



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 at Revenue Canada 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 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 address and telephone numbers are listed under “Revenue Canada” in the Government of Canada section of your telephone book.

What's new?

- We have redesigned the T5 slip, T5 Summary and T5 Segment to accommodate new scanning requirements. As a result, we have revised the instructions in the related areas of this pamphlet, as required.
- Send all T5 information returns to the Ottawa Tax Centre, P.O. Box 9633, Station T, Ottawa ON K1G 6H3.

Amended slips – If you need to send us amended slips after you file your return, send them to your tax centre.

We have set new tax centre boundaries. Check the list of tax centres included at the end of this pamphlet. Your tax centre may have changed since last year.

- To accommodate requirements for the year 2000, we have replaced the two-digit year format on the T5 slip and T5 Summary with a four-digit year format.
- Taxable dividends and deemed dividends paid to a corporation resident in Canada will now be included in Box 10, “Actual amount of dividends.”

Your opinion counts!

We 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

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

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 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 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 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 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 the *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 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 T5 slip, as well as the T5 Summary and T5 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 three 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.
- **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 slip**, 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.
- 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

- 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 which residents of Canada have to report on their income tax 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 laser printers, which all clients can use.

Before you complete your T5 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 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 appropriate year, the recipient's and payer's identification, and financial information on each T5 slip.

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. You can enter the "X" using a medium lead pencil instead of machine-printing or typing. During processing, we will disregard any T5 slip identified as being void.

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 organization, association, 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, organization, association, or institution.

Second line – Enter the second recipient's last and first names 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. You can leave some lines blank. For the province or territory, please use the two-letter abbreviations listed on page 13.

Postal code – Enter the recipient's postal code.

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

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 – 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 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

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 individuals, 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

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 individuals, 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 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, 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 – 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.

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

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 single 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. 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 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 (BN), 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 (fiduciary-trustee, nominee, or estate), a club, or a partnership; or
- “5” for a government, government enterprise, or international organization.

Distributing the T5 slip

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 Tax 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 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.

Correcting, amending, or replacing the T5 slip

If, after sending us your information return, you find that a T5 slip contains an error, you have to issue an amended slip. Clearly enter the word “AMENDED” at the top of the revised T5 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 slip.** See page 14 for the address of your tax centre. Be sure to include your filer identification number from the T5 Summary you filed with the original T5 slip. Send copies 2 and 3 of the amended T5 slip to the recipient.

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

The T5 Summary and T5 Segment forms

Before 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 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 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 the completed T5 Summary along with the related T5 slips (and T5 Segment forms, if required) to the Ottawa Tax Centre, P.O. Box 9633, Station T, Ottawa ON K1G 6H3 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).

You should file one T5 Segment for each bundle of 100 sheets of T5 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 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 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

Province or territory 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		

Addresses of tax centres

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

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

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 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.

Notes

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

Think recycling!



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