



Statement of Qualifying Retroactive Lump-Sum Payment

To the payer:

Fill out this form if you paid a qualifying retroactive lump-sum payment (QRLSP) to an individual (other than a trust) in 1995 or later years. Enter the amount of the QRLSP and its breakdown in the appropriate boxes below. Give the completed and signed form to the recipient of the QRLSP. If you paid more than one QRLSP to an individual, fill out one form for each QRLSP paid. See the back of this form for details.

Note: The QRLSP income indicated on this form has to be reported on the recipient's information slip (such as a T4, T4A, T4E).

To the recipient:

We will not reassess your returns for prior years to include this income. However, you can ask us to tax the parts for the prior years as if you received them in those years. You have to include the whole payment on the appropriate line of your return for the year. See the back of this form for details.

Name of recipient	Social insurance number	Year of payment
Description of QRLSP and reasons for payment		
Total amount (principal and interest) 68518	Total principal (current and prior years) 68519	Total interest (current and prior years)
		Total principal (prior years only)

Breakdown of principal (box 68519)

In the boxes below, enter the amount of principal that relates to each applicable year. **Do not include the interest amount.**

40th prior year 68520	30th prior year 68530	20th prior year 68540	10th prior year 68550
39th prior year 68521	29th prior year 68531	19th prior year 68541	9th prior year 68551
38th prior year 68522	28th prior year 68532	18th prior year 68542	8th prior year 68552
37th prior year 68523	27th prior year 68533	17th prior year 68543	7th prior year 68553
36th prior year 68524	26th prior year 68534	16th prior year 68544	6th prior year 68554
35th prior year 68525	25th prior year 68535	15th prior year 68545	5th prior year 68555
34th prior year 68526	24th prior year 68536	14th prior year 68546	4th prior year 68556
33rd prior year 68527	23rd prior year 68537	13th prior year 68547	3rd prior year 68557
32nd prior year 68528	22nd prior year 68538	12th prior year 68548	2nd prior year 68558
31st prior year 68529	21st prior year 68539	11th prior year 68549	1st prior year 68559
			Current year 68560

Certification

I, _____, certify that the information given on this form and in any attached documents is correct and complete.

First and last name (please print)

Signature of payer

Position or office

Date

See the privacy notice on your return.

Statement of Qualifying Retroactive Lump-Sum Payment Information for payers and recipients

What is a qualifying retroactive lump-sum payment (QRLSP)?

A QRLSP is a lump-sum payment paid to an individual (other than a trust) in a year that relates to one or more **prior** eligible taxation years throughout which the individual was a resident of Canada. To be a **qualifying amount**, the payment must have been paid after 1994 from one of the following sources:

- income from an office or employment received under:
 - an order or judgment from a court or other competent tribunal
 - an arbitration award
 - a lawsuit settlement agreement (including damages for loss of office or employment)
- benefits from unemployment insurance or employment insurance
- benefits from a superannuation or pension plan (other than non-periodic benefits such as lump-sum withdrawals)
- spousal, common-law partner, or taxable child support payments
- benefits from a wage-loss replacement plan
- Canadian Forces members' and veterans' income replacement benefits

Note: a year in which an individual became bankrupt is not an eligible taxation year.

Amounts not qualifying

An amount received under any part of a retroactive lump-sum payment that is eligible for any of the following deductions, is **not** a qualifying amount:

- legal expenses
- salary reimbursements
- reimbursement of top-up disability payments
- repayment of pension or benefits
- deduction of social assistance payments, workers' compensation benefits

An amount under normal collective bargaining, such as negotiated back pay, is not a qualifying amount (although an amount from an arbitration award **does** qualify).

Why provide the breakdown of a QRLSP?

Generally, a lump-sum payment is included in income in the year the recipient receives it. This may result in a greater tax liability than if the payment had been received in the year or years to which it related.

A special tax calculation is available to individuals who receive QRLSPs that relate to any year after 1977. The calculation applies if the total of all principal amounts that relate to prior years (after 1977) from all QRLSPs is \$3,000 or more.

If you are the **payer** of a QRLSP, fill out this form to help us determine if the special tax calculation is beneficial to the recipient.

If you are the **recipient** of a QRLSP and if the amount shown for your "Total principal (prior years only)" is \$3,000 or more, attach Form T1198, Statement of Qualifying Retroactive Lump-Sum Payment, to your return for the year of payment to ask for a special tax calculation. If you have more than one QRLSP form, add the amounts shown for the "Total principal (prior years only)" on all your forms. If the result is \$3,000 or more, attach to your return the QRLSP forms that payers have given you.

If you are reporting a QRLSP, you cannot file your return electronically and must file a paper return.