to file an information return for a year in which you did not pay or credit any amounts.

Filing on magnetic media

If you send more than 500 T5 slips to your clients, you have to file your information return on magnetic tape, cartridge, or diskette.

However, anyone can file on magnetic media to save time or to simplify the requirements when using customized forms. If you keep financial data on a computerized system, you can file on magnetic media. For technical specifications, see our publication called *Computer Specifications for Data Filed on Magnetic Media – T5, T5008, T4RSP, T4RIF, NR4, and T3*. It is available at any tax services office or tax centre.

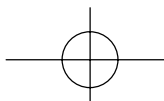
For more information about this method of filing, you can call us toll free at **1-800-665-5164**, or visit: www.ccr-aadrc.gc.ca/magmedia/

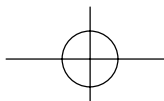
Filing on paper

If you send more than 500 slips to your clients, you have to file your information return on magnetic media. See the section called “Filing on magnetic media” above.

If you are filing your T5 information returns on paper, please keep the following instructions in mind when you complete the forms which make up the return:

- Use the current versions of the T5 slip and T5 Summary and T5 Segment forms. You can get all the forms you need from any tax services office or tax centre.
- **Do not cut or separate copy 1 of the T5 slips**, since you have to file this copy as a complete page.
- Use the “VOID” box to cancel T5 slips that you may have incorrectly completed.
- Use a standard 10 or 12 character per inch font if typed or computer generated.
- Do not use italics, script, or draft-quality printing.
- Do not tape, tear, stamp, or staple any of the T5 slips and forms.
- Do not send photocopies of T5 slips and forms.
- For all dollar amounts, use a comma to separate thousands and a period to separate dollars from cents. Do not use dollar signs (\$).





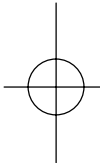
Example

2,345.67

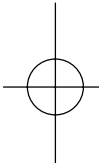
- When no entry is required, leave boxes and areas blank. Do not enter nil, N/A, dashes (-), or zeros in these empty boxes.
- Do not change the title of any box or area on the forms.
- **Do not print or stamp any information within a half-inch of the reference marks** (black lines) or the form-identifier numbers (upper right-hand corner).
- Enter an “X” in those boxes that need one. Do not use any other mark (e.g., tick or check mark).
- Remove side borders from copy 1 of all forms.

Report information only in the appropriate box or area provided. If you are not sure where to enter the information, contact your tax services office.

The T5 slip



The T5 slip is used to identify the various types of investment income that residents of Canada have to report on their income tax and benefit return. All versions of the T5 slip have three individual slips printed on each page or sheet. The three versions of the T5 slip are:



- the three-copy carbon-loaded form used with continuous-feed printers by clients who file on paper;
- the two-copy carbon-loaded form, also in continuous-feed format, used by magnetic-media filers; and
- the single-copy form for ink jet and laser printers, which all clients can use.

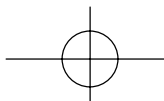
Before you complete your T5 slips, read the instructions in the section “Filing on paper” on page 6. If you are filing your T5 information return on magnetic media, do not send us the paper copies of your T5 slips.

Note

You **do not** have to issue a T5 slip when the total of the amount reported for the year is less than \$50.

How to complete the T5 slip

Enter on each T5 slip the appropriate year, the recipient’s and payer’s identification, and financial information.



Void

If you make an error while typing or machine-printing a T5 slip, or if a completed or partially completed slip is incorrect, enter an “X” in the “VOID” box in the centre area of the slip, above the “Recipient” area. We will disregard this T5 slip during processing.

Recipient's name and address

Type or machine-print the information in the white areas provided.

Even if more than one recipient is entitled to the investment income, you only need to complete one T5 slip. If there are two individual recipients, enter both names. For a corporation, enter the corporation's name.

If you made the payment to an association, organization, or institution, enter that name. Do not enter the name of the secretary-treasurer or any other individual who has signing authority. If the payment is made to the registered holder of an investment (e.g., broker or trustee of an RRSP), enter the name of the registered holder, not the name of the individual.

First line – Enter the individual's last name, followed by the usual first name and initials, or enter the name of the recipient corporation, association, organization, or institution.

Second line – Enter the second recipient's last name, followed by the usual first name and initials. If there is only one recipient, leave this line blank.

In all cases, enter the recipient's full mailing address as follows:

Third, fourth, and fifth lines – Enter the recipient's full address, including city and province or territory. Enter the recipient's postal code. You can leave some lines blank. For the province or territory, please use the two-letter abbreviations from the list on page 14.

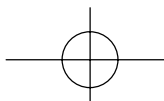
Boxes 10, 11, and 12 – Dividends from Canadian corporations

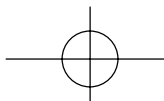
Dividends include all payments in cash or kind (including stock dividends) and all amounts we consider to be dividends. For information on deemed dividends, see our publication called the *T5 Guide – Return of Investment Income*.

Dividends from taxable Canadian corporations paid to an individual (other than a trust that is a registered charity) are eligible for the federal dividend tax credit. See the instructions for boxes 10, 11, and 12.

Box 10 – Actual amount of dividends

Enter the actual amount of dividends paid by a Canadian corporation. For recipients who are individuals resident in Canada (other than a trust that is a registered charity), the dividends must be paid by a taxable Canadian corporation. For information on taxable dividends and deemed dividends paid to an individual by a corporation resident in Canada that is **not** a taxable Canadian corporation, see our publication called the *T5 Guide – Return of Investment Income*.





Box 11 – Taxable amount of dividends

This box applies **only** to individuals resident in Canada (other than a trust that is a registered charity). Do not enter an amount in box 11 if the dividends entered in box 10 are paid to a corporation. For recipients who are individuals, enter 25% more than the amount you reported in box 10.

Box 12 – Federal dividend tax credit

This box applies **only** to individuals resident in Canada (other than a trust that is a registered charity). Do not enter an amount in box 12 if the dividends entered in box 10 are paid to a corporation. For recipients who are individuals, calculate and enter the amount of the federal dividend tax credit. The amount is 13.3333% of the taxable amount you entered in box 11.

Box 13 – Interest from Canadian sources

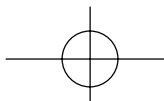
Enter the following amounts only if you did not previously report them:

- interest on a fully registered bond or debenture;
- interest on money loaned to or on deposit with, or interest on any kind of property placed with, a corporation, association, organization, or institution;
- interest on an account with an investment dealer or broker;
- interest an insurer paid in connection with an insurance policy or annuity contract;
- interest on an amount owing as compensation for property that has been expropriated;
- the interest part of blended payments;
- dividends paid or payable by a credit union to a member who has a share in the credit union, if the share is not listed on a prescribed stock exchange;
- taxable dividends, other than capital gains dividends, that a mortgage investment corporation paid to any of its shareholders; and
- amounts reported by life insurers, to be included in a policyholder's income under paragraph 56(1)(j) of the *Income Tax Act*, unless they arise from a policy loan.

Do not include:

- interest from a source outside Canada; or
- the accrued income from an annuity described under former paragraph 56(1)(d.1) of the *Income Tax Act*, or accrued income of certain life insurance policies.

If you cannot report the amounts in Canadian currency, see our publication called the *T5 Guide – Return of Investment Income*.



Box 21 – Report code

The code you enter in this box helps us determine if this is the original T5 slip you issued to the recipient, or if it is an amended slip.

- If this is the original T5 slip, enter “0.”
- If this slip changes the financial or identification information of a T5 slip you already submitted, enter “1.”

When using code “1” enter a brief description at the top of the T5 slip (e.g., “AMENDED”). Include a written explanation with any slip you file with us. Also, be sure to include your filer identification number.

Note

Do not file a T5 information return that contains both original and amended T5 slips. File amended slips on a separate return.

Box 22 – Recipient identification number

If the recipient is an individual, enter the individual’s social insurance number (SIN). For interest you credited to a joint account, enter the SIN of only one of the individuals.

You have to make a reasonable effort to get an individual’s SIN. If you do not, you may be liable to a \$100 penalty for each time you do not provide the SIN on a slip. However, when a person indicates that he or she does not have a SIN but is applying for one, do not delay completing the information return beyond the filing deadline. If you have not received the SIN by the time you prepare the T5 slip, leave box 22 blank.

Note

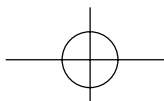
If you are reporting a payment made in trust to an institution for an individual (e.g., a payment of interest made to the trustee of a self-directed RRSP), **do not enter the individual’s SIN in box 22.**

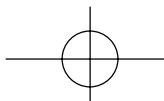
If the recipient is not an individual, enter the recipient’s Business Number, if available.

Box 23 – Recipient type

Enter one of the following codes to identify the recipient to whom the investment income was paid:

- “1” for an individual;
- “2” for a joint account (two or more individuals);
- “3” for a corporation;
- “4” for an association, a trust (RRSP trustee, fiduciary-trustee, nominee, or estate), a club, or a partnership; or
- “5” for a government, government enterprise, or international organization.





Distributing the T5 slips

Copy 1

Send copy 1 of each T5 slip (three slips per sheet or page) along with the T5 Summary before March 1 of the year after the calendar year for which the information return is required, to the Ottawa Technology Centre, P.O. Box 9633, Station T, Ottawa ON K1G 6H3.

You should include T5 Segment forms if you are filing a paper return with more than 100 sheets of T5 slips (300 slips).

Copies 2 and 3

Separate copies 2 and 3 of the T5 slip into individual slips, and send both copies to the appropriate recipient before March 1 of the year after the calendar year for which you have to file the T5 information return. If you use the T5 slips for ink jet and laser printers, see the instructions on the back of the slips.

You do not have to keep a copy of the T5 slips in your files. However, you have to keep the information from which you prepared the slips in an accessible and readable format.

How to correct your T5 slips

If you discover an error in your information return after filing it, send a letter explaining the error to the appropriate tax centre along with the necessary slips, as explained below.

Amended slips – If you have to change some of the data on a slip, change only the required entries and leave the same amounts in the other boxes. Print the word “AMENDED” at the top of the revised slip. Send two copies of the amended slip to the recipient. Send copy 1 of the slips to your tax centre with a letter explaining the reason for the amendment. Please provide your filer identification number on your letter. We list the tax centre addresses on page 15.

Note

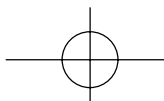
You do not have to file an amended summary form when you send in amended slips.

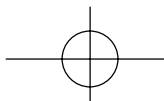
Cancelled slips – If you issued a slip by mistake and you want to cancel it, send us another slip with the same data as on the original slip. Print the word “CANCELLED” at the top of the slip. Send two copies of the cancelled slip to the recipient.

Duplicate slips – If you issue a slip to replace one that a client lost or destroyed, print the word “DUPLICATE” at the top of the replacement slip you are sending to the recipient. **Do not send us a copy of the duplicate slip.**

Note

Even if you sent your original information return on magnetic media, you have to file any amended or cancelled slips on paper.





The T5 Summary and T5 Segment forms

Before you complete the T5 Summary and T5 Segment forms, read the instructions in the section “Filing on paper,” on page 6. If you file your T5 information return on magnetic media, you do not have to submit the paper copy of your T5 Summary and T5 Segment forms to us.

How to complete the T5 Summary

Enter the appropriate year and identification information in the top section of the T5 Summary. Enter financial and contact information in the lower sections.

If you filed a T5 information return for last year, we mailed you a preprinted T5 Summary in December with your filer identification number, the name of your organization or business, and your mailing address already included on the form. If an independent service bureau or transmitter files your information return, please give them your preprinted T5 Summary.

Please note the following instructions when you complete the T5 Summary.

Filer identification number

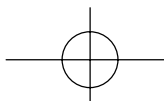
If you did not receive a preprinted T5 Summary, enter your filer identification number in the space provided. This number applies only to filers of information returns (including the T5 information return).

If you have not filed a T5 information return in recent years or are not sure of your number, write to:

Data Assessment and Evaluation Programs Division
Ottawa Technology Centre
~~875 Heron Road~~
~~Ottawa ON K1A 1A2~~

It is important that you make every effort to get a filer identification number before filing your T5 return. However, do not delay filing your return, even if you have not received your filer identification number before the due date. Instead, attach a note to your T5 return explaining why you have not entered the number.

Is the preprinted address correct? If we mailed you a preprinted T5 Summary with an incorrect address, enter the correct address in the space provided.





Distributing the T5 Summary

Send the completed T5 Summary along with the related T5 slips (and T5 Segment forms, if required) to:

Ottawa Technology Centre
~~P.O. Box 9633, Station T~~
~~Ottawa ON K1G 6H3~~

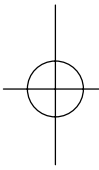
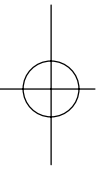
These should be sent before March 1 of the year after the calendar year to which the T5 information return relates. You may want to keep a working copy of the T5 Summary for your records.

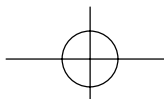
How to complete the T5 Segment

Use the T5 Segment if:

- you are filing your T5 information return on paper; and
- your T5 information return has more than 100 sheets of T5 slips (300 slips).

If you have a T5 return that has more than 100 sheets (300 slips), split the return into bundles of 100 sheets (300 slips). Make sure you attach a segment form to the top of each bundle. The filer identification number and the filer name you enter on the T5 Segment have to match the filer identification number and filer name on the T5 Summary.



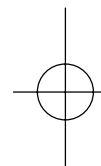
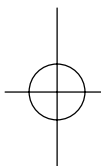


The T5 Guide

If you need detailed information to complete your T5 information return, get the *T5 Guide – Return of Investment Income*. This guide is available from any tax services office or tax centre.

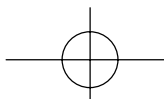
In addition to the information in this pamphlet, the guide includes information on the following subjects:

- accrued income—annuities
- accrued interest
- amending forms
- amounts eligible for the resource allowance deduction
- blended payments
- correcting or replacing forms
- deemed dividends
- eligible funeral arrangements
- foreign currency
- indexed debt obligations
- interest on penalties
- investment contracts
- magnetic-media filing
- *Notice of Assessment*
- other income from Canadian sources
- payments made to non-residents of Canada
- payments made to or by nominees or agents
- penalties and offences
- *Privacy Act*
- recipient account codes
- related publications
- royalties from Canadian sources
- social insurance number (SIN)
- transit codes
- trustees
- unclaimed amounts—dividends and interest
- when to file and when not to file a T5 information return



Provincial and territorial codes

Newfoundland.....	NF	Saskatchewan	SK
Prince Edward Island	PE	Alberta.....	AB
Nova Scotia	NS	British Columbia	BC
New Brunswick	NB	Nunavut	NT
Quebec	QC	Northwest Territories.....	NT
Ontario.....	ON	Yukon	YT
Manitoba.....	MB		



Addresses of tax centres

Filers served by a tax services office on the left side of the following list should communicate with the corresponding centre or office on the right.

Bathurst, Halifax, Kingston, Moncton,
Newfoundland and Labrador,
Peterborough, Saint John, St. Catharines,
and Sydney

St. John's Tax Centre
~~St. John's NF A1B 3Z1~~

Chicoutimi, Montérégie-Rive-Sud,
Outaouais, Québec, Rimouski,
and Trois-Rivières

Jonquière Tax Centre
~~Jonquière QC G7S 5J1~~

Laval, Montréal, Ottawa, Rouyn-Noranda,
Sherbrooke, and Sudbury (Northeastern
Ontario* only)

Shawinigan-Sud Tax Centre
~~Shawinigan Sud QC G9N 7S6~~

Belleville, Charlottetown, Hamilton,
and Kitchener/Waterloo

Summerside Tax Centre
~~Summerside PE C1N 6A2~~

Sudbury (Sudbury/Nickel Belt** only),
Toronto Centre, Toronto East,
Toronto North, and Toronto West

Sudbury Tax Services Office
~~Sudbury ON P3A 5C1~~

Calgary, Edmonton, London, Saskatoon,
Thunder Bay, Windsor, and Winnipeg

Winnipeg Tax Centre
~~Winnipeg MB R3C 3M2~~

Burnaby-Fraser, Northern B.C. and Yukon,
Regina, Southern Interior B.C., Vancouver,
and Vancouver Island

Surrey Tax Centre
~~Surrey BC V3T 5E1~~

* Northeastern Ontario includes all areas outside of Sudbury/Nickel Belt (see below) that are served by the Sudbury Tax Services Office.

** Sudbury/Nickel Belt area includes all postal codes beginning with P3A, P3B, P3C, P3E, P3G, P3L, P3N, P3P, and P3Y, and postal codes beginning with P0M and ending with 1A0, 1B0, 1C0, 1E0, 1H0, 1J0, 1K0, 1L0, 1M0, 1N0, 1P0, 1R0, 1S0, 1T0, 1V0, 1W0, 1Y0, 2C0, 2E0, 2M0, 2R0, 2S0, 2X0, 2Y0, 3A0, 3B0, 3C0, 3E0, and 3H0.