



## WORKSHEET FOR CALCULATING INSTALMENT PAYMENTS

If you have to make instalment payments, we will mail you Instalment Reminders before your payments are due. However, since your financial situation can change from year to year, you may not have to pay the amounts indicated on your reminders.

Please see the information on the reverse side of this worksheet before proceeding.

SOCIAL INSURANCE NUMBER									
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### Tax payable for instalment purposes

- 1 Line 420 of your income tax return (net federal tax) ..... \$ \_\_\_\_\_ A
- 2 Line 428 of your income tax return (provincial or territorial tax) ..... \$ \_\_\_\_\_ B
- 3 Total tax payable (add amounts A and B) ..... \$ \_\_\_\_\_ C
- 4 Line 437 of your income tax return (total income tax deducted) \* ..... \$ \_\_\_\_\_
- 5 Line 440 of your income tax return (refundable Quebec abatement) ..... \$ \_\_\_\_\_
- 6 Line 456 of your income tax return (Part XII.2 trust tax credit) ..... \$ \_\_\_\_\_
- 7 Line 478 of your income tax return (forward-averaging tax credit) ..... \$ \_\_\_\_\_
- 8 Line 479 of your income tax return (provincial or territorial tax credits) ..... \$ \_\_\_\_\_
- 9 The total of lines 4, 5, 6, 7, and 8 ..... \$ \_\_\_\_\_ ▶ \$ \_\_\_\_\_ D
- 10 Tax payable for instalment purposes (amount C minus amount D) ..... \$ \_\_\_\_\_ E

\* If you are a resident of Quebec, use line 439 of your federal income tax return.

### Canada Pension Plan contributions payable for instalment purposes

If you reported self-employment income on lines 135 to 143 of page 1 of your federal income tax return, complete this section.

- 11 The total of lines 101, 135, 137, 139, 141, and 143 of your income tax return. .... \$ \_\_\_\_\_
- 12 Subtract: Basic Canada Pension Plan exemption of \$3,400 \*\* ..... \$ \_\_\_\_\_
- 13 Subtotal (if greater than \$31,000, enter \$31,000) \*\* ..... \$ \_\_\_\_\_
- 14 5.2% \*\* of line 13 ..... \$ \_\_\_\_\_ F
- 15 Line 308 of your income tax return ..... \$ \_\_\_\_\_
- 2 x line 15 ..... \$ \_\_\_\_\_ G
- 16 CPP contributions payable for instalment purposes (amount F minus amount G) ..... \$ \_\_\_\_\_ H

\*\* If you are using your estimated 1995 income, use:

- \$3,400 at line 12
- \$31,500 at line 13; and 5.4% at line 14.

### Total amount payable for instalment purposes

- 17 Add amounts E and H ..... \$ \_\_\_\_\_ I

#### Instalment Amount Due:

If you have to remit instalment payments every three months, divide amount I by 4. .... \$ \_\_\_\_\_ J

If your main source of income is from farming or fishing, calculate two-thirds of amount I. Remit this amount in one instalment payment on December 31. .... \$ \_\_\_\_\_ K

**Note:** If amount J or amount K is greater than the amount your Instalment Reminder indicates, and you pay only the amount on each Instalment Reminder, by the due date, we will not charge you instalment interest or penalties.

# Instructions

## Do you have to make instalment payments?

You have to make instalment payments for 1995 if in 1995 and **either** 1994 or 1993:

- you lived **outside** Quebec and the total of your federal and provincial taxes payable exceeds the sum of your tax deducted at source and refundable tax credits by more than \$2,000; or
- you lived **in** Quebec and your federal tax payable exceeds the sum of your federal tax deducted at source, refundable Quebec abatement, and refundable tax credits by more than \$1,200.

Note: If you moved to or from Quebec in 1995, 1994, or 1993, please use the calculation that applies to the province you lived in on December 31 of those years.

## Instalment Reminders

If you have to pay your income tax by instalments, we will mail you Instalment Reminders which tell you how much you can pay under the **no calculation** option. We mail Instalment Reminders for the March 15 and June 15 instalment payments in February, and for the September 15 and December 15 payments in August. If your main source of income is from farming or fishing, you should receive your Instalment Reminder at the end of November.

If you are a farmer or fisherman, we calculate the amount of your instalment payment based on your 1994 taxes and CPP contributions payable. Otherwise, we calculate the amount due on your March and June 1995 Instalment Reminders based on your 1993 taxes and CPP contributions payable. For your September and December 1995 reminders, we adjust the amounts due so that the four payments for the year equal the amount of your 1994 taxes and CPP contributions payable.

If you do not receive Instalment Reminders and you believe you should be paying by instalment, contact your taxation office for more information.

## Can you use this worksheet?

If your net income for 1994, or your expected net income for 1995, is less than the net income of the taxation year we used to calculate your instalment payments, you can choose to pay lower amounts. If this is the case, use this worksheet to determine the instalment amount(s) that you should pay.

In most cases, whether you decide to pay the amount shown on each reminder or the amount you calculated based on your 1994 taxes and CPP contributions payable, you will pay the same amount by the end of the year.

## How do you use this worksheet?

If you want to calculate your instalment payments using your income for the 1994 tax year, complete your 1994 income tax return and copy the information onto the corresponding lines on this worksheet. To use your estimated income for the 1995 tax year, complete a 1994 income tax return using your 1995 figures. Copy that information onto the corresponding lines on this worksheet.

If you are estimating your 1995 taxes and CPP contributions payable using a 1994 return, use the following amounts:

* Maximum CPP contributions (line 308) .....	\$ 850.50
* Maximum UI contributions (line 312) .....	\$ 1,271.40
* Base amount for UI repayment (line 235) .....	\$63,570.00
* Base amount for OAS repayment (line 235) .....	\$53,215.00

Please note that you do not have to use this worksheet. If your income increases or remains about the same from year to year, you should pay the amounts shown on all your Instalment Reminders by the due dates. This ensures that you will not have to pay instalment interest, even if the payments are less than the total amount of tax you may owe at the end of the year.

However, if you complete this worksheet and the instalment amount due on line J or K is less than the amount indicated on your Instalment Reminder, you can pay the lesser amount **without contacting us**. Regardless of the amount you pay, your Instalment Reminders will continue to show the amounts we calculated as explained above.

Note: The line references on this worksheet are from the T1 General income tax return.