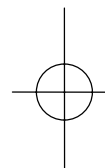
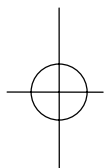
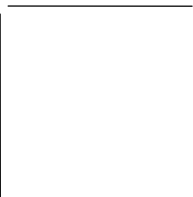
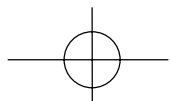


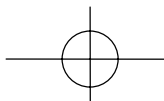


How to File the T5 Return of Investment Income



T4126(E) Rev. 01

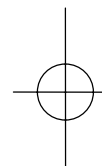
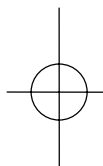




Many people who file a T5 information return do not need all of the detailed information we give in our guide called *T5 Guide – Return of Investment Income*.

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.

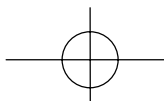
This pamphlet uses plain language to explain the most common tax situations. If you need more help, please call our Business Enquiries line at 1-800-959-5525. If your problem still cannot be resolved through normal channels, you should get in touch with the Problem Resolution Program co-ordinator at your tax services office. The numbers are listed in the government section of your telephone book.



Visually impaired persons 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)*.

www.ccra.gc.ca



What's new?

Capital gains dividends

If a corporation has capital gains dividends in 2001 from dispositions of property that occurred before October 18, 2000, you have to adjust the dividends. This is because the recipient's inclusion rate may be different than the corporation's. For more information, see "Boxes 18, 40, and 41 – Capital gains dividends" on page 9 in the *T5 Guide – Return of Investment Income*.

T5 slip

We revised the instruction information for boxes 18, 40, and 41 on the back of the T5 slip since most capital gains will be for dispositions after October 17, 2000, the person who receives the T5 slip is instructed to enter the total of box 18, 40, and 41 amounts on line 174 of Schedule 3 *Capital Gains (or Losses) in 2001*.

Foreign spin-offs

Proposed legislation on the tax treatment of foreign spin-offs was announced in the October 18, 2000 economic statement. A spin-off is a divisive reorganization under which a corporation issues its shareholders shares in another corporation. This can occur on a tax-deferred taxable basis, depending on the facts and on the law of the jurisdiction in which the spin-off occurs and the shareholders reside.

We use the term **foreign spin-off** to refer to transactions where a Canadian shareholder of a foreign corporation receives from that corporation shares in another foreign corporation.

Canadian shareholders who currently receive foreign spin-off shares are generally considered to be in receipt of a taxable foreign dividend. The amounts of any foreign spin-offs will be shown in box 15 as foreign income.

The *Income Tax Act* has been amended, effective for distributions after 1997, to allow a tax deferral on an elective basis of certain distributions by foreign corporations of spin-off shares to Canadian resident shareholders. The election is available for shareholders who are individuals, trusts, and corporations. By making an election under section 86.1 of the Act, the shareholder will be able to exclude from income the amount that would have been considered a taxable foreign dividend. For more information, visit:
www.cra.gc.ca/tax/business/taxtopics/foreign-e.html

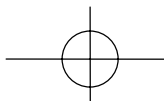
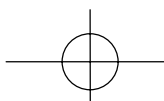
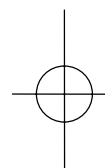
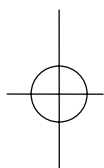
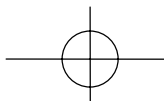


Table of contents

	Page
Is this pamphlet for you?	5
The T5 information return	5
Filing requirements.....	5
Filing on magnetic media.....	6
Filing on paper.....	6
The T5 slip	7
How to complete the T5 slip.....	8
Distributing the T5 slips.....	11
How to correct your T5 slips.....	11
The T5 Summary and T5 Segment forms	12
How to complete the T5 Summary	12
Distributing the T5 Summary.....	13
How to complete the T5 Segment	13
The T5 Guide	14
Provincial and territorial codes	14
Addresses of tax centres	15





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

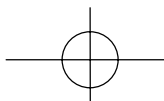
Filing requirements

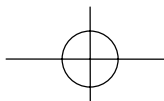
To prepare a T5 information return you must complete the T5 slips and the related T5 Summary form. In some cases, you may also have to complete a T5 Segment form.

A Summary form alone is not an information return. 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 2001, it has to be filed before March 1, 2002.

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 if you distribute slips to the recipients late, you are liable for each failure to a penalty of \$25 per day, from a minimum of \$100 to a maximum \$2,500. 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 (or a representative) file more than 500 information slips for the calendar year (the total number of T3, T4, T4A, T4A-NR, T4RSP, T4RIF, T5, T5007, T5008, NR4, T1204, and T5018 slips), you **have to** file your information returns on magnetic media using computer 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*.

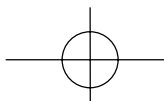
For more information about this method of filing, you can call us toll free at **1-800-665-5164** or visit: www.ccra.gc.ca/magmedia

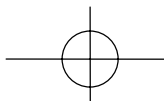
Filing on paper

If you (or a representative) file more than 500 information slips for the calendar year (the total number of T3, T4, T4A, T4A-NR, T4RSP, T4RIF, T5, T5007, T5008, NR4, T1204, and T5018 slips), you **have to** file your information returns on magnetic media. See “Filing on magnetic media” above.

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

- Use the current versions of the T5 slip and T5 Summary and T5 Segment forms. You can order all the forms you need from our Web site at www.ccra.gc.ca/orderforms, or 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 italic, 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, as required.

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

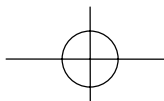
The T5 slip is used to identify the various types of investment income that residents of Canada have to report on their income tax and benefit return. All versions of the T5 slip have three individual slips printed on each page or sheet. There are three versions of the T5 slip:

- 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 the recipient's 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 (e.g., interest credited to a joint account), 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:

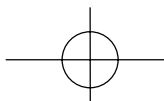
Third, fourth, and fifth lines – Enter the recipient's full address, including city and province or territory. Enter the recipient's postal code. You can leave some lines blank. For the province or territory, please use the two-letter abbreviations from the list on page 14.

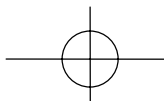
Payer's name and address

Complete this area on each T5 slip. Enter the filer's full name and address.

Year

Enter the four digits of the calendar year during which the recipient earned the investment income.





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 following instructions for boxes 10, 11, and 12.

Box 10 – Actual amount of dividends

Enter the actual amount of dividends, or the amount we consider to be 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.

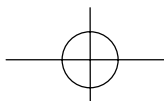
Box 12 – Federal dividend tax credit

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, as long as 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

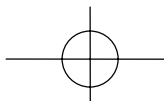
If the recipient is an individual, enter the individual's social insurance number (SIN). For interest you credited to a joint account, enter the SIN of only one of the individuals.

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, make sure you complete and file the return before 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:

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

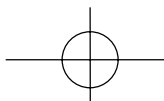
Separate copies 2 and 3 of the T5 slip into individual slips, and send both copies to the appropriate recipient before March 1 of the year after the calendar year for which the T5 information return is required. If you use the T5 slips for ink jet and laser printers, see the instructions on the back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

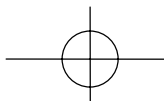
You do not have to keep a copy of the T5 slips in your files. However, you have to keep the information from which you prepared the slips in an accessible and readable format.

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 described 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, see the information 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.

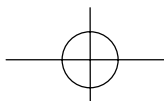
Please note the following instructions when you complete the T5 Summary.

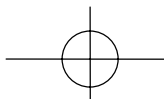
Filer identification number

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 unsure of your number, please contact our Business Enquiries line at 1-800-959-5525.

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

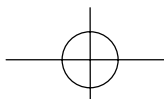
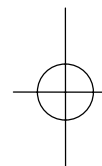
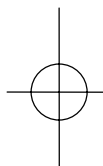
These should be sent before March 1 of the year after the calendar year to which the T5 information return relates. You may want to keep a working copy of the T5 Summary for your records.

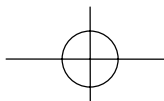
How to complete the T5 Segment

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.



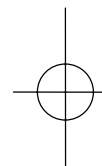
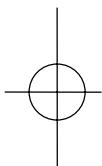


The T5 Guide

If you need detailed information to complete your T5 information return, get the *T5 Guide – Return of Investment Income*. This guide is available on our Web site at www.cra.gc.ca/orderforms and from any tax services office or tax centre.

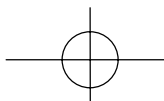
In addition to the information in this pamphlet, the guide includes information on the following subjects:

- 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

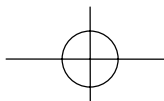
Newfoundland	NF	Saskatchewan	SK
Prince Edward Island	PE	Alberta	AB
Nova Scotia	NS	British Columbia	BC
New Brunswick	NB	Nunavut	NU
Quebec	QC	Northwest Territories	NT
Ontario	ON	Yukon	YT
Manitoba	MB		



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

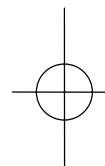
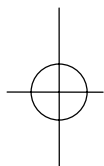


Your opinion counts!

We review our publications each year. If you have any comments or suggestions to help us improve them, we would like to hear from you.

Please send your comments to:

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



Think Recycling!



Printed in Canada

www.ccr.gc.ca

