



Canada Revenue
Agency

Agence du revenu
du Canada

T5007 Guide – Return of Benefits

Is this guide for you?

Sections 232 and 233 of the *Income Tax Regulations* require every person who pays an amount for workers' compensation benefits or social assistance to file an information return to report those payments. This is done using the T5007 information return. It consists of a T5007 Summary and all related T5007 slips. You can use these to report income payments of either type.

This guide is designed to help workers' compensation boards and social services agencies determine:

- what types of benefits or assistance to report; and
- when and where to file the T5007 information return.

This guide also explains how to complete the T5007 Summary and the related T5007 slips.

If you have a visual impairment, you can get our publications in braille, large print, etext (CD or diskette), or MP3. For more information, go to www.cra.gc.ca/alternate or call 1-800-959-2221.

Confidentiality of information

Under the *Privacy Act*, the information you provide on the T5007 information return and related forms can be used only for the purposes authorized by law.

Income Tax Act references

In this guide, all legislative references are to the *Income Tax Act* and *Income Tax Regulations*.

Think Recycling!



What's new?

Internet File Transfer

If you use commercial or in-house-developed software to manage your business, you can now file up to 150 MB. For more information, see "Filing over the Internet" on page 7. If your file is more than 150 MB, you can either compress your return or you can divide it so that each submission is no more than 150 MB.

New terminology for Business Number

The new 15-character Account Number that you will use to send us your T5007 information return consists of three parts—the nine-digit Business Number (BN), a two-letter Program Identifier, and a four-digit reference number. When we require the whole 15-character number, we now refer to the Account Number instead of the Business Number.

Filer Identification Number (FIN) change

Starting in January 2010, the Canada Revenue Agency (CRA) will begin processing the T5007, T5, T5008, and T5013 information returns, as well as the RRSP Contribution Receipts and the new Tax Free Savings Account (TFSA) information returns, using the Business Number (BN).

The BN is a numbering system that simplifies and streamlines the way businesses deal with the federal government. It is based on the idea of one business, one number.

By the end of December 2009, Filer Identification Number (FIN) will be converted to BN. A new RZ Program Identifier will be created to file these information returns. If you are required to file one of the above-mentioned returns, you will be required to do so using your BN with RZ Program Identifier.

We will be notifying all businesses of their converted BN with RZ Program Identifier by mail. If you do not receive your notification by the end of December 2009, please call **1-800-959-5525** or write to your local tax centre at the address shown on page 15.

Amendments

If you are filing an amended slip, you must do so using the Account Number you indicated in the original information return. For 2008 and prior years, use the FIN. For amendments to the 2009 and subsequent tax years, use the BN with RZ Program Identifier.

Mandatory electronic filing

Effective January 1, 2010, you must file information returns by Internet File Transfer in eXtensible Markup Language (XML) **if you file more than 50 T5007 information returns (slips)** for a calendar year. Mandatory electronic filing relates to the date of filing, not the tax year of the returns being filed.

Late-filing penalty

Effective January 1, 2010, if you file your T5007 information return late, or do not distribute the related slips to the recipients by the due date, you are liable to a penalty. For more information, see page 8.

Failure to file information returns over the Internet

Effective January 1, 2010, **if you file more than 50 T5007 information returns (slips)** for a calendar year and you do not file the information returns over the Internet, you are liable to a penalty. For more information, see page 8.

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General information

This guide does not deal with every tax situation. For a list of publications that explain certain situations in greater detail see “References” on page 15.

If you are filing your T5007 information return electronically, see “Filing methods” on page 6.

T5007 slip

Use T5007 slips to identify recipients of workers’ compensation benefits and social assistance payments, and to report the amount of benefits and assistance paid to them.

Three individual T5007 slips are printed on each page or sheet. These can be used with laser or ink jet printers or the information can be typed or filled out by hand.

The T5007 slips make it easier for recipients of these benefits or assistance payments to determine the amounts they received during the year. The income shown on the T5007 slip is not taxable, but people who receive it have to include the amounts in their net income. They need this information if they want to claim the guaranteed income supplement and certain tax credits and payments to which they may be entitled. These include the Canada Child Tax Benefit, the goods and services tax/harmonized sales tax credit, some provincial or territorial tax credits and benefits, and some non-refundable tax credits such as the age amount, the spouse or common-law partner amount, and medical expenses.

T5007 Summary

The T5007 Summary is a one-part form you use to total all the amounts you are reporting on the T5007 slips. You do not need to send us a paper copy of the T5007 Summary if you file your information return electronically.

Due date

You have to file your T5007 information return **on or before the last day of February** following the calendar year for which you are preparing it. For example, if you are filing a T5007 information return for 2009, it has to be filed on or before the last day of February, 2010. If this date falls on a Saturday or Sunday, your information return is due on the next business day. Note that several provinces and territories have their own unique holidays. Therefore, due dates may be affected depending on where you reside. For a list of public holidays, go to www.cra.gc.ca/duedates.

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.

You can send recipients an electronic copy of their T5007 slips. The recipient must have consented in writing or by email to receive the slips electronically.

Send the recipients’ copies of the T5007 slips to their last known address or deliver them in person. You have to do this on or before the day you have to file the T5007 information return.

Electronic mailing lists

We can notify you immediately about new information electronic filing for businesses and more. To subscribe, free of charge, go to www.cra.gc.ca/lists.

Who has to file a T5007 information return?

The following agencies or bodies have to file a T5007 information return:

- any provincial, territorial, or municipal agency or similar body that makes social assistance payments based on a means, needs, or income test; and
- any provincial or territorial workers’ compensation board or similar body that pays an amount or determines a claim for compensation under a federal, provincial, or territorial employees’ or workers’ compensation law for injury, disability, or death.

Only these organizations should file T5007 information returns. Employers who continue to pay an employee’s salary before and after a workers’ compensation board claim is decided do not have to file the T5007 information return. For more information, see “Box 10 – Workers’ compensation benefits” on page 9.

Benefits and assistance you have to report

Paragraphs 56(1)(u) and 56(1)(v) of the *Income Tax Act* describe social assistance payments and workers’ compensation benefits that the recipient has to include in income. The following list describes the most common types of workers’ compensation benefits and social assistance payments. Although the list is not complete, it can help you determine what types of payments you should report.

Workers’ compensation benefits

Workers’ compensation benefits include the following types:

Injury

This is compensation paid under a federal, provincial, or territorial employees’ or workers’ compensation law for an injury. These amounts include benefits that are a wage-loss replacement for time lost from employment due to a compensable injury or condition.

Disability

This is compensation paid under a federal, provincial, or territorial employees’ or workers’ compensation law for a disability. These amounts include:

- wage-loss replacement income paid to an injured worker who suffered a partial, total, temporary, or permanent disability as a result of a work-related accident; and
- compensation for future loss of earnings made to an injured worker who suffers from an injury resulting in permanent impairment or temporary disability.

Death

This is compensation paid under a federal, provincial, or territorial employees' or workers' compensation law as a result of death. These amounts include:

- survivor benefits that are periodic payments to a dependent spouse or common-law partner, dependent children, or orphans; and
- wage-loss replacement income periodically paid to a surviving spouse or common-law partner to replace the income that a worker who died in a work-related accident or as a result of an industrial accident would have earned.

Social assistance payments

Social assistance payments are payments made to beneficiaries or third parties based on a means, needs, or income test. They include payments for food, clothing, and shelter requirements to:

- individuals;
- impaired individuals in nursing homes or similar accommodations; and
- elderly individuals (generally 65 years of age or older) whether or not they live in nursing homes or similar accommodations.

These amounts can also include actual rental or mortgage amounts paid for accommodation.

Benefits and assistance you do not have to report

Workers' compensation benefits

Do not report a payment or an award for:

- medical expenses incurred by or for the employee;
- funeral expenses for the employee;
- legal expenses for the employee;
- job training or counselling for the employee that is not paid as part of, or in lieu of, wage replacement benefits; or
- the death of the employee, other than periodic payments made after the death of the employee.

Note

Do not include the interest part of retroactive workers' compensation payments in the benefit amount you report on the T5007 slip. This interest, which accumulates to the date the award is made, is not

included in income. Do not issue a T5007 slip or a T5 slip for these interest payments.

Social assistance payments

Do not report a payment:

- that is made in a year as part of a series of payments totalling \$500 or less in the tax year;
- that is not part of a series of payments;
- for medical expenses (other than amounts paid for shelter in a nursing home) incurred by or for the payee;
- for child-care expenses that include baby-sitting services, day-nursery services, or services provided at a boarding school or camp, if the cost for these services would otherwise qualify for a deduction under section 63 of the *Income Tax Act*;
- for funeral expenses for a person related to the payee;
- for legal expenses incurred by or for the payee or a person related to the payee; or
- for job training or counselling for the payee or a person related to the payee.

Note

Do not prepare a T5007 slip for social assistance payments for amounts (often called **bed reservation fees**) paid to individuals to keep their residences available for use by a foster person.

Filing methods

If you file from **1 to 50** T5007 information slips, we encourage you to file over the Internet in eXtensible Markup Language (XML) format by Internet File Transfer. However, you can file up to 50 T5007 slips on electronic media (DVD, CD, or diskette) or on paper.

Effective January 1, 2010, if you file more than **50 T5007 slips** for a calendar year, you **must** file the T5007 return over the Internet. If you do not, you are liable to a penalty. For more information, see "Failure to file an information return over the Internet" on page 8.

If you use commercial or in-house-developed software to manage your business, you can file up to 150 MB by Internet File Transfer. For example, a service bureau can file multiple T5007 returns in one submission, provided the total submission does not exceed the 150 MB restriction.

Note

If your return is more than 150 MB, you can either compress your return or you can divide it so that each submission is no more than 150 MB.

For more information about filing requirements and on the filing methods available, go to www.cra.gc.ca/iref.

Filing over the Internet

Internet File Transfer

This convenient filing method is for filers who use commercial or in-house-developed software to manage their business. Internet File Transfer allows you to transmit a return with a **maximum file size of 150 MB**. All you need is a Web browser to connect to the Internet, and your software will create, print, and save your electronic T5007 information return in XML format. For information about this filing method, contact your software publisher or go to www.cra.gc.ca/iref.

Note

When using Internet File Transfer (XML), the information is automatically encrypted before it is submitted to the CRA.

Why use Internet filing?

The Internet Filing initiative is part of the Government On-Line (GOL) initiative to deliver more services electronically to increase the efficiency of government while also delivering service and value to taxpayers. It provides you with an easy-to-use, convenient, secure, and confidential option for filing your information return. Some of the benefits to you will be:

- **Immediate confirmation:** You will receive immediate confirmation that we received your return (legal proof for your records). The **submission number** is your confirmation that the CRA has received your information return. The file name, date and time of receipt are indicated in the confirmation of receipt page.
- **Faster processing:** Your information return will be processed more quickly with less chance of errors than with a paper filed return.
- **Reduced paperwork:** Help the environment by reducing paper consumption.
- **Costs savings:** Save on printing and mailing costs.

Internet filing is available from January 11, 2010, to early December 2010.

Web access code

To file your return using Internet File Transfer, you need a Web access code (WAC). If you qualify, you will receive a letter providing you with your WAC. If you do not receive a WAC, call our help desk at **1-877-322-7849**.

Filing on electronic media

For an explanation of the technical specifications and instructions you need to file on electronic media (DVD, CD, or diskette), go to www.cra.gc.ca/electronicmedia.

Do not send a printed copy to us. You can print **one copy** to keep for your file.

Note

In future years, the CRA will be discontinuing the use of electronic media (DVDs, CDs and diskettes).

For more information about this method of filing, go to www.cra.gc.ca/electronicmedia or call **1-800-665-5164**.

If you prefer, you can write to:

Electronic Media Processing Unit
Ottawa Technology Centre
Canada Revenue Agency
875 Heron Road
Ottawa ON K1A 1A2

Note

You may need to correct information you originally filed electronically or on paper. For more information, see "After you file" on page 12.

Filing on paper

If you file 1 to 50 T5007 slips, we encourage you to file over the Internet in eXtensible Markup Language (XML) by Internet File Transfer. However, you can file up to 50 T5007 slips on paper.

If you are filing your T5007 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 T5007 slips and T5007 Summary. You can download them in regular or fillable format at www.cra.gc.ca/forms. You can also order them at www.cra.gc.ca/orderforms or by calling **1-800-959-2221**.
- Do not tape, tear, or stamp any of the T5007 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.
- Enter an "X" in those boxes that need one. Do not use any other mark (for example, "3" or "-").

Report information only in the appropriate box or area provided. If you are not sure where to enter the information, see "Completing the T5007 slip" on page 9 or call us at **1-800-959-5525**.

After you complete your paper return, mail it to:

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

Penalties and use of the social insurance number (SIN)

Late-filing and failure to file the T5007 information return

You have to file the T5007 information return and give the T5007 slips to the recipients **on or before the last day of February** following the calendar year to which the information return applies. If the last day of February is a Saturday or Sunday, your information return is due the next business day.

Effective January 1, 2010, the penalty for failing to file the T5007 information return by the due date or for distributing T5007 slips to recipients late is the greater of \$100 or a penalty determined as follows:

Number of information returns (slips) by type	Penalty (per day)	Maximum penalty
50 or less	\$10	\$1,000
51 – 500	\$15	\$1,500
501 – 2,500	\$25	\$2,500
2,501 – 10,000	\$50	\$5,000
10,001 or more	\$75	\$7,500

Failure to file an information return over the Internet

Effective January 1, 2010, if you file more than 50 T5007 information returns (slips) for a calendar year and you do not file the information returns by Internet File Transfer in eXtensible Markup Language (XML), you are liable to a penalty determined as follows:

Number of information returns (slips) by type	Penalty
51 - 250	\$250
251 - 500	\$500
501 - 2,500	\$1,500
2,501 or more	\$2,500

Note

The Canada Revenue Agency (CRA) is providing a one year transitional period to allow filers time to adapt to these changes. Penalties will be assessed starting in 2011.

For more information on filing electronically, see "Filing methods" on page 6.

Failure to provide information on a return

Anyone who prepares an information return has to make a reasonable effort to get the necessary information, including the social insurance numbers from the individuals that will receive the slips. If you do not do this, you may be liable to a \$100 penalty for each failure to comply with this requirement.

Failure to provide a social insurance number (SIN) on a return

Make sure the social insurance number (SIN) and name you enter on the T5007 slip for each recipient are the same as on his or her SIN card.

If the individual does not give you his or her SIN, you should be able to show that you made a reasonable effort to get it. For example, if you contact a recipient by mail to ask for his or her SIN, record the date of your request and keep a copy of any correspondence that relates to it. If you do not make a reasonable effort to get a SIN, you may be subject to a penalty of \$100 for each failure. If you cannot get a SIN from the recipient, file your information return, without the SIN, no later than the last day of February. If you do not, you may be subject to a penalty.

For more information, see Information Circular IC82-2, *Social Insurance Number Legislation That Relates to the Preparation of Information Slips*, or visit the Service Canada Web site at www.servicecanada.gc.ca.

Interest on penalties

We charge interest, compounded daily at the prescribed rate, on the total amount of penalties and interest outstanding. Interest and penalties are payable to the Receiver General.

Cancelling or waiving penalties and interest

The taxpayer relief provisions of the *Income Tax Act* give us some discretion to cancel or waive all or part of any interest charges and penalties. This allows us to consider extraordinary circumstances that may have prevented you from fulfilling your obligations under the *Income Tax Act*. For details, go to www.cra.gc.ca/fairness or see Information Circular IC07-1, *Taxpayer Relief Provisions*.

Failure to provide a social insurance number

Individuals have to give their social insurance number (SIN) on request to anyone who has to prepare an information slip for them. A person who does not comply with this requirement is liable to a \$100 penalty for each failure.

An individual who does not have a SIN has 15 days from the date of an information request to apply for one at any Service Canada Centre office. Application forms and instructions are available on their Web site at www.servicecanada.gc.ca. After receiving the SIN,

the individual has 15 days to provide it to the person who is preparing an information return.

For more information about SIN reporting requirements, see Information Circular IC82-2, *Social Insurance Number Legislation That Relates to the Preparation of Information Slips*.

Using the social insurance number

If you have to prepare an information return, or if you are an officer, employee, or agent of someone who does, you cannot **knowingly** use or communicate a social insurance number, or allow it to be communicated, without the written consent of the individual, other than as required or authorized by law or for the purpose for which it was provided.

If you use a social insurance number for unauthorized purposes, you may be guilty of an offence. If convicted, you are liable to a maximum fine of \$5,000, or imprisonment of up to 12 months, or both.

Notice of assessment

We will issue a notice of assessment for the T5007 information return only if we apply a penalty.

Completing the T5007 slip

General information

Before you complete the T5007 slips, read the information under “Filing methods” on pages 6 and 7.

Year

Enter the four digits of the calendar year in which the workers’ compensation benefits and/or social assistance payments were paid.

Box 10 – Workers’ compensation benefits

There are three methods of payment:

- **direct payment** to a claimant;
- **full-salaried employee award**, when the workers’ compensation board repays the awarded amount to the employer who has advanced the money to the employee in anticipation of the award; and
- **self-insured employee award**, when the workers’ compensation board determines the eligibility of the claim and the amount of the award, but full responsibility for payment rests with the employer, or with an insurance company.

Direct payment to claimant – Enter in box 10 the total amount (dollars and cents) of workers’ compensation benefits paid to the recipient in the year.

Full-salaried employee award and self-insured employee award – Enter in box 10 the total amount (dollars and cents) of the workers’ compensation award for the calendar year. The total payment must be reported in the year in which it is paid.

Example 1

When the claim and the benefit payments occur in different calendar years – An employee is injured and files a claim in year A. The board accepts the claim and reimburses the employer in year B. In this case, the board has to file a T5007 slip for year B for the full amount of the award.

Example 2

When reimbursements of wage-loss replacement plan benefits are deductible – An employee received \$5,000 as wage-loss replacement plan benefits in year A. This amount is included in income in year A. In year B, the employee receives another \$5,000 in wage-loss replacement plan benefits and workers’ compensation benefits of \$15,000. It is later determined that he is required to reimburse \$8,000 of the wage-loss replacement plan benefits. For year B, he would include both the \$5,000 wage-loss replacement and the \$15,000 workers’ compensation benefits in his income. Assuming these are his only sources of income, his total income would be \$20,000. He is entitled to an \$8,000 deduction representing the reimbursement of the wage-loss replacement plan benefits as other employment expenses (repayment of salary or wages). He can also deduct the \$15,000 of workers’ compensation benefits which he added to his income. After deducting these amounts from net income, he has a non-capital loss of \$3,000. This can be carried back 3 years and forward 20 years and deducted from income from all sources. If it is carried back to the previous tax years, the employee should send to his tax centre a completed Form T1A, *Request for Loss Carryback*, or a signed letter providing the details of the request.

Note

Employees who have registered with the My Account service, can change their return by going to My Account on our Web site. For more information, have them go to www.cra.gc.ca/myaccount.

Example 3

When an insurance company pays the immediate benefits – A worker is injured or sick and files a claim. The insurance company pays \$500 to the worker, and the worker assigns workers’ compensation board rights to the insurance company. The board awards \$400 to the worker and pays that amount to the insurance company. The insurance company issues a T4A slip to the worker for \$100, which is the amount of unrecovered benefit payments to the worker. The board should issue a T5007 slip to the worker for the full \$400 benefit awarded.

Note

Employers who continue to pay an employee’s salary before and after a workers’ compensation board claim is decided have to withhold amounts for income tax, Canada Pension Plan, and Employment Insurance. The employee has to report his or her salary on their individual income tax and benefit returns in the year he or she received it. For more information, see guide RC4120, *Employers’ Guide - Filing the T4 Slip and Summary*.

Interim assistance from a social services agency

Individuals could face financial difficulties while waiting for the workers' compensation board to accept their claims. During this waiting period, they may rely on a social services agency for financial support. In this case, they might be required to assign their rights to income receivable from the workers' compensation board to a social services agency in exchange for interim financial support. The assignment could cover the entire amount of income or part of it.

Assignment of benefits – The amount the workers' compensation board has to report in box 10 is the total workers' compensation benefits paid in the calendar year. In addition, the social services agency has to issue a T5007 slip for the amount of social assistance paid, less the workers' compensation benefits assigned to the agency.

Note

A T5007 slip should never show a negative amount.

Box 11 – Social assistance payments or provincial or territorial supplements

Enter the total amount (dollars and cents) of assistance paid to the recipient in the calendar year.

When there is a legal transfer of certain income amounts –

In some circumstances, individuals can formally assign their rights to receive certain income, or a province or territory can transfer their rights to receive such income (for example, child support and alimony payments). Once an individual transfers his or her rights to support payments to a provincial or territorial authority, the province or territory then has the legal right to collect these payments. In this case, report in box 11 the total social assistance payments paid to the recipient in a calendar year, minus the money recovered through a formal assignment or transfer.

When certain income amounts are assigned to repay assistance – Individuals could face financial difficulties while waiting for certain income amounts (for example, workers' compensation benefits, Employment Insurance benefits, and Canada Pension Plan payments). During these waiting periods, they may rely on a social services agency for financial support. In such situations, they could sign agreements to repay any assistance they receive. In these agreements, they could assign their rights to all or part of any income amounts to the social services agency.

In such a situation, you have to issue a T5007 slip for the amount of social assistance advanced to the individual less any amounts recovered by assignments. The income that is received from the other agencies in repayment for the social assistance advances keeps its identity and those agencies will issue the applicable information slip to the individual for whom the payments were made.

Child support payments paid under an order or agreement made or varied after April 1997 are neither included in the recipient's income nor deductible by the payer.

Box 12 – Social insurance number

Enter the individual's social insurance number (SIN). You **have to** make a reasonable effort to get the SIN from each recipient. If the individual does not have a SIN, he or she has to apply for one.

If you have not received the SIN by the time you prepare the T5007 slip, do not delay completing the T5007 information return beyond the required filing date. Instead, leave this box blank and file the return on time. If an individual gives you his or her SIN after you have sent the T5007 information return to us, the individual does not need to receive an amended T5007 slip with the correct SIN but a copy should be sent to the CRA. For more details, see "After you file" on page 12.

For information about SIN reporting requirements and the related penalties, see "Penalties and use of the social insurance number (SIN)" on page 8. For more information, see Information Circular IC82-2, *Social Insurance Number Legislation that Relates to the Preparation of Information Slips*.

Box 13 – Report code

Enter on each slip one of the following codes to indicate whether the slip is:

- "O" original;
- "A" amended (changing the financial data or identification information); or
- "C" cancelled.

When using code "A" or "C," enter a description at the top of the slip (for example, "AMENDED" or "CANCELLED") and include a written explanation of the reason for filing the slip. For more details, see "After you file" on page 12.

Recipient's name and address

Enter the last name of the individual first, in capital letters, followed by the first name and initials. Enter the recipient's full mailing address.

Payer's name and address

Enter on each T5007 slip the complete name and address of the workers' compensation board, the social services agency, or similar body that paid the benefits or assistance, or determined an award to the recipient.

Distributing the T5007 slips

You can send recipients an electronic copy of their T5007 slips, **on or before the last day of February** following the calendar year to which the information return applies, but they must have consented in writing or by email to receive the slips electronically.

Note

If you file your information return over the Internet or on electronic media, **do not** send us the paper copy of the forms that make up the return.

If you are filing on paper, send us each T5007 slip (three slips printed per sheet), along with the T5007 Summary, **on or before the last day of February** following the calendar

year to which the information return applies. Send these forms to:

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

Send two copies of the T5007 slip to the recipient on or before the last day of February following the calendar year to which the information return applies.

You do not have to keep a copy of the T5007 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 T5007 slips to the recipients and us no later than 30 days after the date the business or activity ended.

Completing the T5007 Summary

General information

Before you complete the T5007 Summary, read the instructions under “Filing methods” on pages 6 and 7.

You can get a blank T5007 Summary by going to www.cra.gc.ca/forms or order one by calling 1-800-959-2221.

If you file your T5007 information return on electronic media

If you file your T5007 information return on electronic media, do not send us a paper copy of the T5007 Summary.

Information return for the year ending December 31

Enter the four digits of the calendar year covered by this information return.

Account Number

As of January 2010, the Filer Identification Number (FIN) will no longer be processable on original T5007 returns.

Enter the 15 characters of your Account Number in this area.

The Account Number consists of three parts—the Business Number (BN), the Program Identifier and the reference number.

- The BN is a nine-digit number that identifies the business. It simplifies and streamlines the way businesses deal with the federal government;
- The two-letter Program Identifier identifies the type of BN account, in this case, “RZ”; and
- The four-digit reference number identifies each account a business may have.

Note

Due to the conversion from FIN to BN, as of January 2010, if you are filing a T5007 information return, you must do so using the BN with RZ Program Identifier (for example, 123456789RZ0001) instead of the FIN (for example, HA1234567). If you have filed your T5007 information return using the FIN between January 2008 and September 2009, the CRA will notify you of your converted Account Number by mail. If you do not receive your notification by the end of December 2009, please call 1-800-959-5525 to find out how to get a BN with RZ Program Identifier for your T5007 information return.

Please note, in order to create or maintain Account Numbers, you must be authorized to do so.

In the case of amendments for 2008 and prior tax years, or if you have been unable to obtain a BN with RZ Program Identifier, enter your FIN (for example, HA1234567).

For more information on the FIN to BN conversion, see the “What’s new?” section at the beginning of this guide.

If this is an additional T5007 Summary

Enter an “X” to show that you are filing an additional T5007 information return.

Name and address of payer

Enter the name and complete address of the workers’ compensation board, social services agency, or similar body filing this information return.

Language

Enter an “X” to show your preferred language for correspondence.

T5007 slip totals

Box 10 – Workers’ compensation benefits

Enter the total amount (dollars and cents) of workers’ compensation benefits paid or awards determined. This amount corresponds to the total of all the amounts reported in box 10 of all the T5007 slips you are submitting with this summary.

Box 11 – Social assistance payments or provincial or territorial supplements

Enter the total amount (dollars and cents) of social assistance payments or provincial or territorial supplements paid. This amount corresponds to the total of all the amounts reported in box 11 of all the T5007 slips you are submitting with this summary.

Box 31 – Total number of T5007 slips attached

Enter the total number of T5007 slips you are submitting with this summary.

Person to contact about this information return

Print the name (in capital letters) and telephone number of the person who will be able to answer any questions we may have about this information return.

Certification

Name of authorized person

Print the name (in capital letters) of the officer who has signing authority.

Signature of authorized person and date

A person with signing authority has to sign and date the information return.

Position or title

Enter the position or title of the officer who has signing authority.

Filing the T5007 Summary

You can file the T5007 Summary by Internet File Transfer or electronic media. For more information, see "Filing methods" on page 6.

If you filed on paper, send the completed T5007 Summary, along with the related T5007 slips to:

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

You must send these on or before the last day of February following the calendar year to which the T5007 information return relates.

When a business or activity ends, you have to send the T5007 Summary and the related slips no later than 30 days after the date the business or activity ended.

You may want to keep a working copy of the T5007 Summary for your records.

After you file

When we receive your information return, we check it to see if you have prepared it correctly. After an initial review, we enter your return into our processing system, which captures the information and performs various validity and balancing checks. If there are any problems, we may contact you.

Amending, cancelling, adding, or replacing slips

For information on the Filer Identification Number (FIN) to Business Number (BN) conversion and how it relates to amended and additional slips, see the "What's new?" section at the beginning of this guide.

Amending slips

After you file your information return, you may notice that you made an error when preparing the T5007 slips. If so, you will have to prepare amended slips to correct the information.

Amending slips electronically

No matter how you originally filed, you can file amended returns (slips) electronically. Amended slips are indicated with report type code "A". For information on amending slips electronically, go to www.cra.gc.ca/iref and select "Amending returns."

Amending paper slips

Clearly identify the new slips as amended slips by writing "AMENDED" at the top. When you amend a slip, make sure you complete all the necessary boxes, including the information that was correct on the original slip. Send two copies of the amended slips to the recipient in the same way you sent the originals.

Send one copy of the amended slips to any tax centre with a letter explaining the reason for the amendment. The addresses of our tax centres are listed on page 15.

Note

Do not file an amended summary when you send in amended slips.

Cancelling slips

Cancelling slips electronically

A cancelled slip is considered to be an amended slip. Cancelled slips are indicated with report type code "C". See "Amending slips electronically" on this page.

Cancelling paper slips

Send us a copy of the original clearly marked "CANCELLED." The addresses of our tax centres are listed on page 15. Do not file a cancelled summary. Send two copies of the cancelled slip to the recipient in the same way you sent the originals.

Note

If you notice errors on the slips **before** you file them with us, you can correct them by preparing new slips and **removing** any incorrect copies from the information return. If you do not prepare a new slip, initial any changes you make on the slip. Ensure you also correct the summary.

Adding slips

After you file your T5007 information return, you may discover that you need to send us additional T5007 slips. If you have original slips that were not filed with your return, file them in a separate original return. If the total number of T5007 slips you file (original plus additional slips) is more than 50 slips for the same calendar year, you have to file the additional slips over the Internet.

Adding slips electronically

We accept additional original T5007 slips in electronic format. Additional slips are indicated with report type code "O". Go to www.cra.gc.ca/iref.

Adding slips on paper

When submitting additional slips on paper, clearly identify the new slips by writing "ADDITIONAL" at the top. Send a copy of the slips to any tax centre. The addresses of our tax centres are listed on page 15. Do not file an additional summary.

Replacing slips

If you issue slips to replace copies that are lost or destroyed, do not send us copies of these slips. Clearly identify them as "DUPLICATE" copies, and keep them with your records.

Recovery of benefit and assistance overpayments

The following guidelines address recoveries of overpayments of benefits or assistance made to an individual by mistake. We do not consider an amount paid in error as assistance or a benefit for the individual receiving it. Therefore, you should not include it in the individual's income for the year he or she received it. If the individual has to repay it in the same or another year, we do not allow a deduction from income for the repayments made (whether made by deduction from the individual's benefits or assistance, or in some other manner). The following guidelines apply if the individual has repaid amounts you have reported on a T5007 slip for a previous year.

Note

A T5007 slip should never show a negative amount.

Workers' compensation benefits

Self-insured employee award

You should issue an amended T5007 slip for the year the overpayment was paid, not the year the workers' compensation board discovered or recovered the overpayment.

Example

A worker receives in year A a total of \$1,000 in wages, consisting of \$600 in benefits and \$400 in salary. A T5007 slip was issued for \$600, as well as a T4 slip reporting the \$400 salary and \$600 (the amount of benefit reimbursed to the employer) in the "Other information" area with a code 77. This allows the employee to claim the other employment expense deduction. In the following year (year B), the board discovers that the worker should have received \$550 in benefits and \$450 in salary for year A. Consequently, year A benefits were overpaid by \$50. You should reflect this change by issuing an amended T5007 slip for year A in the amount of \$550.

To calculate the individual's refundable tax credits and benefits (for example, goods and services tax/harmonized sales tax credit, Canada Child Tax Benefit, and provincial or territorial tax credits or benefits), the individual's **net income** stays at \$1,000. The increase in salary is offset by the \$50 reduction in benefits. However, you have to amend the T5007 slip because there is an increase in the individual's **taxable income**, equivalent to the increase in salary of \$50.

For more information, see guide T4001, *Employers' Guide – Payroll Deductions and Remittances* or call 1-800-959-5525.

Direct payment to claimant

Example 1

Using the previous example in which the individual only received benefits in year A, you should amend the T5007 slip for year A to report \$550 in paid benefits.

Example 2

When an individual is still receiving benefits in year B, and his or her benefits for that year are reduced to recover the overpayment, or if he or she directly repays the overpayment, you should only report the net amount on the T5007 slip for year B. Once year B's benefits have been reduced to nil, you can reduce year A's benefits by any amount of the recovery that is more than year B's benefits. In this case, you should also prepare an amended T5007 slip for year A.

Note

When an identified overpayment has not been recovered, do not amend any T5007 slips.

Social assistance payments

Example 1

In year A, an individual receives \$3,000 in assistance. In the following year (year B), it is discovered that the individual should have received only \$2,500 in total payments. The individual is not receiving assistance in year B, but the agency recovers the overpayment of \$500 in assistance in year B. In this case, you should amend the T5007 slip for year A to report \$2,500 in paid assistance.

Example 2

When an individual is still receiving assistance in year B, and his or her assistance payments for that year are reduced to recover the overpayment, or he or she directly repays the overpayment, you should only report the net amount on the T5007 slip for year B. Once year B's assistance has been reduced to nil, you can reduce year A's assistance by any amount of recovery that is more than year B's assistance. In this case, you should also prepare an amended T5007 slip for year A.

Note

When an identified overpayment has not been recovered, do not amend any T5007 slips.

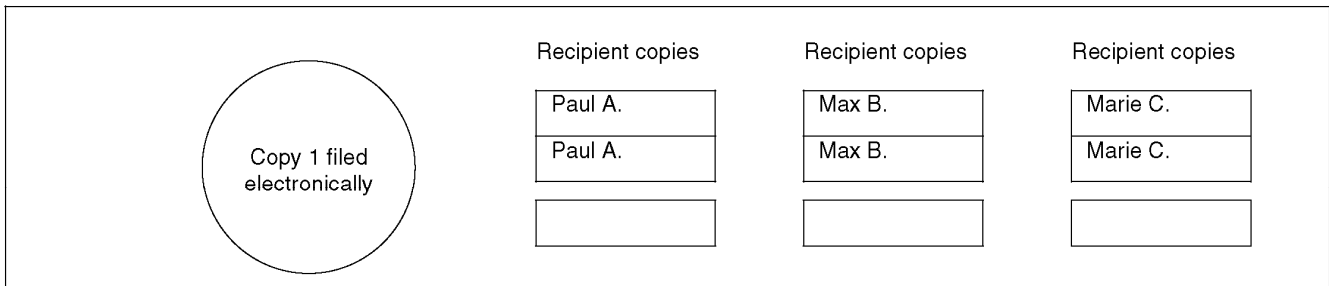
Distributing your copies

How to prepare, distribute and file your T5007 slips with your T5007 Summary

You can use this form whether you file your information return electronically or on paper. For more information on how to complete the T5007 slip and the T5007 Summary, see "Completing the T5007 slip" on page 9 and "Completing the T5007 Summary" on page 11.

When filing electronically: Follow the instructions and technical specifications at www.cra.gc.ca/iref to file your information return to us. Produce two paper copies for the recipient and one copy (optional) for your records.

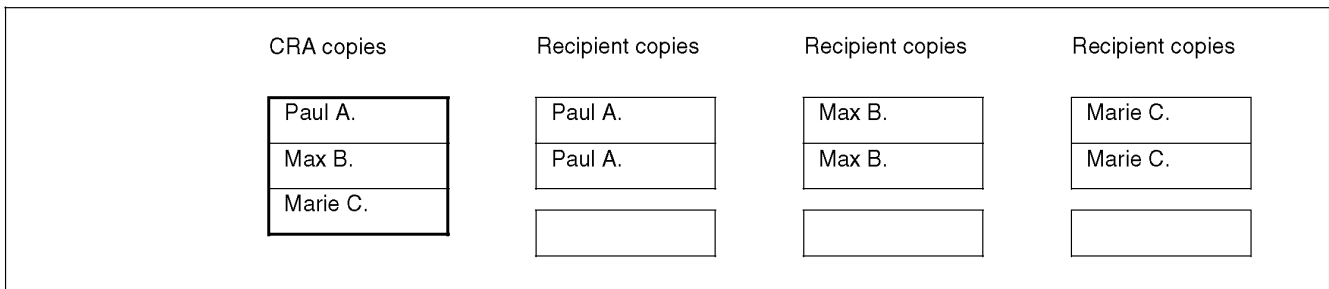
Example



When filing on paper:

- Use one sheet for three different recipients for the copy you are sending to the CRA. Do not separate the slips when you send them with your T5007 Summary.
- Use a separate sheet for the two copies you are giving to the recipient and the copy you are keeping in your records.

Example



References

The following publications relate to topics in this guide and are available at www.cra.gc.ca/forms, or by calling 1-800-959-2221.

Interpretation Bulletins

IT-202 *Employees' or Workers' Compensation*
 IT-428 *Wage Loss Replacement Plans*

Information Circulars

IC07-1 *Taxpayer Relief Provisions*
 IC82-2 *Social Insurance Number Legislation That Relates to the Preparation of Information Slips*

Addresses of tax centres

Filers served by a tax services office on the left side of the following list should communicate with the corresponding office on the right.

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

For more information

If you need more help after reading this guide, go to www.cra.gc.ca or call 1-800-959-5525. To get any forms and publications you may need, go to www.cra.gc.ca/forms or call 1-800-959-2221. For help with using the CRA electronic filing options, call the e-service Helpdesk at 1-877-322-7849.

Our service complaint process

Step 1 – Talk to us

If you are not satisfied with the **service** you have received from us, you have the right to make a formal complaint. Before you make a complaint, we recommend that you try to resolve the matter with the CRA employee you have been dealing with (or call the phone number you have been given).

If you still disagree with the way your concerns are being addressed, ask to discuss the matter with the employee's supervisor.

Step 2 – Contact CRA – Service Complaints

This program is available to individual and business taxpayers and benefit recipients who have dealings with us. It is meant to provide you with an extra level of review if you are not satisfied with the results from the **first step** of our complaint process. In general, service-related complaints refer to the quality and timeliness of the work we performed.

If you choose to bring your complaint to the attention of CRA – Service Complaints, complete Form RC193, *Service-Related Complaint*, which you can get by going to www.cra.gc.ca/complaints or by calling 1-800-959-2221.

Step 3 – Contact the office of the Taxpayers' Ombudsman

If, **after following steps 1 and 2**, you are still not satisfied with the way that the CRA has handled your complaint, you can file a complaint with the Taxpayers' Ombudsman.

For more information on the Taxpayers' Ombudsman and on how to file a complaint, visit their Web site at www.taxpayersrights.gc.ca.

Your opinion counts

If you have any comments or suggestions that could help us improve our publications, we would like to hear from you. Please send your comments to:



Taxpayer Services Directorate
Canada Revenue Agency
750 Heron Road
Ottawa ON K1A 0L5