

INDIVIDUAL TAX RETURN FOR RESP OVERCONTRIBUTIONS FOR 1996 AND FUTURE YEARS

Each subscriber is liable for his or her share of tax on registered education savings plan (RESP) overcontributions and has to file this return and pay the tax within 90 days of the end of the year in which the overcontributions exist. Use this form to calculate the amount that is subject to the 1%-per-month tax on RESP overcontributions for 1996 and future years. For RESP overcontributions made in 1995 and earlier years, use Form T1E-OVP(93), *Individual Income Tax Return For Registered Education Savings Plans Over-Payments*.

Complete a separate return for each beneficiary for whom you and other subscribers made overcontributions to RESPs. As an RESP subscriber, you are responsible for determining whether other plans exist for the same beneficiary. Please note that when we refer to contributions made by you, we also mean contributions made on your behalf.

Overcontributions to RESPs

An overcontribution exists for an RESP beneficiary when the total contributions made by all subscribers to all RESPs for that beneficiary are more than the annual or lifetime limit. As an RESP subscriber, you are liable for a 1%-per-month tax on your share of the RESP overcontributions at the end of each month for which the overcontributions are not withdrawn. The annual and lifetime contribution limits are:

Periods	Annual limits	Lifetime limits
For 1990 to 1995 *	\$1,500	\$31,500
For 1996	\$2,000	\$42,000
For 1997 and future years	\$4,000	\$42,000

* For years before 1990 there were no limits.

Area 1 – Identification (subscriber completing this return and the beneficiary of the RESPs)

Subscriber's last name	First name and initials	Social insurance number	
Address	Tax year you are filing this return for		

Beneficiary's last name	First name and initials	Social insurance number	
Address			

Area 2 – List of all RESPs and their subscribers for this beneficiary (attach a separate sheet if necessary)

1	Name of the RESP	Contract number	Subscriber's name
	Subscriber's address		Social insurance number
	2	Name of the RESP	Contract number
	Subscriber's address		Social insurance number
	3	Name of the RESP	Contract number
	Subscriber's address		Social insurance number

Note: Payments made to an RESP under a Canadian Education Savings Program or a Provincial Program are not considered to be contributions. Do not include these payments when determining whether or not an overcontribution situation exists.

Withdrawal of overcontributions – You can reduce the amount subject to the 1%-per-month tax by withdrawing amounts from an RESP for the beneficiary. Such a withdrawal does not reduce the total contributions made to the beneficiary's RESPs and still has to be included in the total of the contributions in determining the beneficiary's lifetime limit. Withdraw prior-year overcontributions before current-year overcontributions.

Transferring between RESPs

If the terms of the RESP permit, you can transfer funds directly from one RESP to another. When we determine if there are overcontributions in a beneficiary's RESP for months ending after 1996, we usually treat the contributions that were made to the transferring RESP as if they had been made to the RESP that received the funds on the original contribution date. However, this rule does not apply if:

- a beneficiary under the transferring RESP is a beneficiary under the RESP that received the funds; or
- a beneficiary under the transferring RESP has a brother or sister (under 21 years of age) who is a beneficiary under the RESP that received the funds.

The transfer will not cause an overcontribution for a beneficiary under the RESP that received the funds if one of the above situations applies.

Changing the named beneficiary

When a new beneficiary replaces a former beneficiary for months ending after 1996, we usually treat the contributions made for the former beneficiary as if they had been made for the new beneficiary on the original contribution date, for purposes of the annual and lifetime RESP limit. However, this rule does not apply in the following:

- the new beneficiary is a brother or sister of the former beneficiary and is under 21 years of age; or
- both beneficiaries are connected by blood relationship or adoption to an original subscriber under the RESP, and both are under 21 years of age.

In both these situations, the contributions for the former beneficiary will not be taken into account in determining the annual and lifetime RESP limits for the new beneficiary. Therefore, an RESP overcontribution for the new beneficiary cannot result from the replacement.

For more information on RESPs, get the information sheet RC4092, *Registered Education Savings Plans (RESPs)*, which is available on our Web site at www.cra.gc.ca. You can also get our forms and publications by calling **1-800-959-2221**.

Before completing Areas 3 and 4, complete Parts 1 and 2 (and Part 3 if it applies) on the back of this return.

Area 3 – Calculating the 1%-per-month tax on RESP overcontributions

Your share of the overcontributions subject to tax for the previous year: Enter, if applicable, the total of the amounts indicated on line 3 in Part 3 on the back of this return.	\$	1
Your share of the overcontributions subject to tax for the current year: Enter the total of the amounts indicated on line 14 in Part 3 on the back of this return.	+	2
Total of your share of the overcontributions: Line 1 plus line 2.	=	3
Rate of tax on RESP overcontributions.	x	4
Tax payable on RESPs overcontributions for the year: Line 3 multiplied by line 4.	=	5

Your payment is due within 90 days of the end of the year for which you are filing this return. Arrears interest, at the prescribed rate, will be charged on any unpaid amount not received by the due date. Attach a cheque or money order made payable to the Receiver General. Do not mail cash. We do not charge an amount of \$2 or less.

Amount enclosed \$

Area 4 – Certification

I certify that the information given on this return is, to the best of my knowledge, correct and complete. **It is a serious offence to make a false return.**

Date

Subscriber's signature

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Phone number

Part 1 – Record of all contributions made to RESPs for this beneficiary

Give the information requested for all contributions to RESPs for the beneficiary covered by this return. Also include contributions transferred from another RESP or beneficiary for the beneficiary covered by this return. Do not record excluded contributions described under the heading "Transferring between RESPs" and "Changing the named beneficiary" on the front of this form. Attach a separate sheet if necessary.

Section A – Enter all contributions, including contributions in the year for which you are completing this form, made according to RESPs entered into before February 21, 1990, that require periodic contributions of specified amounts, where at least one payment was made before February 21, 1990.

Date of contributions YYYY/MM/DD	RESP contract number	Subscriber's name	Contributions
Total contributions			\$

Section B – Enter contributions to all RESPs not described in Section A above, made before the year for which you are completing this form.

Date of contributions YYYY/MM/DD	RESP contract number	Subscriber's name	Contributions
Total contributions			\$

Section C – Enter contributions to all RESPs not described in Section A, made during the year for which you are completing this form.

Date of contributions YYYY/MM/DD	RESP contract number	Subscriber's name	Contributions
Total contributions			\$

Part 2 – Contribution limit for the beneficiary for whom you are filing this return

Maximum lifetime limit: \$ 42,000 **1**

Enter the total contributions from Part 1, Section A. If this amount is more than \$42,000, enter \$42,000. \$ **2**

Enter the total contributions from Part 1, Section B. + **3**

Line 2 **plus** line 3. If this amount is more than \$42,000, enter \$42,000. = \$ **4**

Balance of lifetime limit available at beginning of the year: Line 1 **minus** line 4. = \$ **5**

Annual limit: If you are filing this return for 1997 or later years, enter \$4,000 (for 1996, enter \$2,000). \$ **6**

Maximum allowable contributions for the year: Line 5 or line 6, **whichever is less**. \$ **7**

Enter the total contributions from Part 1, Section C. = \$ **8**

Line 7 **minus** line 8. If the result is negative, you have to complete Part 3 to calculate the amount that is subject to tax. If the result is positive, you do not have RESP overcontributions for this year and, if there were no RESP overcontributions for the previous year, you do not have to complete Part 3. = \$ **9**

Part 3 – Calculating the amount that is subject to tax (complete this chart month by month)

Previous-year overcontribution	January	February	March	April	May	June	July	August	September	October	November	December
	1. Overcontribution at the end of December of the preceding year. If you are filing this return for 1996, for January, enter the overcontribution indicated on line 12 of the T1E-OVP for 1995. If you are filing this return for 1997 or a future year, for January, enter the total of the amounts for December from lines 3 and 14 in Part 3 of the previous year's return. For all other months, indicate the amount from line 3 for the preceding month.											
2. Amounts you withdrew during the month up to the amount on line 1.												
3. Amount subject to tax for the month: Line 1 minus line 2. This result cannot be negative.												
Current-year overcontribution												
4. Contributions you made during the month.												
5. Contributions all other subscribers made during the month.												
6. Total of all contributions made during the month: line 4 plus line 5.												
7. Total of all line 6 amounts this year up to the end of this month.												
8. Maximum allowable contributions: For each month, enter the amount from line 7 in Part 2 above.												
9. Overcontribution: Line 7 minus line 8. If positive, continue the calculation. If negative or "0", there is no overcontribution and you do not have to complete the following lines for this month. Go to line 4 for the next month.												
10. Total of all line 4 amounts this year up to the end of this month.												
11. Line 10 divided by line 7.												
12. Your share of the overcontributions: Line 11 multiplied by line 9.												
13. Amounts you withdrew this year up to the end of this month. Do not include the amounts on line 2.												
14. Your share of the overcontributions at the end of the month: Line 12 minus line 13.												