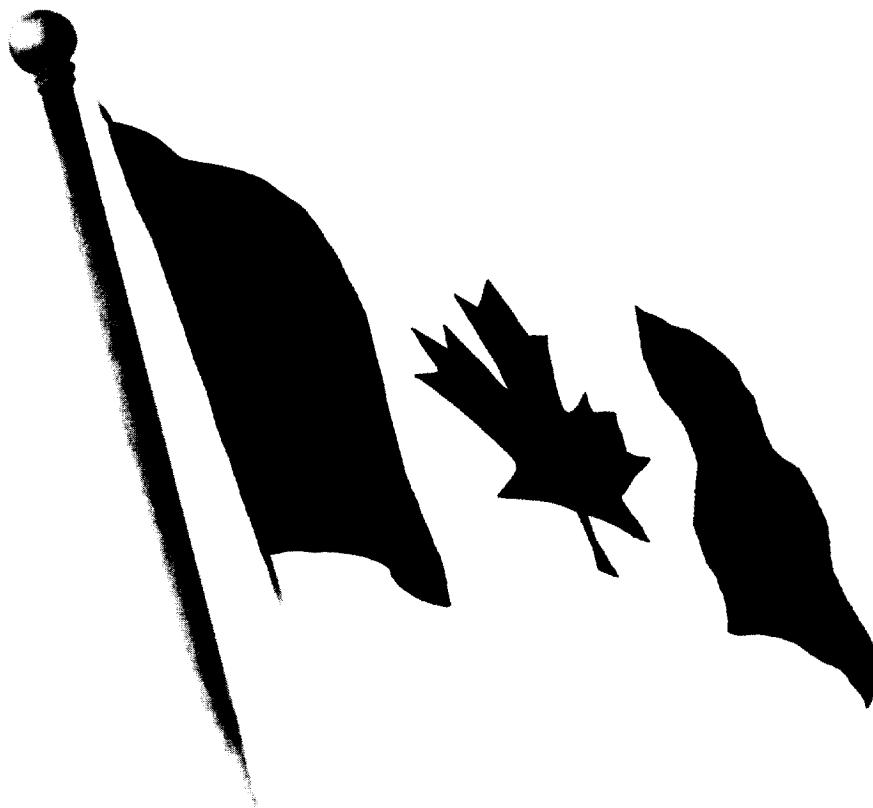


# How to File the T5 Return of Investment Income

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Many filers of the T5 information return do not need all of the detailed information contained in the *T5 Guide – Return of Investment Income*.

If you are filing a T5 information return only to report interest and dividend payments, this pamphlet probably contains all the information you need. For a list of some of the topics covered in the T5 Guide, see page 12.

This pamphlet uses plain language to explain the most common tax situations. If you need more help after reading this pamphlet, please contact your tax services office. The addresses and telephone numbers are listed under "Revenue Canada" in the Government of Canada section of the telephone book.

## Your opinion counts!

**W**e review this pamphlet each year. If you have any comments or suggestions that would help us improve the explanations it contains, we would like to hear from you.

Please send your comments to:

Client Services Directorate  
Revenue Canada  
400 Cumberland Street  
Ottawa ON K1A 0L5

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

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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 taxable Canadian corporations; and
- 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 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.

## The T5 Information Return

### Filing requirements

The T5 information return has two parts: the T5 Summary and the related T5 Supplementary 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 the return.

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 supplementary 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 Supplementary 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 the T5 Guide.

**Note**

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

**Filing on magnetic media**

We encourage you to file your T5 information return on magnetic tape, cartridge, or diskette (magnetic media). If you keep financial data on a computerized system, you can file on magnetic media. For technical specifications, see the current version of the guide 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. You can also reach us on the Internet at the following address:

<http://www.rc.gc.ca/magmedia>

**Filing on paper**

For several years, we have been processing T5 information returns using optical character recognition (OCR) machines that read the information you enter on the supplementary, summary, and segment forms. OCR is a fast and cost-effective way to compile the information from the millions of paper forms we receive.

If you are filing your T5 information returns on paper, please keep the following instructions in mind when you complete the supplementary, summary, and segment forms:

- Use the current versions of the T5 Supplementary, T5 Summary, and T5 Segment forms when you file your T5 information returns. You can get all the forms you need from any tax services office or tax centre.
- **Type or machine-print** data entries. Insert data in the middle of the white areas, separated from other printing and entries. Entries should be clear and sharp.
- Avoid writing or printing by hand. However, if you do not have a printer or typewriter and you have to complete the forms by hand, we will accept your information return.
- Use black ink only.
- **Do not cut or separate copy 1 of the T5 Supplementary slip**, since you have to file this copy as a complete page.
- Use the "VOID" box to cancel T5 Supplementary slips which you may have incorrectly completed.
- When printing, use a font that has characters with fixed spacing, not proportional spacing.

- Use a standard font of 10 or 12 characters per inch.
- Use **capital letters** for all information.
- Do not use italics, script, or draft-quality printing.
- Do not tape, tear, stamp, or staple any of the T5 forms.
- Do not send photocopies of 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 (\$).

**Example**

2,222.22

- Where 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 Supplementary Slip

The T5 Supplementary slip is used to identify the various types of investment income which residents of Canada have to report on their income tax return. All versions of the T5 Supplementary have three individual slips printed on each page or sheet. The three versions of the T5 Supplementary 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 laser printers, which can be used by all clients.

Before you complete the T5 Supplementary slips, read the instructions in the section "Filing on paper," on page 5. If you are filing your T5 information return on magnetic media, do not submit the paper copy of your supplementary slips to us.

**Note**

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

**How to complete the T5 Supplementary slip**

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

**Void**

If you make an error while typing or machine-printing a T5 Supplementary 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 address area. You can enter the "X" using a medium lead pencil instead of machine-printing or typing. During processing, we will disregard any T5 Supplementary slip identified as being void.

**Recipient's name and full address (six lines)**

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

For an individual, enter the last name first, followed by the usual first name and initials. Even if more than one recipient is entitled to the investment income, you only need to complete one T5 Supplementary 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 organization, association, or institution, enter that name. Do not enter the name of the secretary-treasurer or any other individual who has signing authority.

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

**Line 1** – Enter, as indicated above, the individual's last and first names or the name of the recipient corporation, organization, or institution.

**Line 2** – Enter the second recipient's last and first names. If there is only one recipient, leave this line blank.

**Lines 3, 4, and 5** – Enter the recipient's full address, including city and province or territory. You can leave some lines blank. For the province or territory, please use the two-letter abbreviations listed on page 13.

**Line 6** – Enter the recipient's postal code.

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

Generally, dividends include all dividends in cash or kind (including stock dividends) and all payments we consider to be dividends. For information on deemed dividends, see the T5 Guide.

To calculate the taxable amount of dividends the recipient has to report, increase by 25% the actual amount of dividends from taxable Canadian

corporations paid to an individual (other than a trust that is a registered charity). These grossed-up dividends are eligible for the federal dividend tax credit. See the instructions for boxes 10 and 11.

**Box 10 – Actual amount of dividends**

Enter the actual amount of taxable dividends, paid by a taxable Canadian corporation to an individual resident in Canada (other than a trust that is a registered charity).

**Box 11 – Taxable amount of dividends**

Calculate and enter the taxable amount of dividends. The taxable amount is 25% more than the actual amount you reported in box 10.

**Box 12 – Federal dividend tax credit**

Calculate and enter the amount of the federal dividend tax credit. The amount is 13.33% 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 portion 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, 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*, except if 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.

### **Box 21 – Report code**

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

- Enter “0” if this is the original T5 Supplementary slip.
- Enter “1” if this changes the financial or identification information of a T5 Supplementary slip you previously submitted.

When using code “1” enter a brief description at the top of the T5 Supplementary slip (e.g., “AMENDED”). Include a written explanation of why you are filing the slip(s) when you send them to us. Be sure to include your filer identification number.

#### **Note**

Do not file a single T5 information return that contains both original and amended T5 Supplementary 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 obtain an individual’s SIN. Unless you make a reasonable effort to get the SIN, 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 Supplementary slip, leave box 22 blank.

#### **Note**

If you are reporting a payment made in trust to an institution on behalf of 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 first nine digits of the recipient’s Business Number (BN), if available. The BN is a new number that will replace the multiple numbers businesses now need to deal with the government. Businesses must now have and use their BN.

### **Box 23 – Recipient type**

Enter one of the following codes to identify the recipient who earned the investment income:

- “1” for an individual.
- “2” for a joint account (two or more individuals).
- “3” for a corporation.

"4" for an association, a trust (fiduciary-trustee, nominee, or estate), a club, or a partnership.

"5" for a government, government enterprise, or international organization.

## **Distributing the T5 Supplementary slip**

### **Copy 1**

Send copy 1 of each T5 Supplementary 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 appropriate tax centre listed on page 13.

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

### **Copies 2 and 3**

Separate copies 2 and 3 of the T5 Supplementary 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 Supplementary form for laser printers, see the instructions on the back of the form.

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

## **Correcting, amending, or replacing the T5 Supplementary slip**

If you find that a T5 Supplementary slip contains an error, you have to issue an amended slip. Clearly enter the word "AMENDED" at the top of the revised slip and enter "1" in box 21. **Send a covering letter explaining the error to your tax centre with copy 1 of the amended T5 Supplementary slip.** Be sure to include your filer identification number from the T5 Summary you filed with the original T5 Supplementary slip. Send copies 2 and 3 of the amended T5 Supplementary slip to the recipient.

If you issue a T5 Supplementary slip to replace one that was lost by the recipient, **do not send us a copy.** Enter the applicable report code for the slip you are replacing in box 21, and print the word "DUPLICATE" at the top of the replacement T5 Supplementary slip. Give copies 2 and 3 to the beneficiary.

## The T5 Summary and T5 Segment Forms

**B**efore you complete the T5 Summary and Segment forms, read the instructions in the section "Filing on paper," on page 5. If you file your T5 information return on magnetic media, you do not have to submit the paper copy of your summary and 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 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, write to the Employer Services Section of your tax centre. It is important that you make every effort to obtain a filer identification number prior to 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 incorrect?** 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 us the completed T5 Summary along with the related T5 Supplementary slips and T5 Segment forms (if required), before March 1 of the year after the year for which you have to file the T5 information return. See page 13 for the list of tax centre addresses. 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 contains more than 100 sheets of T5 Supplementary slips (300 slips).

You should file one T5 Segment for each bundle of 100 sheets of T5 Supplementary slips (300 slips) you complete. 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.

When you file the T5 Segment, please make sure you place it on top of the correct bundle of T5 Supplementary slips.

## The T5 Guide

If you need more detailed information to complete your T5 information return, get the income tax guide called *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 T5 Guide includes information on the following subjects:

- accrued income – annuities
- accrued interest
- additional T5 Summary forms
- 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 or by nominees or agents
- payments made to non-residents of Canada
- 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 and when not to file a T5 information return

## Tax Centres

Filers served by the tax services office on the left side of the following list should send their information returns to the office on the right.

Bathurst, Charlottetown, Halifax, Moncton, Newfoundland and Labrador, Saint John, and Sydney	St. John's Tax Centre St. John's NF A1B 3Z1
Chicoutimi, Québec, Rimouski, Rouyn-Noranda, Sherbrooke, and Trois-Rivières	Jonquière Tax Centre Jonquière QC G7S 5J1
Laval, Montréal, Montérégie-Rive-Sud, and Outaouais	Shawinigan-Sud Tax Centre Shawinigan-Sud QC G9N 7S6
Ottawa, Toronto Centre, Toronto East, Toronto North, and Toronto West	Ottawa Tax Centre Ottawa ON K1A 1A2
Belleville, Hamilton, Kingston, Kitchener/Waterloo, London, Peterborough, St. Catharines, Sudbury, Thunder Bay, and Windsor	Sudbury Tax Services Office Sudbury ON P3A 5C1
Calgary, Edmonton, Regina, Saskatoon, and Winnipeg	Winnipeg Tax Centre Winnipeg MB R3C 3M2
Burnaby-Fraser, Northern B.C. and Yukon, Southern Interior B.C., Vancouver, and Vancouver Island	Surrey Tax Centre Surrey BC V3T 5E1

## Province Codes

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

## Notes

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## Notes

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Think recycling!



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