

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

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

La version française de cette publication est intitulée *Comment remplir la Déclaration des revenus de placements (T5)*.

## What's new?

### **Carbon-loaded slips and summaries**

As a first step of our plan to eliminate the carbon-loaded slips and summaries, this is the last year the continuous carbon-loaded slips and summaries (with perforated leaders on the sides) will be made available. Next year, the carbon-loaded slips will be available only in single units of three-slips per sheet.

### **Information returns**

There are no changes to the T5 Summary and Segment for the 2003 tax year.

### **Filer identification number**

We have added a note on page 13 to let first-time slip filers know that they can file an information return even if they do not have a filer identification number.

### **Electronic tax slips**

You can now provide T5 slips to recipients in an electronic format. The recipient has to consent in writing or by email to receive the slips electronically. For more information, see "Distributing the T5 slips" on page 11.

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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, or 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 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 the *Non-Resident Withholding Tax Guide*.

## The T5 information return

### Filing requirements

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 2003, you have to file it before March 1, 2004.

If you end your business or activity, you have to file a return for the year or part-year no later than 30 days after the date the business or activity ended.

Send the recipients' copies of the T5 slips to their last known address or deliver them in person. You must do this on or before the day you have to file the T5 information return.

If you file your 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 of \$2,500. For more information on penalties and offences, see the *T5 Guide – Return of Investment Income*.

## Note

Do not file a blank or nil T5 information return that has no T5 slips. You do not have to file a T5 return for a year during 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 return on magnetic media using computer tape, cartridge, diskette, or CD-ROM.

However, anyone can file on magnetic media to save time or to make using customized forms easier. If you keep your financial data on computer, you can file on magnetic media. For technical specifications, see the electronic guide called *Computer Specifications for Data Filed on Magnetic Media – T5, T5008, T4RSP, T4RIF, NR4, and T3*.

If you do not file an information return in an electronic format as required under the *Income Tax Act* and *Income Tax Regulations*, you may be guilty of an offence. In addition to any other penalty, you are liable to a maximum penalty of \$2,500 per slip.

For more information about this method of filing, call us at **1-800-665-5164** or visit our Web site at **[www.ccra.gc.ca/magmedia](http://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 return on paper, keep the following in mind when you complete the forms that make up the return:

- Use the current versions of the T5 slips, T5 Summary, and T5 Segment. You can order all the forms you need from our Web site at **[www.ccra.gc.ca/orderforms](http://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.
- Do not tape, tear, or stamp any of the T5 forms.
- For all dollar amounts, use a comma to separate thousands and a period to separate dollars from cents. Do not use dollar signs (\$).

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### Example

2,345.67

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- 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.
- Enter an “X” in those boxes that need one. Do not use any other mark (e.g., “√” or “-”).
- 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 identifies the various types of investment income that residents of Canada have to report on their income tax and benefit returns. 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 the information on each T5 slip as described below.

### Recipient's name and address

Enter the information in the white areas provided.

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 recipients, enter both names. For a corporation, enter the name of the corporation.

If the payment is made 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 first, 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, 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, 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 payer’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 deemed to be dividends. For information on deemed dividends, see 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 deem 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 the *T5 Guide – Return of Investment Income*.

#### **Box 11** – Taxable amount of dividends

Use this box **only** for individuals resident in Canada (other than a trust that is a registered charity). Enter 25% more than the amount you reported in box 10. Do not enter an amount in box 11 if the dividends entered in box 10 are paid to a corporation.



**Box 12** – Federal dividend tax credit

Use this box **only** for individuals resident in Canada (other than a trust that is a registered charity). The amount you enter here is 13.3333% of the taxable amount you entered in box 11. Do not enter an amount in box 12 if the dividends entered in box 10 are paid to a corporation.

**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 (for information on blended payments, see the *T5 Guide – Return of Investment Income*);
- 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 that have 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 the *T5 Guide – Return of Investment Income*.

**Box 21** – Report code

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

If this is the original T5 slip, enter "0" in box 21.

If this slip changes the financial or identification information of a T5 slip you have already filed, enter "1."

When using code “1,” enter a brief description at the top of the T5 slip (e.g., “AMENDED”). Include a letter of explanation when you file a copy of the slip with us. For more information, see the section called “How to correct your T5 slips” on page 11.

**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** (other than a trust), 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 tells you 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, trust (RRSP trustee, fiduciary-trustee, nominee, or estate), club, or partnership; or
- “5” for a government, government enterprise, or international organization.

## Distributing the T5 slips

### Copy 1

Send us copy 1 of each T5 slip (three slips printed per sheet) along with the T5 Summary, before March 1 of the year after the calendar year for which the information return is required. Send these forms to:

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

If you use the T5 slip for ink jet and laser printers, see the instructions on the back of the slip.

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 slip for ink jet and laser printers, see the instructions on the back of the slip.

You can now provide recipients an electronic copy of their T5 slips. The recipient must have consented in writing or by email that they wished to receive the slips electronically.

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

#### Note

When a business or activity ends, you have to send the appropriate copies of the T5 slips to the recipients and CCRA no later than 30 days after the date the business or activity ended.

## How to correct your T5 slips

If you discover an error in your information return after filing it, you can now make the corrections on paper or in electronic format, as described below.

**Paper submissions** – 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 slip to your tax centre with a letter explaining the reason for the amendment. 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 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.**

**Electronic submissions** – Filers who discover errors in information they have already filed will now be able to submit revisions to CCRA in electronic format via hard medium (diskette or CD-ROM). This means that you can now file amendments and cancelled slips electronically. The format used is Extensible Markup Language (XML). For up-to-date information, visit our Web site at [www.ccr.gc.ca/magmedia](http://www.ccr.gc.ca/magmedia). New information will be posted as it becomes available. Amendments in electronic format should be sent to:

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

## The T5 Summary and Segment

**B**efore you complete the T5 Summary and T5 Segment forms, see “Filing on paper,” on page 6. If you file your T5 information return on magnetic media, you do not have to send the paper copy of your T5 Summary and T5 Segment 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 T5 Summary in December with your filer identification number, the name of your organization or business, and your mailing address preprinted on the form. If an independent service bureau or transmitter files your information return, give them this preprinted T5 Summary.

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, 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. File your return on time and attach a note to it explaining why you have not entered the number.

**Note**

If you are filing for the first time and do not yet have a filer identification number, we will send you a confirmation letter once we receive your first information return. This letter will contain your new filer identification 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 Segments, if required), to:

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

These must 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.

When a business or activity ends, you have to send the T5 Summary and the related T5 slips (and T5 Segment forms if required) no later than 30 days after the date the business or activity ended.

## 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.ccra.gc.ca/orderforms](http://www.ccra.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 and Labrador .....	NL	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 deal with the corresponding tax centre or office on the right.

Bathurst, Halifax, Kingston, Moncton, Newfoundland and Labrador, Peterborough, Saint John, St. Catharines, and Sydney	<b>St. John's Tax Centre</b> 290 Empire Avenue St. John's NL A1B 3Z1
Chicoutimi, Montérégie-Rive-Sud, Outaouais, Québec, Rimouski, and Trois-Rivières	<b>Jonquière Tax Centre</b> 2251 René-Lévesque Boulevard Jonquière QC G7S 5J1
Laval, Montréal, Ottawa, Rouyn-Noranda, Sherbrooke, and Sudbury (Northeastern Ontario* only)	<b>Shawinigan-Sud Tax Centre</b> 4695 – 12 <sup>th</sup> Avenue Shawinigan-Sud QC G9N 7S6
Belleville, Charlottetown, Hamilton, and Kitchener/Waterloo	<b>Summerside Tax Centre</b> 275 Pope Road Summerside PE C1N 6A2
Sudbury (Sudbury/Nickel Belt** only), Toronto Centre, Toronto East, Toronto North, and Toronto West	<b>Sudbury Tax Services Office</b> 1050 Notre-Dame Avenue Sudbury ON P3A 5C1
Calgary, Edmonton, Lethbridge, London, Red Deer, Saskatoon, Thunder Bay, Windsor, and Winnipeg	<b>Winnipeg Tax Centre</b> 66 Stapon Road Winnipeg MB R3C 3M2
Burnaby-Fraser, Northern B.C. and Yukon, Regina, Southern Interior B.C., Vancouver, and Vancouver Island	<b>Surrey Tax Centre</b> 9755 King George Highway Surrey BC V3T 5E1
<p>* Northeastern Ontario includes all areas outside Sudbury/Nickel Belt (see below) that are served by the Sudbury Tax Services Office.</p> <p>** The Sudbury/Nickel Belt area includes all postal codes beginning with P3A, P3B, P3C, P3E, P3G, P3L, P3N, P3P, and P3Y, as well as 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  
Lancaster Road  
Ottawa ON K1A 0L5

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