



Canada Revenue Agency  
Agence du revenu  
du Canada

# Teaching Taxes

## Teacher's Manual 2010

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# Definitions

**Canada Child Tax Benefit (CCTB)** – a tax-free monthly payment that eligible families get to help them with the cost of raising children under age 18. The amount of the benefit varies depending on the number of children, their ages, and the family net income.

**Canada Pension Plan (CPP)** – a pension plan that will provide you with some income when you retire.

**Child care expenses** – the money you or another person pays for someone to look after an eligible child, so that you or the other person could earn employment income, carry on a business, attend school, or conduct research.

**EFILE** – a way to file your income tax and benefit return using an EFILE service provider.

**Employment Insurance (EI) premiums** – a deduction from your salary or wages. If you become unemployed, you might be entitled to EI benefits. Self-employed people may be able to enter into an agreement with the Canada Employment Insurance Commission through Service Canada to participate in the new Employment Insurance (EI) measure for self-employed people.

**Goods and services tax/harmonized sales tax (GST/HST) credit** – a tax-free quarterly payment that helps individuals and families with low and modest incomes offset all or part of the GST or HST that they pay.

**Income tax and benefit returns** – the form you complete every year to report your income and/or to apply for benefits. The five most common returns are the following:

- **T1 General** – this is the most detailed of all the returns and it covers all tax situations. It is the only income tax and benefit return available by going to [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms).
- **T1 Special** – this is a less detailed version of the T1 General return and is designed for individuals not businesses.
- **T1S-A** – this return is for retired seniors with straightforward tax situations whose taxable income is \$50,000 or less. It includes the most common types of retirement income and credits.
- **T1S-C** – this return is for individuals who have certain types of income for which no taxes are being withheld and no taxes are payable. They use this return to apply for the GST/HST credit and to give the CRA the information needed to calculate any CCTB (and related provincial or territorial child benefits and credits) payments they may be entitled to receive.
- **T1S-D** – this credit and benefit return is for Aboriginals who are registered, or who could be registered, under the *Indian Act*.

**Income tax deductions** – deductions that employers take from your salary or wages and then send to the CRA.

**Information slips** – forms that employers, trusts, and businesses use to tell both the CRA and taxpayers how much income the taxpayer earned and how much tax was deducted. These include forms T3, T4, and T5.

**Instalment payments** – Most taxpayers have their taxes routinely deducted from their pay cheques. Other taxpayers have income that hasn't had either any or enough tax withheld. If they paid the taxes they owe only once a year, their tax bills could be very large, so they may have to pay their taxes by instalments or smaller amounts several times during the year.

**NETFILE** – a method of filing a return over the Internet using commercially available software. For more information, visit our Web site at [www.netfile.gc.ca](http://www.netfile.gc.ca).

**Net income** – your **total income** is the total of all the money you acquire during the year. After you deduct the allowable deductions from your total income, the remaining amount is your **net income**.

**Non-refundable tax credits** – these credits reduce the amount of income tax you owe. However, if the total of these credits is more than the tax you owe, you will not get a refund for the difference. This is why they are called “non-refundable.”

**Notice of Assessment** – a notice that the CRA sends to taxpayers after it processes their return. The notice tells taxpayers if the CRA made any corrections to their return and what the changes were. It also tells taxpayers if they owe more tax, the amount of their refund, and their contribution limit for their registered retirement savings plan contribution for the following year.

**Penalties** – amounts that the courts or the CRA may tell a taxpayer to pay if the taxpayer does not file an income tax and benefit return on time or tries to evade paying tax by not filing a return. Individuals who make false statements on a return, who deliberately leave information off a return, or who refuse to use the correct form may also pay a penalty. Penalties may increase for repeat offenses.

**Quebec Pension Plan (QPP)** – a pension plan maintained by the Province of Quebec, which is equivalent to the CPP.

**Refund** – the amount returned to a taxpayer if he or she paid more tax than he or she owed.

**Refundable tax credits** – these credits reduce the amount of income tax you owe. If the total of these credits is more than the amount you owe, you may be entitled to a refund of the difference.

**Registered savings plans** – there are many types of education and retirement savings plans. The CRA recognizes some as registered plans, which means they follow the conditions outlined in the *Income Tax Act*, and so they can result in tax savings.

- **Registered education savings plan (RESP)** – contributors to these plans contribute money to build a fund for post-secondary education of a child. The contributors cannot deduct the contributions from their taxes, but they do not have to declare the income the plan earns. The child will have to include the money he or she gets from the plan.
- **Registered retirement savings plan (RRSP)** – contributors to these plans make contributions to build a fund for their retirement. They do not pay taxes on their contributions or the income the plan earns until they begin to receive income from the plan.

**Self-assessment** – the foundation of the tax system, whereby taxpayers are required to report their income and calculate their income tax payable without the government having to formally request that they do so.

**Tax credits** – an amount that the Government allows you to deduct from your taxes owing if you qualify. For example, some students can claim the tuition tax credit.

**Taxable income** – the amount of income remaining after the allowable deductions have been subtracted from net income.

**Tax year** – for individuals it is the calendar year. For a company, the tax year can start on any date.

**Taxpayer** – an individual or business that is required to pay tax.

**TELEFILE** – a way of filing a return using a touch-tone telephone.

**Universal Child Care Benefit (UCCB)** – a taxable benefit offering direct financial support for child care.

# Introduction

## What is Teaching Taxes?

Teaching Taxes introduces participants to Canada's tax system and teaches them the practical skill of preparing an income tax and benefit return. The Canada Revenue Agency (CRA) has been offering this program to educators for four decades and it is updated every year.

## Why teach taxes now?

A basic knowledge and understanding of Canada's tax system will allow students to:

- Better understand why they pay taxes;
- Correctly complete their own income tax and benefit return and help their friends and family do the same;
- Receive all of the credits and benefits they are entitled to, both federal and provincial/territorial;
- Better understand their rights and responsibilities as a taxpayer;
- Make good financial choices throughout their lives; and
- Understand the negative effect of the underground economy on government programs and services.

The participants can also put their new knowledge to work in their community by joining the **Community Volunteer Income Tax Program**. This is an excellent way for them to volunteer. There is more information on this program on page 31 of the Student Workbook.

## What are the components of Teaching Taxes?

Teaching Taxes consists of a *Teacher's Manual* and a *Student Workbook*.

This *Teacher's Manual* contains four sections:

- Section 1 provides students with a summary of the history of taxes in the world.
- Section 2 gives students an overview of Canada's tax system including some history and a review of the Taxpayer Bill of Rights.
- Section 3 introduces students to some of the documents and forms that will help them meet their tax obligations when they start working, such as Form TD1, *Personal Tax Credits Return*, Statement of Earnings (pay stub), and the T4, *Statement of Remuneration Paid* information slip.
- Section 4 introduces students to the *Income Tax and Benefit Return* and the T1 General – *Income Tax and Benefit Guide – 2010*. Included in this section are some tax scenarios that will reinforce their understanding of completing a tax return. Solutions to these tax scenarios are available at the end of this manual.

The *Student Workbook* contains the same four sections, but it also contains:

- Definitions;
- A description of the main returns;
- Examples of guides and forms; and
- Exercises.

## Forms and Publications

The guides, brochures, and forms mentioned in the *General Income Tax and Benefits Guide* can be obtained by going to [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms), or by calling us at **1-800-959-2221**. You can also visit the **Learning about Taxes** Web site for more information.

# Section 1 – History of Taxes in the world

## Learning Outcome

Students will demonstrate an understanding of the history of taxes in the world.

This section will introduce students to:

- the world of taxes;
- how paying taxes first came into existence;
- how it has evolved through the early years of civilization to the present day;
- some terminology that has been associated with taxation over the years; and
- some of the products that were first subject to taxation.

## History of taxes in the world

**What is Tax?** Tax is a compulsory contribution levied on persons, property, or businesses for the support of government for economic and social operations. In other words, it is money paid to a government to fund its programs and services.

**Origin:** The French and Latin of the 13th century were credited with the first use of a word similar to Tax. The French had **Taxer** and the Latin used **Taxare** to describe the following acts: to estimate, to assess, or to touch repeatedly.

Tax, as we know it today, existed in various forms in different societies throughout civilization. Kings, queens, chiefs, rulers, and people in authority were responsible for imposing and collecting taxes from the people they ruled. What was taxed, when it was taxed, and how much tax was imposed varied from society to society. Here are some examples of what was considered taxable in some societies:

- **Egypt:** In ancient Egypt, the Pharaohs imposed taxes on cooking oil and they appointed tax collectors who were known as **Scribes** to oversee the collection of these taxes.
- **Greece:** The Athenians of Greece charged a tax referred to as **Eisphora** on its people during times of war. Every Athenian was required to pay this tax, which was used to pay for spears, arrows, crossbows, shields, and armour that the soldiers required for war. This tax was considered an emergency tax and was cancelled once the war was over. Also, if they returned victorious from the war with riches acquired from their defeated foes, the taxes collected were refunded to the citizens. They were also noted for charging a tax on all residents who did not have both an Athenian mother and father. The tax was referred to as **Metoikion**.
- **Great Britain:** In the 11th century, an Anglo-Saxon woman named **Lady Godiva** agreed to ride naked on a horse through the streets of Coventry, if her husband Leofric, Earl of Mercia, promised to reduce the high taxes he was charging the poor peasants. Some historians think this story may be a legend.

In 1800, the British gave birth to what later became the modern day income tax system. The tax was imposed to pay for the war with Napoleon. Sixteen years later, opponents of the tax law forced it to be abolished and demanded the destruction of all documents that made reference to the law. However, a copy of the tax law was saved in the basement of the British tax court.

## Activity 1 – History of taxes in the world

### Option 1 – Research exercise

Give the students the list of words and terminology below and tell them to research these words and write a paragraph about each one to share with the class. They can work in pairs if they want. Internet access is needed for this exercise.

Tax	Scutage
Lady Godiva	Eisphora
Tax farming	Metoikion

#### Teacher Tip

Encourage the students to find more detailed information than is found in the preceding section on the history of taxes in the world.

### Option 2 – Brainstorming activity

Ask students the following questions and have them explain their answers:

- What is tax?
- When do you think taxes first came into existence?
- Why were taxes introduced?

Ask students to describe their first experience with taxes. Anticipated responses may include their parents talking about taxes to them or completing an income tax and benefit return, difference in price and amount paid at check-out, and their first job.

To conclude this section you may want to review the Tax Trivia for some forms of taxation from around the world.

## Tax Trivia

**Royal tax** – Did you know that, during feudal times, a vassal (tenant) paid a type of tax called Aids to his Lord? In England, the Aids were paid only when the Lord's eldest son was knighted or his eldest daughter was getting married. In France, Aids continued as a tax for the royal family until the French Revolution in 1789.

**Danegeld/Carucate** – Did you know that the English imposed a land tax known as Danegeld during the medieval era to raise funds to pay for their military expenditures? The tax rate at that time was two shillings for every hide of land, which was about 100 to 120 acres. If the land was ploughed for farming, another tax called Carucate was collected.

**Scutage** – Did you know that during the feudalist era, English men who did not want to join the army or go to the war had to pay a tax known as Scutage?

**Tax farming** – This was an ancient principle of granting the authority for tax collection to private citizens or groups. Tax farming was common in Egypt, Rome, Great Britain, and Greece. Prospective tax farmers bid at auction for the contract rights to collect a particular tax and were held responsible for any loss. Tax farmers were very abusive towards the people they collected the taxes from. The Scribes of Rome were tax farmers.

**Tax on hats** – Would you believe that during the 18th century, owning a hat was an expensive choice to make in England due to a tax imposed on hats? The tax was imposed to protect the beaver fur industry that was developing in the North American plantations. The duty was collected by means of a stamped ticket fixed to the lining of the hat. Shops were required to specify the price of the hat and taxes paid on the purchaser's receipt. It was a happy moment for all hat wearers when the tax was repealed in 1811.



**Tax on TVs** – Next time you turn on your TV, you may want to think about this. In England and 35 other countries around the world, a special tax is charged for owning a TV set. In England you need a TV licence to use any television receiving equipment, such as a TV set, set-top boxes, video or DVD recorders, computers, or mobile phones that enable you to watch or record TV programs as they are being shown on TV. A colour TV licence costs about £145.50 (about CAN \$ 240) and a black and white licence costs £49 (about CAN \$ 80). The licence has to be renewed every year. There is a 50% discount for the blind and the visually impaired, while seniors over 75 years get a free licence.

**Blueberry tax** – In Maine in the US, if you grow, eat, or alter blueberries, you have to pay a tax of three-quarters of a cent per pound.

## Section 2 – Canada’s Tax System and the Taxpayer Bill of Rights

### Learning outcome

Students will demonstrate an understanding of Canada’s tax system and the Taxpayer Bill of Rights.

This section includes several activities for students. The student’s knowledge of their rights and responsibilities as current or future taxpayers will be enhanced by their understanding of the Taxpayer Bill of Rights.

### History of Taxes in Canada

#### Before Confederation

The colonial governments collected taxes and sent them to the two mother countries, England and France. The colonial governments usually collected revenue by charging customs duties. In 1650, Louis XIV of France imposed the first recorded tax in Canadian history. It was an export tax of 50% on beaver pelts and 10% on moose hides leaving his colonies.

1867 – *The British North America Act* was passed, allowing the Canadian government to raise money by taxation. In the next 50 years, the federal government used only **indirect taxes** such as customs duties and excise taxes to raise the money it needed. **Direct taxation** was left to the only four provinces: Ontario, Quebec, Nova Scotia, and New Brunswick.

The Fathers of Confederation divided the governmental responsibilities of this new country between the federal and provincial governments. The most expensive areas of responsibility – building railways, roads, bridges, and harbours went to the federal government. The provincial governments were responsible for education, health, and welfare.

#### After Confederation

- **World War 1** – On August 4, 1914 Britain declared war on Germany and as a British colony, Canada joined in the Great War at Britain’s side. The pressures of financing World War 1 soon brought major changes to the Canadian tax system.
- **1916** – The federal government used a new method of direct taxation by starting a corporation tax known as the business profit war tax. It affected corporations only if their profits were more than a certain percentage of their invested capital. Although this was not income tax, as we know it today, it was a milestone in the history of Canadian taxation.
- **1917** – The federal government, led by Sir Robert L. Borden, introduced the *Income War Tax Act*. “I have placed no time limit upon this measure . . . a year or two after the war is over, the measure should be definitely reviewed.” Sir Thomas White, Minister of Finance re: *The Income War Tax Act*, 1917.

In July 1917, the federal government imposed a general tax on corporate and personal income that was collected by the Department of Finance.

- **1927** – The Department of National Revenue was created.
- **1952** – For the first time, the Department of National Revenue became involved in an area other than income tax when it began to collect Old Age Security tax on personal and corporate income. The Department assessed this tax under the *Old Age Security Act*.

At this time, the department processed tax returns by hand. Gradually, computers came onto the scene, and programs were developed to process the returns.

- **January 1, 1991** – The federal government replaced the federal sales tax with the goods and services tax (GST).
- **May 2007** – The Government of Canada introduced the Taxpayer Bill of Rights, which outlines what a taxpayer can expect from the CRA.

## Activity 2.1 – History of taxes in Canada

Ask students these questions:

- When do you think taxes were first introduced in Canada and why?
- What were some of the first items to be taxed in Canada?

## Identification and Characteristics of a good Tax System

### Identifying taxes

Taxes are either direct or indirect, which can then be proportional, flat, progressive or regressive.

- 1) **Direct taxes** are taxes that are levied against the taxpayer who is responsible for paying the tax directly to the government. They include personal income tax, property tax, corporate tax, and estate tax.
  - Proportional or flat taxes are taxes that are applied at a constant rate against a taxpayer's income regardless of income level and type. They include corporate income tax.
  - With progressive taxes such as personal income tax, individuals pay a larger percentage of tax as their income increases.
- 2) **Indirect taxes** are taxes that are levied against the taxpayer but collected by a third-party (such as a retail store) who is responsible for paying the tax to the government. They include sales tax, goods and services tax, fuel tax, and cigarette tax.

With regressive taxes, individuals pay a decreasing percentage of their income in tax as their income increases. A sales tax is considered to be a regressive tax, since high income earners pay a smaller part of their income in tax than middle income earners when they buy a product.

### Characteristics of a good tax system

A tax system is defined by six characteristics:

- who pays the tax;
- the tax base;
- the rates to be applied to the base;
- general exemptions;
- general deductions; and
- other measures (e.g., how tax is to be paid).

These characteristics determine how much revenue is produced, how fair the tax system is, and its ability to produce economic growth.

A good tax system needs to be structured so that all people at a certain economic level get the same tax treatment, no matter how they earn their income. The system must be arranged so that people at a higher economic level pay a larger share of taxes than those at a lower level.

Also, a tax system needs to benefit all and it should also be flexible, so the Government of Canada can use it to achieve specific social and economic objectives. Finally, the process for administering the tax system has to be practical, efficient and fair.

The federal government follows these guidelines when it applies new tax legislation:

- **Fairness** – the tax system needs to ensure that all taxpayers share the tax burden equally. People with similar financial circumstances should receive the same tax treatment. In other words, all high-income earners, whether they are individuals or corporations, should pay their fair share of tax. Also, similar products should be subject to the same rate of sales tax.
- **Stability** – the federal government needs a stable and dependable source of tax revenue so it can manage the country's economy.
- **Canadian priorities** – the tax system helps meet the national/provincial/territorial and economic needs that are priorities for most Canadians.
- **Consultation** – the federal government is committed to consulting Canadians before making final legislative proposals for tax amendments.

## Canada's Tax System

Canada's tax system has evolved over many years to accommodate the needs of an increasingly complex society. However, the guiding principle has always been the same: our elected Parliament must have ultimate control over tax legislation.

The federal Minister of Finance proposes changes in the Government of Canada's tax policy by tabling budgets in Parliament. The reasons behind such changes in tax law are explained in budget documents issued by the Department of Finance Canada. After Parliament debates and approves the proposed legislation, it becomes law.

The Department of Finance initiates tax policy, Parliament passes laws, and the CRA administers these laws. The CRA is responsible for administering Canadian tax laws and supporting Canada's social and economic progress. It does this by overseeing various tax credit and benefit programs and collecting federal, provincial (except in Quebec), and territorial income taxes.

The CRA also collects GST/HST (except for Quebec, Revenu Québec administers the GST/HST), Canada Pension Plan contributions (Quebec administers the QPP), and Employment Insurance premiums. Finally, the CRA administers Canada's international tax agreements with other countries.

## Self-assessment system

Canada bases its system of tax collection on the principle of self-assessment. It is considered the most economical and efficient way to collect income tax.

Canadian residents and non-residents with Canadian income are responsible for making sure they have paid their taxes according to the *Income Tax Act*. Income and deductions are listed on the income tax and benefit return so both the taxpayer and the CRA can calculate the taxes the taxpayer has to pay. In this way, taxpayers can check to make sure they are receiving fair and equal treatment under the *Income Tax Act*. At the same time, the CRA can properly administer the tax laws.

The fairness and efficiency of the federal income tax system depends on both the CRA and taxpayers:

- the CRA is responsible for interpreting and applying the law in a uniform and impartial way; and
- taxpayers are responsible for making an honest self-assessment of their tax payable each year.

## Taxpayer responsibilities

Taxpayers are responsible for:

- filing an income tax and benefit return by the deadline;
- paying the correct amount of tax;
- giving the CRA the necessary information to assess their return;
- giving the CRA up-to-date information in order to receive accurate benefits and to avoid unnecessary delays in sending the benefits; and
- getting help when necessary.

## Why pay taxes?

Many of the benefits we enjoy, and even take for granted, are made possible through taxes. Canada's tax system pays for roads, public utilities, education, health care, economic development, cultural activities, defence, and law enforcement, to name a few examples.

Tax revenue is used to deliver benefits to lower income families, charities, students, retirees, and people with disabilities. It provides social services such as Old Age Security benefits, Employment Insurance benefits, the Canada Child Tax Benefit, the Working Income Tax Benefit, and the Universal Child Care Benefit.

## Goods and Services Tax/Harmonized Sales Tax (GST/HST) Credit

### What is GST/HST?

GST is a 5% tax that applies to most goods and services in Canada. In some provinces, there are two taxes: the GST and a provincial sales tax (PST). In Newfoundland and Labrador, Nova Scotia, New Brunswick, Ontario and British Columbia, the GST and PST are combined to form the harmonized sales tax (HST).

### How does GST/HST affect you?

We pay GST/HST on most of the goods and services we purchase, **except**:

- basic groceries;
- prescription drugs and medical devices;
- most healthcare, medical, and dental services;
- residential rents, including university residences and boarding houses;
- residential housing other than new;
- local or municipal bus services and passenger ferry services;
- legal aid services;
- most banking services; and
- most educational services, including tuition fees paid to publicly funded colleges and universities, and charges for certain courses in private vocational schools.

### GST/HST credit

To offset the impact of GST/HST, Canadians with low and modest incomes benefit from a GST/HST credit, which is paid four times a year in equal instalments. You are eligible to receive the GST/HST

credit if, at the beginning of the month in which we make a payment, you are resident in Canada for income tax purposes, and at least one of the following applies:

- you are 19 years of age or older;
- you have (or previously had) a spouse or common law partner; or
- you are (or previously were) a parent and live (or previously lived) with your child.

If you apply for the credit when you file your 2010 tax return and file your return with the CRA by the due date of April 30 2011, you will receive payments in **July** and **October** of 2011 and in **January** and **April** of 2012. (We will learn how to complete a tax return in Section 4).

For example, Justin and Tanya apply for the GST/HST credit on their 2010 tax return which was filed by the due date of April 30, 2011. They will receive their GST/HST credit payments in July and October of 2011, and January and April of 2012.

We suggest that you remind students that it is important to apply for the GST/HST credit if they will **turn 19 before April 1, 2012**. They can apply for GST/HST credit when they file their **2010** tax return. That way, they can receive the first payment of the credit the month after their 19th birthday. Refer students to [www.cra.gc.ca/benefits](http://www.cra.gc.ca/benefits) for more information or invite them to obtain a copy of Pamphlet RC4210, *GST/HST Credit* or call 1-800-959-1953.

## Activity 2.2 – Types of taxes

- Direct taxes
- Indirect taxes

Ask students to work with a partner and look at each of the taxes listed below. Decide if each one is a direct tax or an indirect tax and explain why.

- **Income tax** – a tax on the income of a person, a corporation, or a trust.
- **User tax** – a tax paid to use a facility or service, such as a toll charged for using a bridge or road.
- **Commodity tax** – a tax, such as a sales tax, on the consumption of products.
- **Transfer tax** – a tax on the value of property when it changes ownership, such as when land is transferred under certain conditions.
- **Business transfer tax** – a value added tax, or a multi stage sales tax, applied on the value of a product as it moves through the stages of production and distribution.

## Taxpayer Bill of Rights

### What is the Taxpayer Bill of Rights?

The Taxpayer Bill of Rights is a set of 15 rights confirming that the Canada Revenue Agency (CRA) will serve taxpayers with a high degree of accuracy, professionalism, courteousness, and fairness. The Taxpayer Bill of Rights will make it easier for you to understand what you can expect in your dealings with us; that you will be treated fairly under clear and established rules, and that you can look forward to high standards of service in all your interactions with us.

The Taxpayer Bill of Rights also includes the CRA Commitment to Small Business, a five-part statement through which the CRA undertakes to support the competitiveness of the Canadian business community by ensuring that interactions with the CRA are as effective and efficient as possible. These commitments complement the Government of Canada's pledge to create a competitive and dynamic business environment in which Canadian businesses will thrive.

- 1. You have the right to receive entitlements and to pay no more and no less than what is required by law.**

You can expect to receive the benefits, credits and refunds to which you are entitled under the law and to pay no more and no less than the correct amount required under the law.
- 2. You have the right to service in both official languages.**

You can expect us to communicate with you and provide services in the official language of your choice (English or French) on the Internet, by telephone, in writing, or at our designated bilingual offices.
- 3. You have the right to privacy and confidentiality.**

You can expect us to protect the confidentiality of the information that you provide. Your information will be used only for purposes allowed by law. Only those persons who are authorized by law and who require the information to administer programs and legislation have the right to access your personal and financial information.
- 4. You have the right to a formal review and a subsequent appeal.**

You are entitled to a formal review of your file if you believe that we have not applied the law correctly or that you have not received your full entitlements. Appeals officers who were not involved in the original decision will conduct a formal and impartial review. Filing an objection (an appeal in the case of assessments and rulings related to the Canada Pension Plan or Employment Insurance) will start the review by Agency appeals officers. If they do not resolve the matter to your satisfaction, you are entitled to appeal to the courts.
- 5. You have the right to be treated professionally, courteously, and fairly.**

You can expect we will treat you courteously and with consideration at all times, including when we request information or arrange interviews and audits. Integrity, professionalism, respect, and co-operation are our core values and reflect our commitment to giving you the best possible service. You can also expect us to listen to you, take your circumstances into account, and treat you fairly to make fair and impartial decisions in accordance with the law. We will explain our decision and inform you about your rights and obligations with respect to that decision.
- 6. You have the right to complete, accurate, clear, and timely information.**

You can expect us to provide you with complete, accurate, and timely information that will explain in plain language the laws and policies that apply to your situation, to help you get your entitlements and meet your obligations.
- 7. You have the right, as an individual, not to pay income tax amounts in dispute before you have had an impartial review.**

You are entitled to withhold payment of assessed income tax amounts that you are disputing in a formal objection, other than source deductions, until you have had a formal review by the CRA or, if you have filed an appeal, until the Tax Court of Canada has issued its decision. If you appeal to a higher court, you will be able to provide equivalent security instead of paying the amount in dispute. However, in certain circumstances that are specified in the legislation, the CRA can exercise its authority to take collection action even though an objection or appeal has been filed.
- 8. You have the right to have the law applied consistently.**

You can expect us to apply the law consistently so everyone gets their entitlements and pays the right amount. We will take your particular circumstances into account to the extent that the legislation we administer allows us to do so.
- 9. You have the right to lodge a service complaint and to be provided with an explanation of our findings.**

You can expect that if you lodge a complaint about the service you receive from us, you will be listened to and given the opportunity to explain your situation. We will deal with your complaint promptly, impartially, and in confidence, and we will provide you with an explanation of our findings.

**10. You have the right to have the costs of compliance taken into account when administering tax legislation.**

We recognize the need to keep to a minimum your costs, including your time and effort, that are incurred to comply with the tax and benefit legislation we administer while balancing our responsibility to administer the legislation efficiently and economically. We strive to make our dealings with you as straightforward and convenient as possible.

**11. You have the right to expect us to be accountable.**

You have the right to expect us to be accountable for what we do. When we make a decision about your tax or benefit affairs, we will explain that decision and inform you about your rights and obligations in respect of that decision. We are also accountable to Parliament, and through Parliament to Canadians, for what we do. We report to Parliament on our performance with respect to tax services and benefit programs and the results we achieve against our published service standards.

**12. You have the right to relief from penalties and interest under tax legislation because of extraordinary circumstances.**

You can expect us to consider your request to waive or cancel in whole or in part any penalty and interest charges if you were prevented from complying with your tax obligations because of circumstances beyond your control, e.g. a disaster such as a flood or fire, or if penalty or interest arose primarily because of erroneous actions of the CRA, e.g. material available to the public contained errors which led you to file incorrect returns or make incorrect payments based on incorrect information.

**13. You have the right to expect us to publish our service standards and report annually.**

You have the right to expect us to make our service standards publicly available for you to consult. Our service standards state the level of performance that you can reasonably expect to encounter in your dealings with us under normal circumstances. You can also expect us to measure our performance against our service standards and publish the results in the CRA Annual Report that is tabled in Parliament every year.

**14. You have the right to expect us to warn you about questionable tax schemes in a timely manner.**

You can expect the CRA to provide timely and relevant information about questionable tax schemes that the CRA intends to scrutinize so that you can recognize and avoid falling into tax schemes that could put you at odds with Canada's tax laws. We strive to provide information that will help you understand how to protect yourself against tax schemes and understand the consequences you may face as a result of your participation in tax schemes.

**15. You have the right to be represented by a person of your choice.**

You can get advice about your tax and benefit affairs from and be represented by a person of your choice. If you provide us with authorization, we will discuss your situation with the representative of your choice. However, it is important for you to be aware that you are legally responsible for your tax and benefit affairs even if you choose to obtain assistance or have someone act on your behalf.

### **Activity 2.3 – Taxpayer Bill of Rights**

Ask students to work in groups, and using the chart of the Taxpayer Bill of Rights on page 24 of their Workbook, discuss the following questions:

- If you could remove one of the rights, which one would you choose and why?
- If you could add a new right, what would it be and why?



## The Canada Revenue Agency Commitment to Small Business

We endeavour to support the competitiveness of the Canadian business community by ensuring that your interactions with the CRA are conducted as efficiently and effectively as possible.

**1. The CRA is committed to administering the tax system in a way that minimizes the costs of compliance for small businesses.**

We recognize the need to keep to a minimum the time, effort, and costs you incur to comply with tax and benefit legislation we administer, while balancing our responsibility to administer the legislation efficiently and economically. We strive to make our dealings with you as straightforward and convenient as possible.

**2. The CRA is committed to working with all governments to streamline service, minimize cost, and reduce the compliance burden.**

We work with other federal departments and provincial and territorial governments to determine areas where we can administer tax and benefit programs on their behalf or co-ordinate service delivery to reduce costs for both businesses and governments. We are committed to working with all governments to reduce the administrative and paper burden on small businesses to assist them to become more competitive.

**3. The CRA is committed to providing service offerings that meet the needs of small businesses.**

We strive to ensure that your interaction with the CRA is as quick, simple, and effective as possible. We are continually improving our service offerings to businesses and the variety of channels through which these services are made available to businesses. Small businesses can now access CRA services on a 21/7 basis on the Internet or on a 24/7 basis through our comprehensive automated response systems.

**4. The CRA is committed to conducting outreach activities that help small businesses comply with the legislation we administer.**

We conduct community visits and other outreach programs to promote awareness of tax obligations and entitlements and help you comply with the requirements of the legislation we administer. Some specific outreach programs are designed to provide assistance targeted to particular sectors or businesses. These educational and outreach activities enhance communication between the CRA and small businesses.

**5. The CRA is committed to explaining how we conduct our business with small businesses.**

We will clearly explain the steps we will follow when we conduct business with you. We will help you understand what to expect when we conduct an audit, undertake collection action, provide a ruling, review an objection in respect of a tax assessment, or conduct other program activities relating to the administration of tax and benefit legislation.

### Teacher Tip

For additional information on the Taxpayer Bill of Rights, refer to guide RC17 – *Taxpayer Bill of Rights: Understanding Your Rights as a Taxpayer* or go to [www.cra.gc.ca/fairness](http://www.cra.gc.ca/fairness).

## Section 3 – Students tax obligations when they start working

### Learning outcome

Students will demonstrate an understanding of the obligations of a new employee.

This section introduces students to certain documents and forms they will see when they start working. This will provide them with a better understanding of meeting their tax obligations. Emphasis will be on Form TD1, *Personal Tax Credits Return*, and the importance of completing it properly, the common deductions on the statement of earnings (pay stub), and the T4 information slips.

Depending on the group of students you are teaching, your delivery of this section may be different. If your students have previous work experience you may skip Activity 3.1 – My first job. On the other hand, teaching it might reinforce what they already know, or clear up any misunderstandings.

We recommend that a local employer or representative from a payroll office that is involved in youth hire be invited to make a presentation related to this section.

### Activity 3.1 – My first job

Ask the students to discuss their first jobs:

- what was the hiring process like?
- what type of questions did the employer ask them?
- what documents did they have to complete?
- what did their first paycheque look like – were they surprised by their net pay versus their gross pay?
- did they read and understand their pay stub?
- what did they notice the most on their pay stub?

### Students tax obligations when they start working

New employees are responsible for:

- obtaining, showing, and giving their social insurance number (SIN) to employers; and
- providing their employer with a completed federal and a provincial or territorial Form TD1, *Personal Tax Credits Return*, if applicable.

### The social insurance number (SIN)

The SIN is a nine-digit number that you need to work in Canada or to have access to government programs and benefits. It is the authorized number for income tax purposes under section 237 of the *Income Tax Act* and is used under certain federal programs.

The SIN is not an ID card. If a private business (e.g. credit card company or video store) asks you for this number, you do not have to give it to them unless the company (e.g. a bank) will be sending you a tax slip to use when you file your return.

## When was the SIN introduced?

The SIN program was introduced by Parliament in 1964 to register people with the Unemployment Insurance Commission (now known as Employment Insurance) and the Canada Pension Plan. In 1967, it also became a file identifier for Revenue Canada (now known as Canada Revenue Agency).

The Proof-of-Identity Program requires SIN applicants to present documentation to prove their identity and legal status in Canada. You have to do this the first-time you request a SIN, for a SIN card replacement and an amendment to a SIN card or record.

## Do you have to give your SIN to your employer?

Yes, you are required to give your SIN to anyone who prepares a tax information slip (T4, T4A or T5 slip) for you.

## Do you have to give your SIN to the CRA?

You have to give your SIN to the CRA when you ask us for personal tax information. If your SIN is missing or incorrect on your slips, tell your slip preparer (employer, issuer, or administrator of your information slip).

## How do I get a SIN?

To apply for a SIN, you must complete an application form. You can pick up a copy of this form at your local Service Canada office, or you may visit Service Canada's Web site at [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca).

### Teacher Tip

We strongly recommend that you visit Service Canada's Web site at [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) and use the information on SIN, particularly the section called "How can you protect your SIN?" and "What should I know about the Social Insurance Number and fraud?"

## Form TD1, Personal Tax Credits Return

Form TD1, *Personal Tax Credits Return*, is a form that must be completed by anyone who starts a new job. The employer will supply this form and use it to calculate the amount of federal, provincial, or territorial tax to be deducted from your income. There are two forms, the federal TD1 and provincial or territorial TD1.

### Activity 3.2 – Form TD1

Ask students to read the explanation of Form TD1 and then refer to their workbook for a sample of this form. Please note that the sample provided is for 2010. Remind students that Form TD1 is updated every year and any new employee in 2011 must complete the 2011 version.

Go to [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms) to get the most recent copy of federal Form TD1 and, depending on the province or territory where this program is being taught, the provincial or territorial TD1 as well.

### Note

If the student's province of employment is Quebec, they will have to complete the federal Form TD1 and Quebec's Form TP1015.3-V, *Source Deductions Return* available at [www.revenu.gouv.qc.ca/eng/formulaires/tp/tp-1015\\_3-v.asp](http://www.revenu.gouv.qc.ca/eng/formulaires/tp/tp-1015_3-v.asp).

## Who should complete the TD1 form?

Anyone who has a new employer or payer has to complete the federal Form TD1 and, if more than the basic personal amount is claimed, the provincial or territorial Form TD1.

It is not necessary to complete a new Form TD1 every year unless there is a change in federal and provincial or territorial personal tax credit amounts. If there is a change, the employee must complete a new form no later than seven days after the change.

The employer will deduct taxes on the basic personal amount only. The CRA has calculation tables that help employers determine how much tax to deduct.

### **Note**

If a student has more than one employer, he may want to have each employer deduct taxes from his earnings. If the student does not do this, the total earnings for the year from all sources might exceed the basic claim amount on Form TD1, and the student may end up owing taxes.



Your employer or payer will use this form to determine the amount of your tax deductions.

Read the back before completing this form. Complete this form based on the best estimate of your circumstances.

Last name	First name and initial(s)	Date of birth (YYYY/MM/DD)	Employee number
Address including postal code		For non-residents only – Country of permanent residence	Social insurance number

**1. Basic personal amount** – Every resident of Canada can claim this amount. If you will have more than one employer or payer at the same time in 2010, see "More than one employer or payer at the same time" on the next page. If you are a non-resident, see "Non-residents" on the next page.

**10,382**

**2. Child amount** – Either parent (but not both), may claim \$2,101 for each child born in 1993 or later that resides with both parents throughout the year. Any unused portion can be transferred to that parent's spouse or common-law partner. If the child does not reside with both parents throughout the year, the parent who is entitled to claim the "Amount for an eligible dependant" on line 8 may also claim \$2,101 for that same child.

**3. Age amount** – If you will be 65 or older on December 31, 2010, and your net income for the year from all sources will be \$32,506 or less, enter \$6,446. If your net income for the year will be between \$32,506 and \$75,480 and you want to calculate a partial claim, get the TD1-WS, *Worksheet for the 2010 Personal Tax Credits Return*, and complete the appropriate section.

**4. Pension income amount** – If you will receive regular pension payments from a pension plan or fund (excluding Canada Pension Plan, Quebec Pension Plan, Old Age Security, or Guaranteed Income Supplement payments), enter \$2,000 or your estimated annual pension income, whichever is less.

**5. Tuition, education, and textbook amounts (full time and part time)** – If you are a student enrolled at a university or college, or an educational institution certified by Human Resources and Skills Development Canada, and you will pay more than \$100 per institution in tuition fees, complete this section. If you are enrolled full time, or if you have a mental or physical disability and are enrolled part time, enter the total of the tuition fees you will pay, plus \$400 for each month that you will be enrolled, plus \$65 per month for textbooks. If you are enrolled part time and do not have a mental or physical disability, enter the total of the tuition fees you will pay, plus \$120 for each month that you will be enrolled part time, plus \$20 per month for textbooks.

**6. Disability amount** – If you will claim the disability amount on your income tax return by using Form T2201, *Disability Tax Credit Certificate*, enter \$7,239.

**7. Spouse or common-law partner amount** – If you are supporting your spouse or common-law partner who lives with you, and whose net income for the year will be less than \$10,382, enter the difference between \$10,382 and his or her estimated net income for the year. If your spouse's or common-law partner's net income for the year will be more than \$10,382, you cannot claim this amount.

**8. Amount for an eligible dependant** – If you do not have a spouse or common-law partner and you support a dependent relative who lives with you, and whose net income for the year will be less than \$10,382, enter the difference between \$10,382 and his or her estimated net income. If your eligible dependant's net income for the year will be \$10,382 or more, you cannot claim this amount.

**9. Caregiver amount** – If you are taking care of a dependant who lives with you, whose net income for the year will be \$14,422 or less, and who is either your or your spouse's or common-law partner's:

- parent or grandparent (aged 65 or older), or
- relative (aged 18 or older) who is dependent on you because of an infirmity, enter \$4,223.

If the dependant's net income for the year will be between \$14,422 and \$18,645 and you want to calculate a partial claim, get the TD1-WS, and complete the appropriate section.

**10. Amount for infirm dependants age 18 or older** – If you support an infirm dependant age 18 or older who is your or your spouse's or common-law partner's relative, who lives in Canada, and whose net income for the year will be \$5,992 or less, enter \$4,223. You cannot claim an amount for a dependant you claimed on line 9. If the dependant's net income for the year will be between \$5,992 and \$10,215 and you want to calculate a partial claim, get the TD1-WS, and complete the appropriate section.

**11. Amounts transferred from your spouse or common-law partner** – If your spouse or common-law partner will not use all of his or her age amount, pension income amount, tuition, education and textbook amounts, disability amount or child amount on his or her income tax return, enter the unused amount.

**12. Amounts transferred from a dependant** – If your dependant will not use all of his or her **disability amount** on his or her income tax return, enter the unused amount. If your or your spouse's or common-law partner's dependent child or grandchild will not use all of his or her **tuition, education, and textbook amounts** on his or her income tax return, enter the unused amount.

**13. TOTAL CLAIM AMOUNT** – Add lines 1 through 12.

Your employer or payer will use this amount to determine the amount of your tax deductions.

Continue on the next page ➔

## Completing Form TD1

Complete this form **only** if:

- you have a new employer or payer and you will receive salary, wages, commissions, pensions, Employment Insurance benefits, or any other remuneration;
- you want to change amounts you previously claimed (such as when the number of your eligible dependants has changed);
- you want to claim the deduction for living in a prescribed zone; or
- you want to increase the amount of tax deducted at source.

Sign and date it and give it to your employer or payer.

If you do not complete a TD1 form, your new employer or payer will deduct taxes after allowing the basic personal amount **only**.

### More than one employer or payer at the same time

If you have more than one employer or payer at the same time and you have already claimed personal tax credit amounts on another TD1 form, you **cannot claim them again**. If your total income from all sources will be **more** than the personal tax credits you claimed on another TD1 form, **check** this box, enter "0" on line 13 on the front page and do not complete lines 2 to 12.

### Total income less than total claim amount

Check this box if your total income for the year from **all** employers and payers will be **less** than your total claim amount on line 13. Then your employer or payer will not deduct tax from your earnings.

### Non-residents

Are you a non-resident of Canada who will include 90% or more of your world income when determining your taxable income earned in Canada in 2010? If you are unsure of your residency status, call the International Tax Services Office at **1-800-267-5177**.

- If **yes**, complete the previous page.
- If **no**, **check** the box, enter "0" on line 13 and do not complete lines 2 to 12, as you are not entitled to the personal tax credits.

### Provincial or territorial personal tax credits return

If your claim amount on line 13 is more than \$10,382, you also have to complete a provincial or territorial personal tax credit return. If you are an employee, use the TD1 form for your province or territory of employment. If you are a pensioner, use the TD1 form for your province or territory of residence. Your employer or payer will use both this federal form and your most recent provincial or territorial TD1 form to determine the amount of your tax deductions.

If you are claiming the basic personal amount **only** (your claim amount on line 13 is \$10,382), your employer or payer will deduct provincial or territorial taxes after allowing the provincial or territorial basic personal amount.

**Note:** If you are a Saskatchewan resident supporting children under 18 at any time during 2010, you may be able to claim the child amount on Form TD1SK, *2010 Saskatchewan Personal Tax Credits Return*. Therefore, you may want to complete Form TD1SK even if you are **only** claiming the basic personal amount on this form.

### Deduction for living in a prescribed zone

If you live in the Northwest Territories, Nunavut, Yukon, or another prescribed **northern** zone for more than six months in a row beginning or ending in 2010, you can claim:

- \$8.25 for each day that you live in the prescribed northern zone, or
- \$16.50 for each day that you live in the prescribed northern zone if, during that time, you live in a dwelling that you maintain, and you are the only person living in that dwelling who is claiming this deduction.

Employees living in a prescribed **intermediate** zone can claim 50% of the total of the above amounts.

For more information, get Form T2222, *Northern Residents Deductions*, and the Publication T4039, *Northern Residents Deductions – Places in Prescribed Zones*.

### Additional tax to be deducted

You may want to have more tax deducted from each payment, especially if you receive other income, including non-employment income such as CPP or QPP benefits, or Old Age Security pension. By doing this, you may not have to pay as much tax when you file your income tax return. To choose this option, state the amount of additional tax you want to have deducted from each payment. To change this deduction later, complete a new Form TD1.

### Reduction in tax deductions

You can ask to have less tax deducted if on your income tax return you are eligible for deductions or non-refundable tax credits that are not listed on this form (for example, periodic contributions to a Registered Retirement Savings Plan (RRSP), child care or employment expenses, and charitable donations). To make this request, complete Form T1213, *Request to Reduce Tax Deductions at Source*, to get a letter of authority from your tax services office. Give the letter of authority to your employer or payer. You do not need a letter of authority if your employer deducts RRSP contributions from your salary.

## Certification

I certify that the information given in this return is, to the best of my knowledge, correct and complete.

Signature \_\_\_\_\_

Date \_\_\_\_\_

**It is a serious offence to make a false return.**

## Statement of Earnings – Pay Stub

Students will examine a Statement of earnings (pay stub), which shows how much income was earned over a specified period. Most importantly, it shows how much the employer deducted as the employee's contribution to:

- Canada Pension Plan (CPP) or Quebec Pension Plan (QPP), if the province of employment is Quebec);
- Employment Insurance (EI);
- Provincial parental insurance plan premiums (QPIP, if the province of employment is Quebec); and
- Income tax.

## Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) Contributions

CPP was established in 1966 to provide basic benefits when a contributor to the plan becomes disabled or retires. In the event of death, the plan provides benefits to the contributor's survivors.

To make contributions to CPP, you must:

- be between your 18th and 70th birthdays;
- be in pensionable employment during the year; and
- not be receiving a CPP retirement or disability pension.

If you meet these conditions, the employer will deduct CPP contributions from your pay. The employer uses the CRA calculation tools to deduct the correct amount of CPP. The employer also contributes a matching amount of CPP and sends both the employee and the employer contributions to the CRA through payroll remittances.

### Note

For Quebec employees, the employer deducts QPP contributions instead of CPP contributions. To get information on the QPP, visit Revenu Québec's Web site at [www.revenu.gouv.qc.ca](http://www.revenu.gouv.qc.ca).

### Teacher Tip

For more information on CPP benefits, visit Service Canada's Web site at [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) or Revenu Québec's Web site at [www.revenu.gouv.qc.ca](http://www.revenu.gouv.qc.ca) for questions on QPP benefits.

## Employment Insurance (EI) Premiums

If a worker is employed in insurable employment, the employer will deduct EI premiums from his pay. There is no age limit for deducting EI premiums. The employer will calculate the EI premiums to deduct using the annual EI premium rates and CRA approved calculation tools.

EI provides employees with temporary financial assistance while they are unemployed and looking for work, or if they are upgrading their skills. EI also helps workers:

- who become sick;
- who are pregnant;
- who are parents and caring for a newborn, or an adopted child; or
- who must care for a family member who is seriously ill with a significant risk of death.

For more information on EI, visit Service Canada's Web site at [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca).

## **Income Tax**

The employer or payer may deduct income tax at source from the earnings of employees.

The employer will calculate how much income tax to deduct by referring to the total claim amount on Form TD1, *Personal Tax Credits Return* and using CRA approved calculation methods. There is no annual limit on the total amount of income tax an employer or payer can deduct in a year.

If an employee expects to be making less than the total claim amount indicated on Form TD1 they can ask the employer not to make any deductions. However, we don't recommend this because if the employee makes more than expected, they will have to pay any taxes from their pocket. There is no age limit for paying income tax.



## Sample – Statement of Earnings (Pay Stub)

<b>YOUR NAME</b>		Employee #: 0032344589		Employer #: 11-36		Pay from: 2010/11/23		To: 2010/12/04		Date: 2010/12/09
STATEMENT OF EARNINGS					EMPLOYEE DEDUCTIONS AND EMPLOYER CONTRIBUTIONS					
TYPE	HOURS	RATE	AMOUNT	Y.T.D.	TYPE	CURRENT	Y.T.D.	TYPE	CURRENT	Y.T.D.
001 BASIC PAY	40.00	11.00/hr	440.00	440.00	EI CPP/QPP INCOME TAX	7.61 15.20 68.20	7.61 15.20 68.20	* QPIP	2.23	2.23
SUMMARY		GROSS PAY	DEDUCTIONS	NET PAY	NET PAY ALLOCATION					
CURRENT		440.00	91.01	348.99	348.99 – CHEQUE					
Year-to-date		440.00	91.01	348.99						

### Canada Pension Plan / Quebec Pension Plan

Based on the earned income shown on this stub, the employer deducted \$15.20 as CPP contributions. If the province of employment is Quebec, this contribution will be called QPP instead of CPP. The employer will also contribute \$15.20 on the employee's behalf.

### Employment Insurance (EI)

The EI premium on this stub is \$7.61. It represents 1.73% of the insurable earnings. The employer will contribute its share of 1.4 times the premium deducted ( $1.4 \times \$7.61 = \$10.65$ ). If the province of employment is Quebec, the premium will be \$5.98, representing 1.36% of the insurable earnings and the employer will contribute \$8.38 on the employee's behalf ( $1.4 \times \$5.98$ ).

### \*Quebec Parental Insurance Plan (QPIP)

Also if the province of employment is Quebec, a premium for QPIP will be deducted. Based on the earned income shown on this stub, the employer deducts \$2.23 and will in turn contribute \$3.11 on behalf of the employee.

### Income Tax

By referring to the total claim amount on a Form TD1, *2010 Personal Tax Credits Return*, and using Canada Revenue Agency (CRA) approved calculation methods, the employer deducted \$68.20 from the income.

### Remittance to the CRA

The employer is responsible for regularly sending their contribution as well as the total employee contributions, premiums and deductions from the earned income on this pay stub to the CRA.

## T4 information slip, Statement of Remuneration Paid

The T4 information slip shows:

- the employment income paid by an employer in a given year;
- how much was deducted as the employee's CPP or QPP (if province of employment is Quebec) contributions;
- EI premiums;
- Quebec Parental Insurance Plan (QPIP) premiums (if province of employment is Quebec); and
- income tax deducted.

The students will use information from the T4 slip to complete and file the tax return.

### How to use the T4 information slip

The T4 information slip includes information about salary income that is necessary when completing an income tax and benefit return. The employer has to provide the T4 information slip to the employee by the end of February following the calendar year to which it applies. This will give the employee enough time to file their tax return by April 30.

Ask students to go to page 29 of their workbook to view a sample T4 information slip, and discuss the various sections and box numbers listed such as:

- the employer's name;
- the year in which the income was earned by the employee;
- the name and address of the employee;
- the province of employment in which the income was earned (**box 10**);
- the social insurance number of the employee (**box 12**);
- the employment income (**box 14**);
- the CPP contributions (**box 16**);
- the QPP contributions if province of employment is Quebec (**box 17**);
- the EI premiums (**box 18**);
- the income tax deducted from the employment income (**box 22**);
- **box 28** will be marked with an "X" if the employee is less than 18 and exempt from paying CPP (QPP if resident of Quebec) contributions during the past year. In this case, **box 16** and **box 17** will be blank; and
- the PPIP premiums (QPIP, if province of employment is Quebec) (**box 55**).

#### Remind students of the following:

The employer is required to give employees two copies of the T4 information slip by the last day of February following the calendar year to which it applies. If the employee does not receive the slip, or has questions about an amount on the T4 information slip, contact the employer. If the employee disagrees with the amounts on the T4 information slip, they can contact the CRA at **1-800-959-8281**.

If the employee has to file an income tax and benefit return, make sure they file it on time even if T4 information slips are missing. If they know that they will not be able to get the slips by the due date, and are filing a paper return, attach a note to the paper return stating the payer's name and address, the type of income involved, and what they are doing to get the slip.

The employee should use any pay stubs they may have to calculate the income to report, and any related deductions and credits they can claim. Attach the stubs to the paper return. If they are filing electronically, keep all of the documents in case the CRA wants to see them. It is important to **keep** all pay stubs and receipts throughout the year.

### **Activity 3.3 – What if you do not receive your T4 slip?**

Have the students work in pairs. Tell them to write as many points as they can think of to answer the following questions:

- What should you do if you do not receive a T4 information slip from your employer?
- Can you file your income tax and benefit return without a T4 information slip?
- How would you calculate your total income if you do not have a T4 information slip?
- What should you do with your pay stubs and receipts throughout the year?

# Sample Statement of Remuneration Paid – T4 information slip

**STATEMENT OF REMUNERATION PAID  
ÉTAT DE LA RÉMUNÉRATION PAYÉE**

Employer's name – Nom de l'employeur		Year Année		Employment income – line 101 Revenus d'emploi – ligne 101		Income tax deducted – line 437 Impôt sur le revenu retenu – ligne 437			
		14				22			
Payroll Account Number (15 characters) Numéro de compte de retenues (15 caractères)		Province of employment Province d'emploi		Employee's CPP contributions – line 308 Cotisations de l'employé au RPC – ligne 308		EI insurable earnings Gains assurables d'AE			
		54	10	16			24		
Social insurance number Numéro d'assurance sociale		Exempt – Exemption CPP/QPP EI PPIP		Employee's QPP contributions – line 308 Cotisations de l'employé au RRC – ligne 308		CPP/QPP pensionable earnings Gains ouvrant droit à pension – RPC/RRQ			
		12	28	17			26		
				29					
<b>Employee's name and address – Nom et adresse de l'employé</b> Last name (in capital letters) – Nom de famille (en lettres moulées)    First name – Prénom    Initials – Initiales →		Employment code Code d'emploi		Employee's EI premiums – line 312 Cotisations de l'employé à l'AE – ligne 312		Union dues – line 212 Cotisations syndicales – ligne 212			
				18			44		
		RPP contributions – line 207 Cotisations à un RPA – ligne 207				Charitable donations – see over Dons de bienfaisance – voir au verso			
				20			46		
		Pension adjustment – line 206 Facteur d'équivalence – ligne 206				RPP or DPSP registration number N° d'agrément d'un RPA ou d'un RPDB			
				52			50		
		Employee's PPIP premiums – see over Cotisations de l'employé au RPAP – voir au verso				PPIP insurable earnings Gains assurables du RPAP			
				55			56		
		Other information (see over)		Box – Case		Amount – Montant		Box – Case	
Autres renseignements (voir au verso)		Box – Case		Amount – Montant		Box – Case			

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**Report these amounts on your tax return**

- |  |   |
|--|---|
| <p>14 <b>Employment income</b> – Enter on line 101.</p> <p>16 <b>Employee's CPP contributions</b> – See line 308 in your tax guide.</p> <p>17 <b>Employee's QPP contributions</b> – See line 308 in your tax guide.</p> <p>18 <b>Employee's EI premiums</b> – See line 312 in your tax guide.</p> <p>20 <b>RPP contributions</b> – Includes past service contributions. See line 207 in your tax guide.</p> <p>22 <b>Income tax deducted</b> – Enter on line 437.</p> <p>37 <b>Employee home-relocation loan deduction</b> – Enter on line 248.</p> <p>39 <b>Security options deduction 110(1)(d)</b> – Enter on line 249.</p> <p>41 <b>Security options deduction 110(1)(d.1)</b> – Enter on line 249.</p> <p>42 <b>Employment commissions</b> – Enter on line 102. This amount is already included in box 14.</p> <p>43 <b>Canadian Forces personnel &amp; police deduction</b> – Enter on line 244.</p> <p>44 <b>Union dues</b> – Enter on line 212.</p> <p>46 <b>Charitable donations</b> – See line 349 in your tax guide.</p> <p>52 <b>Pension adjustment</b> – Enter on line 206.</p> <p>53 <b>Deferred security option benefits</b> – See Form T1212.</p> <p>55 <b>Provincial Parental Insurance Plan (PPIP)</b> – Residents of Quebec, see line 375 in your tax guide. Residents of provinces or territories other than Quebec, see line 312 in your tax guide.</p> <p>66 <b>Eligible retiring allowances</b> – See line 130 in your tax guide.</p> | <p>67 <b>Non-eligible retiring allowances</b> – See line 130 in your tax guide.</p> <p>72 <b>Section 122.3 income – Employment outside Canada</b> – See Form T626.</p> <p>73 <b>Number of days outside Canada</b> – See Form T626.</p> <p>74 <b>Past service contributions for 1989 or earlier years while a contributor</b></p> <p>75 <b>Past service contributions for 1989 or earlier years while not a contributor</b> – See line 207 in your tax guide.</p> <p>77 <b>Workers' compensation benefits repaid to the employer</b> – Enter on line 229.</p> <p>78 <b>Fishers – Gross income</b> See Form T2121.</p> <p>79 <b>Fishers – Net partnership amount</b> Do not enter on line 101.</p> <p>80 <b>Fishers – Shareperson amount</b></p> <p>81 <b>Placement or employment agency workers</b> Gross income.</p> <p>82 <b>Taxi drivers and drivers of other passenger-carrying vehicles</b> See Form T2125. Do not enter on line 101.</p> <p>83 <b>Barbers or hairdressers</b></p> <p>84 <b>Public transit pass</b> – See line 364 in your tax guide.</p> <p>85 <b>Employee-paid premiums for private health services plans</b> – See line 330 in your tax guide.</p> |
|--|---|

**Do not report these amounts on your tax return – Canada Revenue Agency use only**  
(Amounts in boxes 30, 32, 34, 36, 38, 40 and 86 are already included in box 14.)

- |  |  |
|--|--|
| <p>30 <b>Board and lodging</b></p> <p>31 <b>Special work site</b></p> <p>32 <b>Travel in a prescribed zone</b></p> <p>33 <b>Medical travel assistance</b></p> <p>34 <b>Personal use of employer's automobile or motor vehicle</b></p> <p>36 <b>Interest-free and low-interest loans</b></p> <p>38 <b>Security options benefits</b></p> | <p>40 <b>Other taxable allowances and benefits</b></p> <p>68 <b>Status Indian (exempt income) – Eligible retiring allowances</b></p> <p>69 <b>Status Indian (exempt income) – Non-eligible retiring allowances</b></p> <p>70 <b>Municipal officer's expense allowance</b></p> <p>71 <b>Status Indian employee</b></p> <p>86 <b>Security options election</b></p> |
|--|--|

## Section 4 – Income Tax and Benefit Return

### Learning Outcome

Students will demonstrate the ability to complete an income tax and benefit return.

This section introduces students to the *General Income Tax and Benefit Guide* and the *Income Tax and Benefit Return*. They will learn how to use the guide as a reference tool to complete a return and why it is important to file a return every year.

Each student or group of students should be given a copy of the guide, since they will need it to complete the next activities. You can either give them a copy of the guide or they can download a copy from the CRA's Web site.

### Why file a return?

Remind students of the responsibility that Canada's self-assessment tax system places on Canadians by emphasizing the following statements:

- Canada's tax system is based on self-assessment, which means that individuals complete an income tax and benefit return to report their annual income. Every year, Canadians file close to 27 million individual returns.
- Taxpayers have to file a return every year even if they had zero income in the previous year, to make them eligible to receive certain federal and provincial or territorial benefits such as GST/HST credit and CCTB.
- Most importantly, taxpayers file returns to calculate if they have paid the proper amount of taxes for the year. If they paid more than they were required to, they are entitled to receive a refund for their overpayment, if they paid less, then they send the difference to the CRA.

### General Income Tax and Benefit Guide

This will introduce students to the most valuable resource for completing their income tax return, the *General Income Tax and Benefit Guide*. Refer students to pages 8 to 10 of their workbook, where some information from the guide has been provided.

The guide provides taxpayers with detailed instructions on how to complete a tax return. It contains line-by-line explanations of the types of income individuals may have, the deductions they are allowed to make and the credits that they may be entitled to claim.

Refer students to the following pages in the guide and stress the importance of reviewing them prior to completing a tax return:

- **Table of Contents (page 2):** this page provides a list of the contents of the guide.
- **What's new (page 3):** This page highlights new tax and benefit laws that will affect individuals for the tax-filing season.
- **Elections Canada (page 4):** This page provides information on giving the CRA your consent to provide your personal information for the National Register of Electors.
- **General information (pages 5 to 8):** These pages provide general information on what taxpayers need to know before they file a tax return.
- **At your service (pages 55 to 56):** Here you will find a list of services that the CRA provides to all taxpayers.

After reviewing these pages, students can complete *Appendix 4.1 – Matching Federal Non-Refundable Tax Credits*, on page 50 before completing the income tax and benefit return. This game will test their ability to use the guide as a reference book.

## Step-by-step instructions to complete an income tax and benefit return

### Teacher Tips

Students will need their *General Income Tax and Benefit Guide* and forms book to complete this activity.

For the purposes of teaching this activity, **Example 1 – High school student** (from the Tax Scenarios page – in this manual) was used as part of the step-by-step instructions. Use the province or territory where this course is being taught as the province or territory of residence. Please note that the **province or territory of employment** is Quebec only in the case of Example 2.

Refer students to the *Income Tax and Benefit Return* and the guide, and tell them to follow along as you explain each line number. This will improve their ability to use the guide as a source of reference for income tax purposes.

Quebec Residents – Certain conditions apply to Quebec residents only. If you are teaching this program in the Province of Quebec, students may have to complete **Schedule 10, Employment Insurance and Provincial Parental Insurance Plan (PPIP) Premiums**.

With the guide and forms book, students will be able to follow the explanation below as you guide them through each page of the tax return. In this case, students will be entering information from the two T4 information slips from Example 1 in the Tax Scenarios on page 11 of their Workbook (page 36 of this manual).

### Page 1

There is an area on page 1 of the tax return to enter identification information. Students should enter Samantha's name and address in this area.

In the section called "Information about your residence" let them enter the province or territory where they lived on December 31, 2010.

#### Note

There are no specific provinces shown on the T4 information slips. Students should enter their province or territory of residence.

Let students enter Samantha's SIN and date of birth, and select the applicable language of correspondence and marital status in the section called "Information about you."

Ask students to go to page 9 of the guide under Identification for details on providing accurate personal information in the identification area of the tax return.

**Elections Canada:** This section lets taxpayers give the CRA permission to give their address, name, date of birth, and citizenship status to Elections Canada to complete the national register of electors. Refer students to page 4 of the guide for details on completing this section.

**GST/HST credit application:** To apply for this credit you must be already 19 years of age, or will turn 19 by April 1, 2012. As Samantha was born on November 13 1993, she will not be 19 by April 1, 2012, and therefore, is not entitled to this credit. Tell the students to tick the **No** box. Remind students of the earlier discussion on GST/HST credit. Page 1 of the income tax and benefit return is now completed.

## Page 2

On page 2 of the tax return, students will calculate the total income by entering information from all T4 information slips. In this case, Samantha received information slips from her employers, Dan's Vegan Emporium and Plaza Restaurant.

To begin, tick **No** in the box called "Please answer the following question" as it does not apply to Example 1. Next, enter the total employment income on **line 101**. This is the total of all the amounts entered in box 14 of all the T4 information slips Samantha received.

Samantha also received tips while working at the Plaza restaurant. She must enter this amount on **line 104**, but does not have to complete any other lines, except for **line 150**, which is used to show the total income. Enter the amount from **lines 101** and **104** at **line 150** of the tax return.

Page 2 of Samantha's tax return is now completed. Go to page 3 to determine her net income for the 2010 tax year. Refer students to the definition of Net income on page 3 of their workbook (page 3 of this manual).

## Page 3

To begin, copy the amount entered on **line 150** (on page 2) to **line 150** on page 3. You will find on page 3, **lines 207 to 232**, the deductions used in calculating net income. For information on these deductions and calculating net income, refer students to the section called "Net income" of the guide.

### Teacher Tip

Certain conditions apply to Quebec residents only. If you are teaching this program in the Province of Quebec, students may have to complete Schedule 10, *Employment Insurance and Quebec Parental Insurance Plan (QPIP) Premiums* and calculate an amount for **line 223**. Please refer to **line 223** in the guide for more information.

Add the amount from **lines 207 to 232** if applicable and enter the result on **line 233**. Subtract the amount on **line 233** from **line 150**. Since deductions on **line 235** do not apply in Example 1, enter the amount from **line 233** on **line 236**. This is Samantha's net income for 2010.

The next section of page 3 is called "Taxable income". Since none of these deductions apply to Example 1, enter the amount from **line 236** on **line 260**. This is Samantha's taxable income for 2010.

## Schedule 1, Federal Tax

Before completing page 4 of the tax return, you have to complete **Schedule 1** to calculate Samantha's federal tax. Refer students to **Schedule 1** in their forms book and also to the guide.

The federal tax calculated on **Schedule 1** will be entered at **line 420** on page 4 of the tax return. If filing a paper return, the completed **Schedule 1** must be attached.

You must first calculate the federal non-refundable tax credits. Refer students to **lines 300 to 378** in the guide. Since everyone is entitled to claim the federal basic personal amount, enter \$10,382 on **line 300**.

The next non-refundable tax credit individuals can generally claim is on **line 308**, CPP or QPP contributions, which are shown in boxes 16 or 17 of the T4 information slips. Taxpayers have to be at least 18 years of age to contribute to CPP or QPP. Box 28 on Samantha's T4 information slips have been marked with an **X**. This means she is not 18 years of age and did not make any contributions in 2010.

On **line 312**, Employment Insurance premiums, enter the total amount from box 18 of Samantha's T4 information slips.

As Samantha has employment income, she is entitled to the Canada Employment amount at **line 363**. At **line 363** students enter the lesser of \$1,051 and the total employment income she reported at **lines 101** and **104**.

### Teacher Tip

Certain conditions apply to Quebec residents only. If you are teaching this program in the Province of Quebec, students may have to complete Schedule 10, *Employment Insurance and Quebec Parental Insurance Plan (QPIP) Premiums* and calculate an amount to be entered on **lines 375, 376 and 378**. Please refer to the guide for more information.

For the purpose of Example 1, Samantha does not qualify for any other federal non-refundable tax credits. Add the amounts entered on **lines 300 to 326 and 332**, and enter the result on **line 335**. Follow the instructions to calculate the amount for **line 338** by multiplying the amount entered on **line 335** by 15%. Enter the result on **lines 338 and 350**. This is Samantha's total federal non-refundable tax credit.

Enter the taxable income from **line 260** on page 3 of the return on **line 29** (or **line 32** for residents of Quebec) of **Schedule 1**.

Enter this amount on **line 30** (**line 33** for residents of Quebec) of **Schedule 1** and complete the calculations to determine the amount of **line 36** (or **line 39** for residents of Quebec). Enter this amount on **line 37** and **line 39** (**line 40** and **line 42** for residents of Quebec).

Next, copy the amount from **line 28** (**line 31** for residents of Quebec) on page 1 of **Schedule 1** onto **line 40** (**line 43** for residents of Quebec). Since there are no amounts to enter on **lines 41, 42 and 43** (**line 44, 45 and 46** for residents of Quebec), enter the amount from **line 40** (**line 43** for residents of Quebec) on **line 44** (**line 47** for residents of Quebec). Subtract the amount from **line 44** (**line 47** for residents of Quebec) from the amount on **line 39** (**line 42** for residents of Quebec).

Since the result on **line 45** (**line 48** for residents of Quebec) is negative, the basic federal tax is zero. There are no more lines to consider on **Schedule 1**. Enter **0** on **lines 52 and 55** (or **lines 55 and 58** for residents of Quebec). This is Samantha's net federal tax.

### Teacher Tip

In this example, **Forms 428 and 479** for provincial and territorial tax and credits were not completed. This is to allow teachers and students to complete the form that is specific to their province. A copy of the provincial and territorial form is included in the forms book. Go to [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms) for more information.

## Page 4

Samantha's tax return is almost completed and ready to be signed. On page 4, calculate all the federal (and provincial or territorial) credits and taxes payable to determine if there will be a refund or balance owing on the tax return.

Enter the amount from **line 55** (**line 58** for residents of Quebec) of Schedule 1, on **line 420**, of page 4 of the tax return. If the provincial or territorial tax credit was calculated using provincial or territorial **Form 428**, the result should be entered on **line 428**. The total of **lines 420 to 428** is entered on **line 435**.

In Example 1, income tax was deducted from Samantha's pay cheque in 2010. Therefore, enter the total amount indicated shown in box 22 of the T4 information slips on **line 437**.

If the provincial or territorial credits were calculated using **Form 479**, enter the amount calculated on **Form 479** on **line 479** of page 4 of the tax return.

Add **lines 437 to 479**, and enter the results on **line 482**. This is Samantha's total credits.

### Note

The amounts calculated and entered on **line 479** and **482** on page 4 will vary depending on the province and territory of residence.

Subtract the amount shown on **line 482** from the amount on **line 435**.

If the total payable (**line 435**) is less than the total credits (**line 482**), enter the difference on **line 484**. This amount is a **refund**.



If the total payable (**line 435**) is more than the total credits (**line 482**), enter the difference on **line 485**. This amount is the **balance owing**.

Generally, if there is a difference of **\$2.00** or less, no refund is paid out and no payment on a balance owing is required.

In the case of a refund, the student can complete the box called “Direct deposit – Start or change” to have the refund directly deposited into their account at a financial institution in Canada. Refer students to page 52 of the guide for more information on direct deposit, or have them go to [www.cra.gc.ca/dd-ind](http://www.cra.gc.ca/dd-ind).

It is now time for Samantha to sign and date the return and include her telephone number. Her return is now complete and ready to be filed with the CRA. Refer students to the **Checklist** on page 51 of their workbook.

## Filing an Income Tax and Benefit Return

### When is the completed return due?

A completed income tax and benefit return for 2010 has to be filed on or before April 30, 2011. Filing a return by the due date ensures that any benefits that taxpayers are eligible to receive, such as the GST/HST credit, CCTB, and payments from related provincial or territorial programs will not be delayed.

### How to file an Income Tax and Benefit Return

There are several ways to file an income tax and benefit return. You can file it electronically using the Internet or telephone, or by mailing or delivering your paper return by hand. The CRA’s electronic tax-filing services are known as EFILE, NETFILE and TELEFILE. The benefits of using these electronic filing options include:

- **fast processing** – in most cases, an electronically filed return can be processed in about two weeks, resulting in faster assessment notices and refunds.
- **greater accuracy** – electronic filing eliminates the need for the CRA to manually key tax data.
- **availability** – electronic filing lets individuals send in their tax returns directly to the CRA seven days a week.
- **security** – state-of-the-art encryption technology and security procedures protect personal information at all times.
- **electronic confirmation** – users will receive electronic confirmation that their tax return was received.
- **environmentally friendly** – electronic filing is an almost paper-free system.

#### By Internet

**EFILE** is an automated system that allows registered electronic tax-filing service providers (businesses) to send individual income tax return information to the CRA electronically. You cannot do this yourself. To use this service, take your documents to a tax preparation service provider who will prepare your electronic return and send it to us using EFILE.

**NETFILE** is a fast, easy, and secure service that allows you and most Canadians to send your return directly to the CRA from mid-February to the end of September using the Internet. Internet-filed returns must be prepared using one of the commercial tax preparation software packages or Web applications certified by the CRA to meet its system requirements. Visit our Web site at [www.netfile.gc.ca](http://www.netfile.gc.ca) for a list of certified software.

## By telephone

**TELEFILE** is a fast and easy service that allows you to file your tax return by telephone. If you complete a paper return, you may be able to file it by telephone for free. All you need to use this service is a touch-tone telephone, your SIN, your personalized access code, and your completed tax return.

For the most part, this service is for:

- individuals who file simplified tax returns;
- seniors receiving pension income; and
- individuals who do not need to pay tax but need to file a tax return to get tax credits.

To find out if you can use this service, go to [www.cra.gc.ca/telefile](http://www.cra.gc.ca/telefile) or call **1-800-959-8281**. This service is available every year from mid-February to the end of September.

If a disability prevents you from using a touch-tone phone pad for **TELEFILE**, call **1-800-714-7257** and we will help you. This service is also available every year from mid-February to the end of September.

## By paper

Another way of filing a tax return is to prepare a paper return and mail or deliver it to your tax centre or your local tax services office if there is one nearby. Your postal code determines your tax centre. To find out which tax centre to send your paper return to, go to [www.cra.gc.ca/tso](http://www.cra.gc.ca/tso). If you have previously filed an income tax and benefit return, the CRA will send you a tax package, which includes a mail-in label with your tax centre information. Make note of the tax centre address for reference.

### Teacher Tip

Remind students that they have to attach supporting documents, such as T4 information slips and any receipts for claims, to their tax return. If they are filing their tax return electronically, keep any tax related documents in case we select their return for review. They should keep all their supporting documents for six years.

## After you file

The CRA processes your income tax and benefit return when it arrives at the applicable tax centre. The return is reviewed and corrected, and the information is then entered into a computer.

After the return has been processed, the CRA will send a notice of assessment showing any changes or corrections made to the return (such as identifying and correcting a math error). If the CRA agrees with the calculations on your return that you overpaid your taxes during 2010, the CRA will issue a refund cheque which will be attached to your notice of assessment or directly deposited into your account at a financial institution in Canada on the assessment date if you are registered for this service.

On the other hand, if you have a balance owing because you paid less taxes than you should have and you did not attach the payment to your return when it was filed, the notice of assessment will contain instructions on how to pay the balance owing to avoid any interest charges.

## How do you change a return?

If, after you file a return, you realize that you omitted some tax information that may affect the calculation of your taxes for the year, you can send an adjustment request to the CRA to make a change to your return by completing Form T1-ADJ, *T1 Adjustment Request*.

You do not need to send another return for that year with the additional information. You should wait until you receive your notice of assessment before requesting any changes.

For instance, if you receive an additional T4, T4A, or T5 information slip after you file your return and it shows income that you did not report when you originally filed, you should file for an adjustment to your return with this new information.

Also, if you did not claim certain non-refundable tax credits, such as tuition, education, and textbook amounts or charitable donations, and you want to do so after you have filed your return, you can request an adjustment to the return that was initially filed.

You can make an adjustment request in one of the following ways:

- by going to **My Account** on the CRA's Web site and requesting changes to the return online; or
- by sending a completed Form T1-ADJ, *T1 Adjustment Request*, or a signed letter to your tax centre, giving the details of the request including the years of the returns you want the CRA to change your SIN, your address, and a telephone number where we can reach you during the day. Include supporting documents for your original claim if you haven't already done so and for the changes you requested. Go to [www.cra.gc.ca/tso](http://www.cra.gc.ca/tso) to find the tax centre to send your completed adjustment request.

#### **Teacher Tip**

Inform students that only requests relating to tax years ending in any of the ten calendar years before the year you make the request will be considered. For example, a request made in 2011 must relate to the 2001 tax year or a later tax year to be considered. Refer students to page 55 of the guide for more information.

### **What should you do if you disagree?**

If you disagree with your assessment or reassessment, you can contact the CRA at **1-800-959-8281** for more information. Disagreements are usually caused by a lack of information or by a simple miscommunication. If after contacting the CRA you are still not satisfied with the answer, you can request a formal review.

# Tax Scenarios

This section contains examples of different tax scenarios a student could encounter. The tax scenarios can be completed individually, as an in-class group exercise, or as a take-home assignment.

Solutions to these tax scenarios are available at the end of this manual.

## Example 1 – High school student

- employment income
- tips (not included on T4 slip)
- EI premiums
- income tax deducted

## Example 2 – High school student (province of employment Quebec)

- employment income
- tips (not included on T4 slip)
- EI premiums
- QPIP premiums
- income tax deducted

## Example 3 – Post secondary student

- employment income
- CPP contributions
- EI premiums
- income tax deducted
- tuition fees and scholarship
- moving expenses
- bank interest on savings
- public transit pass

## Example 4 – Employed individual

- employment income
- CPP contributions
- EI premiums
- income tax deducted
- RRSP contributions
- bank interest on savings

## Example 5 – Single-parent family

- employment income
- CPP contributions
- EI premiums
- income tax deducted
- union dues
- registered pension plan contributions
- social assistance received
- UCCB payments
- child care expenses
- rent paid

## Example 6 – Aboriginal peoples

- employment income (taxable and tax exempt)
- income tax deducted
- CPP contributions
- EI premiums

## Example 1 – High school student

- Samantha Valcourt is a single 17-year-old high school student (born November 13, 1993) who lives at home with her parents. During 2010, she worked part time at Dan's Vegan Emporium and Plaza Restaurant.
- In February 2011, her employers sent her the attached T4 information slips.
- In 2010, she earned \$300.00 in tips (not indicated on T4) at the Plaza Restaurant.

Based on the information given, complete her 2010 *Income Tax and Benefit Return*.

### To complete Samantha's return, you will need the following:

- T1 General – *Income Tax and Benefit Return*
- Schedule 1, *Federal Tax*
- (if your province of residence is Quebec) Schedule 10, *Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums*

Canada Revenue Agency / Agence du revenu du Canada		Year / Année: <b>2010</b>		T4 STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE	
Employer's name – Nom de l'employeur <b>DAN'S VEGAN EMPORIUM</b>		Employment income – line 101 / Revenus d'emploi – ligne 101		Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	
14		<b>3,600 00</b>		22	
22				<b>101 00</b>	
54 Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères)		10 Province of employment / Province d'emploi		16 Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	
12 Social insurance number / Numéro d'assurance sociale: <b>123 456 789</b>		29 Employment code / Code d'emploi		24 EI insurable earnings / Gains assurables d'AE	
28 Exempt – Exemption / CPP/QPP EI PPIP: <b>X</b>		17 Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308		26 CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	
RPC/RRQ AE RPAP		18 Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312: <b>62 28</b>		44 Union dues – line 212 / Cotisations syndicales – ligne 212	
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres moulées): <b>VALCOURT</b> First name – Prénom: <b>SAMANTHA</b> Address: <b>33, King George Ave City Province P4E 7Z2</b>		20 RPP contributions – line 207 / Cotisations à un RPA – ligne 207		46 Charitable donations – see over / Dons de bienfaisance – voir au verso	
		52 Pension adjustment – line 206 / Facteur d'équivalence – ligne 206		50 RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
		55 Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso		56 PPIP insurable earnings / Gains assurables du RPAP	
Other information (see over) / Autres renseignements (voir au verso)		Box – Case / Montant		Box – Case / Montant	

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T4 (10)



Year / Année **2010**

**STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE**

Employer's name – Nom de l'employeur  
**PLAZA RESTAURANT**

Employment income – line 101 / Revenus d'emploi – ligne 101: **14 2,600 00**  
Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437: **22 101 00**

Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères): **54**

Province of employment / Province d'emploi: **10**  
Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308: **16**  
EI insurable earnings / Gains assurables d'AE: **24**

Social insurance number / Numéro d'assurance sociale: **12 123 456 789**  
Exempt – Exemption: **28 X**  
RPC/RRQ AE RPAP

Employment code / Code d'emploi: **29**  
Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308: **17**  
CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ: **26**

Employee's name and address – Nom et adresse de l'employé  
Last name (in capital letters) – Nom de famille (en lettres moulées): **VALCOURT**  
First name – Prénom: **SAMANTHA**  
Initials – Initiales:  
**33, King George Ave  
City Province P4E 7Z2**

Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312: **18 44 98**  
Union dues – line 212 / Cotisations syndicales – ligne 212: **44**  
RPP contributions – line 207 / Cotisations à un RPA – ligne 207: **20**  
Charitable donations – see over / Dons de bienfaisance – voir au verso: **46**  
Pension adjustment – line 206 / Facteur d'équivalence – ligne 206: **52**  
RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB: **50**  
Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso: **55**  
PPIP insurable earnings / Gains assurables du RPAP: **56**

Other information (see over) / Autres renseignements (voir au verso)	Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

## Example 2 – High school student (with Quebec as the province of employment)

- Marie-Chantal Gagnon is a single 17-year-old high school student (born November 13, 1993) who lives at home with her parents. During 2010, she worked part time at Librairie du Coin and Les Souliers de Sam.
- In February 2011, her employers sent her the attached T4 information slips.
- In 2010, she earned \$300.00 (not indicated on T4) in tips at the Plaza Restaurant.

Based on the information given, complete Marie-Chantal's 2010 *Income Tax and Benefit Return*.

### To complete this return, you will need the following:

- T1 General – *Income Tax and Benefit Return*
- Schedule 1, *Federal Tax*
- Schedule 10, *Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums*

Canada Revenue Agency / Agence du revenu du Canada		Year / Année: <b>2010</b>		T4 STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE		
Employer's name – Nom de l'employeur <b>LIBRAIRIE DU COIN</b>		Employment income – line 101 / Revenus d'emploi – ligne 101 <b>14 3,600 00</b>		Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437 <b>22 101 00</b>		
Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères) <b>54</b>		Province of employment / Province d'emploi <b>10 QC</b>		Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308 <b>16</b>		
Social insurance number / Numéro d'assurance sociale <b>12 123 456 789</b>		Exempt – Exemption CPP/QPP EI PPIP <b>28 X</b>		EI insurable earnings / Gains assurables d'AE <b>24</b>		
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres moulées) / First name – Prénom / Initials – Initiales <b>GAGNON MARIE-CHANTAL</b> 1095 Notre-Dame Street / City Quebec G0L 4K0		Employment code / Code d'emploi <b>29</b>		Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308 <b>17</b>		
		Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312 <b>18 48 96</b>		CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ <b>26</b>		
		RPP contributions – line 207 / Cotisations à un RPA – ligne 207 <b>20</b>		Union dues – line 212 / Cotisations syndicales – ligne 212 <b>44</b>		
		Pension adjustment – line 206 / Facteur d'équivalence – ligne 206 <b>52</b>		Charitable donations – see over / Dons de bienfaisance – voir au verso <b>46</b>		
		Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso <b>55 18 22</b>		RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB <b>50</b>		
				PPIP insurable earnings / Gains assurables du RPAP <b>56 3,600 00</b>		
Other information (see over) / Autres renseignements (voir au verso)	Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

Privacy Act, Personal Information Bank Number CRA PPU 005, 150 and 125 / Loi sur la protection des renseignements personnels, Fichier de renseignements personnels numéro ARC PPU 005, 150 et 125  
T4 (10)

Employer's name – Nom de l'employeur  
**LES SOULIERS DE SAM**

Year / Année **2010**

**STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE**

14		2,600 00		22		101 00	
Employment income – line 101 / Revenus d'emploi – ligne 101				Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437			
54		10		16		24	
Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères)		Province of employment / Province d'emploi		Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308		EI insurable earnings / Gains assurables d'AE	
		QC					
12		28		17		26	
Social insurance number / Numéro d'assurance sociale		Exempt – Exemption / CPP/QPP EI PPIP		Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308		CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	
123 456 789		X					
		RPC/RRQ AE RPAP		29		17	
				Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312		Union dues – line 212 / Cotisations syndicales – ligne 212	
				18		35 36	
				Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312		Union dues – line 212 / Cotisations syndicales – ligne 212	
				20		46	
				RPP contributions – line 207 / Cotisations à un RPA – ligne 207		Charitable donations – see over / Dons de bienfaisance – voir au verso	
				52		50	
				Pension adjustment – line 206 / Facteur d'équivalence – ligne 206		RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
				55		13 16	
				Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso		PPIP insurable earnings / Gains assurables du RPAP	
				56		2,600 00	

Employee's name and address – Nom et adresse de l'employé  
 Last name (in capital letters) – Nom de famille (en lettres moulées) First name – Prénom Initials – Initiales

➔ **GAGNON** **MARIE-CHANTAL**

**1095 Notre-Dame Street**  
**City Quebec G0L 4K0**

Other information (see over) / Autres renseignements (voir au verso)	Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant



## Example 3 – Post-secondary student

- Sue Brown attends a post-secondary institution. She was born on August 2, 1991 and is single.
- The attached T2202A information slip that the post-secondary institution gave her shows she paid tuition fees of \$2,500 for the courses she took during 2010. According to the slip, she can claim the education and textbook amounts for eight months. She wants to carry forward any amount she cannot use this year.
- During the year, she received a scholarship of \$3,500 from her post-secondary institution, Town University. This amount is shown on the attached T4A information slip.
- Sue moved to her parents' home for the summer months (a distance of 500 kilometres) and got a job there at Information. She completed Form T1-M, *Moving Expenses Deduction*, listing her expenses of \$300 for the move, and determined that she can claim the expenses on her *Income Tax and Benefit Return*.
- She earned \$12,300 at The Place Café during the summer, and they sent her the attached T4 information slip.
- She received \$52 interest from her savings account at the North Bank. This amount is shown on the attached T5 information slip that the bank sent her.
- In 2010, Sue paid \$720.00 for her public transit passes (\$60 a month).

Based on the information given, complete Sue's 2010 *Income Tax and Benefit Return*.

### To complete this return, you will need the following:

- T1 General – *Income Tax and Benefit Return*
- Schedule 1, *Federal Tax*
- Schedule 11, *Tuition, Education, and Textbook Amounts*
- (if your province of residence is Quebec) Schedule 10, *Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums*

Canada Revenue Agency / Agence du revenu du Canada		Year / Année: 2010		T4 STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE		
Employer's name – Nom de l'employeur <b>THE PLACE CAFÉ</b>		14 Employment income – line 101 / Revenus d'emploi – ligne 101 <b>12,300 00</b>		22 Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437 <b>1,995 00</b>		
54 Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères)		10 Province of employment / Province d'emploi		16 Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308		
12 Social insurance number / Numéro d'assurance sociale <b>123 456 789</b>		28 Exempt – Exemption / CPP/QPP EI PPIP		24 EI insurable earnings / Gains assurables d'AE		
29 Employment code / Code d'emploi		17 Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308 <b>435 60</b>		26 CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ		
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres moulées) First name – Prénom Initials – Initiales <b>BROWN SUE</b> 555 MAIN STREET TOWN PROVINCE Y2C 6Z4		18 Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312 <b>212 79</b>		44 Union dues – line 212 / Cotisations syndicales – ligne 212		
20 RPP contributions – line 207 / Cotisations à un RPA – ligne 207		46 Charitable donations – see over / Dons de bienfaisance – voir au verso		50 RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB		
52 Pension adjustment – line 206 / Facteur d'équivalence – ligne 206		55 Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso		56 PPIP insurable earnings / Gains assurables du RPAP		
Other information (see over)	Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant
Autres renseignements (voir au verso)	Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

Year / Année **2010**

**T4A**

**STATEMENT OF PENSION, RETIREMENT, ANNUITY, AND OTHER INCOME  
ÉTAT DU REVENU DE PENSION, DE RETRAITE, DE RENTE  
OU D'AUTRES SOURCES**

Payer's name – Nom du payeur  
**TOWN UNIVERSITY**

Payer's Account Number (15 characters)  
Numéro de compte du payeur (15 caractères)  
**061**

Social insurance number  
Numéro d'assurance sociale  
**012 123 456 789**

Recipient's Account Number  
Numéro de compte du bénéficiaire  
**013**

<b>016</b>	Pension or superannuation Prestations de retraite ou autres pensions	<b>022</b>	Income tax deducted Impôt sur le revenu retenu
<b>018</b>	Lump-sum payments Paiements forfaitaires	<b>020</b>	Self-employed commissions Commissions d'un travail indépendant
<b>024</b>	Annuities Rentes	<b>048</b>	Fees for services Honoraires ou autres sommes pour services rendus

**Recipient's name and address – Nom et adresse du bénéficiaire**

Last name (in capital letters) – Nom de famille (en lettres moulées) First name – Prénom Initials – Initiales  
**BROWN SUE**

**555 MAIN STREET  
TOWN PROVINCE Y2C 6Z4**

Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant
<b>105</b>	<b>3,500 00</b>						
Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

Year / Année **2010**

**T5**  
**STATEMENT OF INVESTMENT INCOME  
ÉTAT DES REVENUS DE PLACEMENTS**

Dividends from Canadian corporations – Dividendes de sociétés canadiennes		Federal credit – Crédit fédéral		Interest from Canadian sources		Capital gains dividends			
<b>24</b>	Actual amount of eligible dividends Montant réel des dividendes déterminés	<b>25</b>	Taxable amount of eligible dividends Montant imposable des dividendes déterminés	<b>26</b>	Dividend tax credit for eligible dividends Crédit d'impôt pour dividendes déterminés	<b>13</b>	<b>52.00</b> Intérêts de source canadienne	<b>18</b>	Dividendes sur gains en capital
<b>10</b>	Actual amount of dividends other than eligible dividends Montant réel des dividendes autres que des dividendes déterminés	<b>11</b>	Taxable amount of dividends other than eligible dividends Montant imposable des dividendes autres que des dividendes déterminés	<b>12</b>	Dividend tax credit for dividends other than eligible dividends Crédit d'impôt pour dividendes autres que des dividendes déterminés	<b>21</b>	Report Code Code du feuillet	<b>22</b>	Recipient identification number Numéro d'identification du bénéficiaire
Other information (see the back) / Autres renseignements (voir au verso)		Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant		

Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire  
**BROWN SUE  
555 MAIN STREET  
TOWN PROVINCE Y2C 6Z4**

Payer's name and address – Nom et adresse du payeur  
**NORTH BANK**

Currency and identification codes / Codes de devise et d'identification  
**27** Foreign currency / Devises étrangères **28** Transit – Succursale **29** Recipient account / Numéro de compte du bénéficiaire

**For information, see the back.  
Pour obtenir des renseignements, lisez le verso.**



**TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE**  
**CERTIFICAT POUR FRAIS DE SCOLARITÉ, MONTANT RELATIF AUX ÉTUDES**  
**ET MONTANT POUR MANUELS**

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Human Resources and Skills Development Canada (HRSDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to a post-secondary institution have to be for courses taken at the post-secondary level. Fees paid to an institution certified by HRSDC have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- Do not enter the cost of textbooks on this form.** Students calculate the education and textbook amounts based on the number of months indicated in Box B or C below.
- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement postsecondaire, comme un collège ou une université, ou dans un établissement reconnu par Ressources humaines et Développement des compétences Canada (RHDC).
- Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 \$. Les frais payés à un établissement postsecondaire doivent viser des cours de niveau postsecondaire. Les frais payés à un établissement reconnu par RHDC doivent viser des cours suivis en vue d'acquies ou d'améliorer des compétences professionnelles, et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
- N'inscrivez pas le coût des manuels sur ce formulaire.** L'étudiant calcule les montants relatifs aux études et pour manuels d'après le nombre de mois indiqué dans les cases B ou C ci-dessous.

<b>Name of program or course – Nom du programme ou du cours</b>				<b>Student number – Numéro d'étudiant</b>																																																																				
<b>COMPUTER SCIENCE</b>				<b>12-345</b>																																																																				
Name and address of student – Nom et adresse de l'étudiant																																																																								
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p><b>BROWN SUE</b>  <b>555 Main St</b>  <b>Town Province Y2C 6Z4</b></p> </div> <table border="1" style="width: 35%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th colspan="4">Session periods, part-time and full-time Périodes d'études à temps partiel et à temps plein</th> <th rowspan="3">A Eligible tuition fees, part-time and full-time sessions  Frais de scolarité admissibles pour études à temps partiel et à temps plein</th> <th colspan="2">Number of months for: Nombre de mois à :</th> </tr> <tr> <th colspan="2">From – De</th> <th colspan="2">To – À</th> <th rowspan="2">B Part-time Temps partiel</th> <th rowspan="2">C Full-time Temps plein</th> </tr> <tr> <th>Y – A</th> <th>M</th> <th>Y – A</th> <th>M</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>01</td> <td>10</td> <td>04</td> <td>1,250.00</td> <td></td> <td>4</td> </tr> <tr> <td>10</td> <td>09</td> <td>10</td> <td>12</td> <td>1,250.00</td> <td></td> <td>4</td> </tr> <tr> <td colspan="4"></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4"></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4"></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4"></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4" style="text-align: right;"><b>Totals Totaux</b></td> <td><b>2,500.00</b></td> <td></td> <td><b>8</b></td> </tr> </tbody> </table> </div>							Session periods, part-time and full-time Périodes d'études à temps partiel et à temps plein				A Eligible tuition fees, part-time and full-time sessions  Frais de scolarité admissibles pour études à temps partiel et à temps plein	Number of months for: Nombre de mois à :		From – De		To – À		B Part-time Temps partiel	C Full-time Temps plein	Y – A	M	Y – A	M	10	01	10	04	1,250.00		4	10	09	10	12	1,250.00		4																													<b>Totals Totaux</b>				<b>2,500.00</b>		<b>8</b>
Session periods, part-time and full-time Périodes d'études à temps partiel et à temps plein				A Eligible tuition fees, part-time and full-time sessions  Frais de scolarité admissibles pour études à temps partiel et à temps plein	Number of months for: Nombre de mois à :																																																																			
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10	09	10	12	1,250.00		4																																																																		
<b>Totals Totaux</b>				<b>2,500.00</b>		<b>8</b>																																																																		
Name and address of educational institution – Nom et adresse de l'établissement d'enseignement																																																																								
<b>TOWN UNIVERSITY</b>																																																																								

**Information for students:** See the back of copy 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of copy 2.  
**Renseignements pour les étudiants :** Lisez le verso de la copie 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité et de vos montants relatifs aux études et pour manuels, remplissez le verso de la copie 2.

## Example 4 – Employed individual

- In 2010, Clément Boucher (single, born August 2, 1985) started a job as a graphic artist at TechnoDesigns. During the year, he earned \$28,000, and in February 2011, TechnoDesigns sent him the attached T4 information slip.
- In December 2010, he contributed \$1,180 to a registered retirement savings plan (RRSP) at his local bank. The bank gave him an official RRSP contribution slip showing this amount. Clément has determined he has the RRSP deduction limit to claim the full amount on his 2010 *Income Tax and Benefit Return*.
- Clément also received \$22 interest from his savings account at the bank. He did not receive a T5 information slip for this amount.

Based on the information given, complete Clément's 2010 *Income Tax and Benefit Return*

### To complete this return, you will need the following:

- T1 General – *Income Tax and Benefit Return*
- Schedule 1, *Federal Tax*
- (if your province of residence is Quebec) Schedule 10, *Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums*

Canada Revenue Agency / Agence du revenu du Canada		Year / Année: 2010		T4 STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE	
Employer's name – Nom de l'employeur <b>TECHNODESIGNS</b>		Employment income – line 101 / Revenus d'emploi – ligne 101		Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	
Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères)		Province of employment / Province d'emploi		Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	
Social insurance number / Numéro d'assurance sociale		Employment code / Code d'emploi		Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
Exempt – Exemption / CPP/QPP EI PPIP / RPC/RRQ AE RPAP		Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312		CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres moulées) / First name – Prénom / Initials – Initiales <b>BOUCHER CLÉMENT</b> 303 Main St Town Province K1S 8C3		RPP contributions – line 207 / Cotisations à un RPA – ligne 207		Union dues – line 212 / Cotisations syndicales – ligne 212	
Other information (see over) / Autres renseignements (voir au verso)		Pension adjustment – line 206 / Facteur d'équivalence – ligne 206		Charitable donations – see over / Dons de bienfaisance – voir au verso	
		Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso		RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
				PIIP insurable earnings / Gains assurables du RPAP	

Privacy Act, Personal Information Bank Number CRA PPU 005, 150 and 125 / Loi sur la protection des renseignements personnels, Fichier de renseignements personnels numéro ARC PPU 005, 150 et 125  
T4 (10)

## Example 5 – Single-parent family

- Karen is a single mother of a young child, Annie, born June 4, 2008. Karen's date of birth is May 15, 1977.
- During 2010, she worked for 40 weeks and earned \$34,790. This income, plus other relevant information, is shown on the attached T4 information slips.
- She also received \$950 in social assistance payments and \$1,200 in Universal Child Care Benefit payments. These payments are shown on the attached information slips T5007, *Statement of Benefits*, and RC62, *Statement of Universal Child Care Benefit*.
- Karen sent her child to Sunny Nursery while she was working. Karen has partially completed the attached Form T778, *Child Care Expenses Deduction for 2010*, and has determined that she is entitled to claim \$3,160 for child care expenses on her *Income Tax and Benefit Return*.
- Karen paid \$9,000 in rent during 2010.

Based on the information given, complete Karen's 2010 *Income Tax and Benefit Return*.

### To complete this return, you will need the following:

- T1 General – *Income Tax and Benefit Return*
- Schedule 1, *Federal Tax*
- Schedule 5, *Details of Dependant*
- Form T778, *Child Care Expenses Deduction for 2009* (You must finish the partially completed Form T778 included)
- (if your province of residence is Quebec) Schedule 10, *Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums*

Canada Revenue Agency / Agence du revenu du Canada		Year / Année: <b>2010</b>		T4 STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE	
Employer's name – Nom de l'employeur <b>ABC COMPANY</b>		Employment income – line 101 / Revenus d'emploi – ligne 101		Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	
14		<b>34,790 00</b>		22	
54		10		24	
Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères)		Province of employment / Province d'emploi		Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	
12		16		26	
Social insurance number / Numéro d'assurance sociale		Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308		EI insurable earnings / Gains assurables d'AE	
<b>123 456 789</b>		17		28	
Exempt – Exemption / CPP/QPP EI PPIP		Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312		CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	
28		18		44	
RPC/RRQ AE RPAP		RPP contributions – line 207 / Cotisations à un RPA – ligne 207		Union dues – line 212 / Cotisations syndicales – ligne 212	
Employee's name and address – Nom et adresse de l'employé		20		46	
Last name (in capital letters) – Nom de famille (en lettres moulées) / First name – Prénom / Initials – Initiales		Pension adjustment – line 206 / Facteur d'équivalence – ligne 206		RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
SINGH KAREN		52		50	
83 Elm St / Bytown Province K1S 4F8		Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso		PPIP insurable earnings / Gains assurables du RPAP	
55		56			
Other information (see over) / Autres renseignements (voir au verso)		Box – Case / Amount – Montant		Box – Case / Amount – Montant	

Privacy Act, Personal Information Bank Number CRA PPU 005, 150 and 125 / Loi sur la protection des renseignements personnels, Fichier de renseignements personnels numéro ARC PPU 005, 150 et 125

T4 (10)



Year <b>2010</b> Année	10 Workers' compensation benefits Indemnités pour accidents du travail	11 Social assistance payments or provincial or territorial supplements <b>950.00</b> Prestations d'assistance sociale ou supplément provincial ou territorial	12 Social insurance number <b>123 456 789</b> Numéro d'assurance sociale	13 Report code Code de genre de feuillet
------------------------------	---	---	--	---

Recipient's name and address – Nom et adresse du bénéficiaire

Last name (please print)  
Nom de famille (en lettres moulées)

First name  
Prénom

Initials  
Initiales

Payer's name and address  
Nom et adresse du payeur

→ **SINGH KAREN**

**PROVINCE**

Privacy Act, Personal Information Bank number CRA PPU 150

Loi sur la protection des renseignements personnels, Fichier de renseignements personnels ARC PPU 150

T5007(10)



STATEMENT OF UNIVERSAL CHILD CARE BENEFIT  
ÉTAT DE LA PRESTATION UNIVERSELLE POUR LA GARDE D'ENFANTS

Year <b>2010</b> Année	Social insurance number <b>123 456 789</b> Numéro d'assurance sociale	10 Total benefit paid <b>1,200.00</b> Prestation totale versée	12 Repayment of previous-year benefits Remboursement de prestations d'années précédentes
------------------------------	---	--	---

Issued by: Human Resources and Social Development Canada  
Émis par : Ressources humaines et Développement social Canada

Year - Année	Amount - Montant

**SINGH KAREN**  
**83 Elm St**  
**Bytown Province K1S 4F8**

# Child Care Expenses Deduction for 2010

Read the attached information sheet. On the sheet we define **child care expenses**, **eligible child**, **net income**, **earned income**, and **educational program**. For more information, see Interpretation Bulletin IT-495, *Child Care Expenses*.

Each person claiming the child care expenses deduction must attach a completed Form T778 to his or her return.

Do not include receipts, but keep them in case we ask to see them.

If you are the **only person** claiming child care expenses, complete parts A and B, and, if it applies, Part D.

If there is **another person** (as described under "Who can claim child care expenses?" on the attached sheet) and you are the one with the **lower net income**, complete parts A and B.

If there is **another person** (as described under "Who can claim child care expenses?" on the attached sheet) and you are the one with the **higher net income**, complete parts A, B, C, and, if it applies, Part D.

## Part A – Total child care expenses

List the **first and last names** and the **dates of birth** of all your eligible children, even if you did not pay child care expenses for all of them.

	Year	Month	Day
<b>Annie Singh</b>	2008	06	04

First name of each child for whom payments were made	Child care expenses paid (see note below)	Name of the child care organization or the name and social insurance number of the individual who received the payments	Number of weeks for boarding schools or overnight camps
<b>Annie</b>	+ 3,160 00	<b>Sunny Nursery</b>	
	+		
	+		
	+		
<b>Total</b>	=		

**Note:** The maximum you can claim for expenses that relate to a stay in a boarding school (other than education costs) or an overnight camp (including an overnight sports school) is **\$175 per week** for a child included on line 1 in Part B, **\$250 per week** for a child included on line 2, and **\$100 per week** for a child included on line 3.

Enter any child care expenses included above that were incurred in 2010 for a child who was 18 or older. **6795**

## Part B – Basic limit for child care expenses

Number of eligible children:

<b>Born in 2004 or later</b> , for whom the disability amount cannot be claimed	_____	× \$7,000 =	_____	1
<b>Born in 2010 or earlier</b> , for whom the disability amount can be claimed *	_____	× \$10,000 =	<b>6796</b> +	2
<b>Born in 1994 to 2003</b> , (or born in 1993 or earlier, with a mental or physical impairment, for whom the disability amount cannot be claimed)	_____	× \$4,000 =	+ _____	3
Add lines 1, 2, and 3.			= _____	4
Enter your <b>total child care expenses</b> from Part A.				5
Enter your <b>earned income</b> .	_____	× $\frac{2}{3}$ =	_____	6
Enter the amount from line 4, 5, or 6, whichever is <b>least</b> .				7

If you are the person with the higher net income and, go to Part C. Leave lines 8 and 9 blank.

Enter any child care expenses that the <b>other person</b> (as described under "Who can claim child care expenses?" on the attached sheet) with the higher net income deducted on line 214 of his or her 2010 return.	_____			8
Line 7 minus line 8. If you attended school in 2010 and you are the only person making a claim, also go to Part D. Otherwise, enter this amount on line 214 of your return. <b>Your allowable deduction</b>			= _____	9

\* Attach Form T2201, *Disability Tax Credit Certificate*. If this form has already been filed for the child, attach a note to your return showing the name and social insurance number of the person who filed the form and the tax year for which it was filed.

## Example 6 – Aboriginal peoples

- John is a single, Status Indian, born on July 8, 1976. In 2010, he worked as a full-time administrator for a medical clinic located on a reserve. His employer, Big Isle Health Clinic, has elected to participate in the CPP.
- In 2010, John also worked part-time for an organization dedicated to developing social programs for local youth. The organization is located off reserve and all of John's work was carried out off reserve.

Based on the information given, complete John's 2010 *Income Tax and Benefit Return*.

### To complete this return, you will need the following:

- T1 General – *Income Tax and Benefit Return*
- Schedule 1, *Federal Tax*
- (if your province of residence is Quebec) Schedule 10, *Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums*
- For assistance in completing this return, go to [www.cra.gc.ca/brgnls/gdlns-eng.html](http://www.cra.gc.ca/brgnls/gdlns-eng.html) on our Web site.
- Please note** when electronically filing the tax return of a Status Indian who has a T4 indicating tax exempt income (box 71), it is important to key into the software the amounts from boxes 24 and 26, even if the employer did not complete these boxes.

Canada Revenue Agency / Agence du revenu du Canada		Year / Année: <b>2010</b>		<b>T4</b> STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE	
Employer's name – Nom de l'employeur <b>BIG ISLE HEALTH CLINIC</b>		Employment income – line 101 / Revenus d'emploi – ligne 101		Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	
Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères)		Province of employment / Province d'emploi	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	EI insurable earnings / Gains assurables d'AE	
Social insurance number / Numéro d'assurance sociale		Employment code / Code d'emploi	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres moulées) / First name – Prénom / Initials – Initiales <b>FRANCIS JOHN</b> 1001 R. R. 4 Town Province X0X 0X0		Exempt – Exemption / CPP/QPP EI PPIP / RPC/RRQ AE RPAP	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	Union dues – line 212 / Cotisations syndicales – ligne 212	
Other information (see over) / Autres renseignements (voir au verso)		RPP contributions – line 207 / Cotisations à un RPA – ligne 207	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	Charitable donations – see over / Dons de bienfaisance – voir au verso	
		Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso		RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
Box – Case / Montant				PPIP insurable earnings / Gains assurables du RPAP	
Box – Case / Montant					
Box – Case / Montant					
Box – Case / Montant					

Privacy Act, Personal Information Bank Number CRA PPU 005, 150 and 125 / Loi sur la protection des renseignements personnels, Fichier de renseignements personnels numéro ARC PPU 005, 150 et 125  
T4 (10)





Year / Année **2010**

**STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE**

Employer's name – Nom de l'employeur  
**COMMUNITY CENTRE**

Employment income – line 101 / Revenus d'emploi – ligne 101: **14 5,500 00**  
Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437: **22 107 27**

Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères): **54**

Province of employment / Province d'emploi: **10**  
Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308: **16 99 00**

EI insurable earnings / Gains assurables d'AE: **24 5,500 00**

Social insurance number / Numéro d'assurance sociale: **12 123 456 789**  
Exempt – Exemption: **28**  
CPP/QPP, EI, PPIP, RPC/RRQ, AE, RPAP

Employment code / Code d'emploi: **29**  
Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308: **17**

CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ: **26 5,500 00**

Employee's name and address – Nom et adresse de l'employé  
Last name (in capital letters) – Nom de famille (en lettres moulées): **FRANCIS**  
First name – Prénom: **JOHN**  
Initials – Initiales:  
**1001 R. R. 4**  
**Town Province X0X 0X0**

Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312: **18 95 15**

Union dues – line 212 / Cotisations syndicales – ligne 212: **44**

RPP contributions – line 207 / Cotisations à un RPA – ligne 207: **20**

Charitable donations – see over / Dons de bienfaisance – voir au verso: **46**

Pension adjustment – line 206 / Facteur d'équivalence – ligne 206: **52**

RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB: **50**

Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso: **55**

PPIP insurable earnings / Gains assurables du RPAP: **56**

Other information (see over) / Autres renseignements (voir au verso)	Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

## Appendix 4.1 – Matching Federal Non-Refundable Tax Credits

Draw an arrow to match the amount from the right column to the correct question in the left column.

- |   |          |
|---|----------|
| ■ What is the maximum spouse or common-law partner amount?  | \$20     |
| ■ What is the maximum tuition, education, and textbook amount that can be transferred from a child? | \$10,382 |
| ■ What is the basic personal amount?  | \$65     |
| ■ What is the full-time education amount per month?   | \$120    |
| ■ What is the part-time education amount per month?   | \$400    |
| ■ What is the full-time textbook amount per month?  | \$10,382 |
| ■ What is the part-time textbook amount per month?  | \$5,000  |
| ■ What is the amount for an eligible dependant?   | \$10,382 |

## Appendix 4.2 – Quick Reference

Box numbers on information slips and line numbers on an income tax and benefit return

Slip type	Box #	Box title	Line on return
<b>T4 Statement of Remuneration Paid</b>			
	14	Employment income	101
	16	Employee's Canada Pension Plan contributions	308
	17	Employee's Quebec Pension Plan contributions	308
	18	Employee's Employment Insurance premiums	312
	20	Registered pension plan contributions	207
	22	Income tax deducted	437
	55	Employee's provincial parental insurance plan (PPIP) (if province of employment is Quebec)	375
<b>T4A Statement of Pension, Retirement, Annuity, and Other Income</b>			
	016	Pension or superannuation	115 and 314
	018	Lump-sum payments	130
	020	Self-employed commissions	166 and 139
	022	Income tax deducted	437
	028	Other income	Miscellaneous
	040	RESP accumulated income payments	130 and 418
	042	RESP educational assistance payments	130
<b>T5 Statement of Investment Income</b>			
	25	Taxable amount of eligible dividends	120
	26	Dividend tax credit for eligible dividends	425
	11	Taxable amount of dividends other than eligible dividends	180 and 120
	12	Dividend tax credit for dividends other than eligible dividends	425
	13	Interest from Canadian sources	121
	14	Other income from Canadian sources	121
	15	Foreign income	121
<b>T4E Statement of Employment Insurance and Other Benefits</b>			
	7	Repayment rate	235 and 422
	14	Total benefits paid	119
	20	Taxable tuition assistance	Not entered on tax return
	22	Income tax deducted	437
	23	Quebec income tax deducted	437 (if not a resident of Quebec)

# Solution – Example 1 – High school student



Canada Revenue Agency / Agence du revenu du Canada

**T1 GENERAL 2010**

## Income Tax and Benefit Return

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled.

1

### Identification

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial

**Samantha**

Last name

**Valcourt**

Mailing address: Apt No – Street No Street name

**33 King George Avenue**

PO Box

RR

City

**City**

Prov./Terr.

**X X**

Postal code

**P 4 E 7 Z 2**

### Information about you

Enter your social insurance number (SIN)

if it is not on the label, or if you are not attaching a label:

**1 2 3 4 5 6 7 8 9**  
Year Month Day

Enter your date of birth:

**1 9 9 3 1 1 1 3**

Your language of correspondence:

English

Français

Votre langue de correspondance :

Tick the box that applies to your marital status on December 31, 2010: (see the "Marital status" section in the guide)

1  Married

2  Living common-law

3  Widowed

4  Divorced

5  Separated

6  Single

### Information about your spouse or common-law partner (if you ticked box 1 or 2 above) (see the guide for more information)

Enter his or her SIN if it is not on the label, or if you are not attaching a label:

\_\_\_\_\_

Enter his or her first name:

\_\_\_\_\_

Enter his or her net income for 2010 to claim certain credits:

\_\_\_\_\_

Enter the amount of Universal Child Care Benefit included on line 117 of his or her return:

\_\_\_\_\_

Enter the amount of Universal Child Care Benefit repayment included on line 213 of his or her return:

\_\_\_\_\_

Tick this box if he or she was self-employed in 2010:

1

### Information about your residence

Enter your province or territory of residence on December 31, 2010:

**Province or territory other than Quebec**

Enter the province or territory where you currently reside if it is not the same as that shown above for your mailing address:

\_\_\_\_\_

If you were self-employed in 2010, enter the province or territory of self-employment:

\_\_\_\_\_

If you became or ceased to be a resident of Canada in 2010, give the date of:

entry Month Day  
\_\_\_\_\_

or

departure Month Day  
\_\_\_\_\_

### Person deceased in 2010

If this return is for a deceased person, enter the date of death:

Year Month Day  
\_\_\_\_\_

Do not use this area



**Elections Canada** (see the Elections Canada page in the tax guide for details or visit [www.elections.ca](http://www.elections.ca))

A) Are you a Canadian citizen? ..... Yes  1 No  2

Answer the following question only if you are a Canadian citizen.

B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors? ..... Yes  1 No  2

Your authorization is valid until you file your next return. Your information will only be used for purposes permitted under the *Canada Elections Act* which includes sharing the information with provincial/territorial election agencies, Members of Parliament and registered political parties, as well as candidates at election time.

### Goods and services tax/harmonized sales tax (GST/HST) credit application

See the guide for details.

Are you applying for the GST/HST credit? ..... Yes  1 No  2

Do not use this area

172

171

The guide contains valuable information to help you complete your return.

When you come to a line on the return that applies to you, look up the line number in the guide for more information.

**Please answer the following question:**

Did you own or hold foreign property at any time in 2010 with a total cost of more than CAN\$100,000? (see the "Foreign income" section in the guide for details) ..... **266** Yes  1 No  2

If **yes**, attach a completed Form T1135.

If you had dealings with a non-resident trust or corporation in 2010, see the "Foreign income" section in the guide.

**As a Canadian resident, you have to report your income from all sources both inside and outside Canada.**

**Total income**

Employment income (box 14 on all T4 slips)	101	6,200	00
Commissions included on line 101 (box 42 on all T4 slips)	102		
Other employment income	104 +	300	00
Old Age Security pension (box 18 on the T4A(OAS) slip)	113 +		
CPP or QPP benefits (box 20 on the T4A(P) slip)	114 +		
Disability benefits included on line 114 (box 16 on the T4A(P) slip)	152		
Other pensions or superannuation	115 +		
Elected split-pension amount (see the guide and <b>attach</b> Form T1032)	116 +		
Universal Child Care Benefit (UCCB) (see the guide)	117 +		
UCCB amount designated to a dependant	185		
Employment Insurance and other benefits (box 14 on the T4E slip)	119 +		
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see the guide and <b>attach</b> Schedule 4)	120 +		
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180		
Interest and other investment income ( <b>attach</b> Schedule 4)	121 +		
Net partnership income: limited or non-active partners only ( <b>attach</b> Schedule 4)	122 +		
Registered disability savings plan income (see the guide)	125 +		
Rental income	Gross 160		Net 126 +
Taxable capital gains ( <b>attach</b> Schedule 3)			127 +
Support payments received	Total 156		Taxable amount 128 +
RRSP income (from all T4RSP slips)			129 +
Other income	Specify:		130 +
Self-employment income (see lines 135 to 143 in the guide)			
Business income	Gross 162		Net 135 +
Professional income	Gross 164		Net 137 +
Commission income	Gross 166		Net 139 +
Farming income	Gross 168		Net 141 +
Fishing income	Gross 170		Net 143 +
Workers' compensation benefits (box 10 on the T5007 slip)	144		
Social assistance payments	145 +		
Net federal supplements (box 21 on the T4A(OAS) slip)	146 +		
Add lines 144, 145, and 146 (see line 250 in the guide).	=		▶ 147 +
Add lines 101, 104 to 143, and 147.	This is your <b>total income.</b>	150 =	6,500 00



**Attach your Schedule 1 (federal tax) and Form 428 (provincial or territorial tax) here. Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return.**

### Net income

Enter your <b>total income</b> from line 150.		150	<b>6,500</b>	<b>00</b>
Pension adjustment (box 52 on all T4 slips and box 034 on all T4A slips)	206			
Registered pension plan deduction (box 20 on all T4 slips and box 032 on all T4A slips)	207			
RRSP deduction (see Schedule 7, and <b>attach</b> receipts)	208 +			
Saskatchewan Pension Plan deduction (maximum \$600)	209 +			
Deduction for elected split-pension amount (see the guide, and <b>attach</b> Form T1032)	210 +			
Annual union, professional, or like dues (box 44 on all T4 slips, and receipts)	212 +			
Universal Child Care Benefit repayment (box 12 on all RC62 slips)	213 +			
Child care expenses ( <b>attach</b> Form T778)	214 +			
Disability supports deduction	215 +			
Business investment loss Gross 228	Allowable deduction 217 +			
Moving expenses	219 +			
Support payments made Total 230	Allowable deduction 220 +			
Carrying charges and interest expenses ( <b>attach</b> Schedule 4)	221 +			
Deduction for CPP or QPP contributions on self-employment and other earnings ( <b>attach</b> Schedule 8)	222 +			
Exploration and development expenses ( <b>attach</b> Form T1229)	224 +			
Other employment expenses	229 +			
Clergy residence deduction	231 +			
Other deductions Specify:	232 +			
Add lines 207 to 224, 229, 231, and 232.	233 =			
Line 150 minus line 233 (if negative, enter "0").	This is your <b>net income before adjustments.</b>		234 =	<b>6,500 00</b>
Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide). Use the federal worksheet to calculate your repayment.			235 -	
Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide.	This is your <b>net income.</b>		236 =	<b>6,500 00</b>

### Taxable income

Canadian Forces personnel and police deduction (box 43 on all T4 slips)	244			
Employee home relocation loan deduction (box 37 on all T4 slips)	248 +			
Security options deductions	249 +			
Other payments deduction (if you reported income on line 147, see line 250 in the guide)	250 +			
Limited partnership losses of other years	251 +			
Non-capital losses of other years	252 +			
Net capital losses of other years	253 +			
Capital gains deduction	254 +			
Northern residents deductions ( <b>attach</b> Form T2222)	255 +			
Additional deductions Specify:	256 +			
Add lines 244 to 256.	257 =			
Line 236 minus line 257 (if negative, enter "0").	This is your <b>taxable income.</b>		260 =	<b>6,500 00</b>

**Use your taxable income to calculate your federal tax on Schedule 1 and your provincial or territorial tax on Form 428.**

# Refund or balance owing

Net federal tax: enter the amount from line 55 of Schedule 1 ( <b>attach</b> Schedule 1, even if the result is "0")	420		0	00
CPP contributions payable on self-employment and other earnings ( <b>attach</b> Schedule 8)	421	+		
Employment Insurance premiums payable on self-employment and other eligible earnings ( <b>attach</b> Schedule 13)	430	+		
Social benefits repayment (enter the amount from line 235)	422	+		
<b>Provincial or territorial tax</b> ( <b>attach</b> Form 428, even if the result is "0")	428	+	*	
Add lines 420, 421, 430, 422, and 428.	<b>435</b>	=	*	

This is your **total payable**.

Total income tax deducted (see the guide)	437		202	00
Refundable Quebec abatement	440	+		
CPP overpayment (enter your excess contributions)	448	+		
Employment Insurance overpayment (enter your excess contributions)	450	+		
Refundable medical expense supplement (use federal worksheet)	452	+		
Working Income Tax Benefit (WITB) ( <b>attach</b> Schedule 6)	453	+		
Refund of investment tax credit ( <b>attach</b> Form T2038(IND))	454	+		
Part XII.2 trust tax credit (box 38 on all T3 slips)	456	+		
Employee and partner GST/HST rebate ( <b>attach</b> Form GST370)	457	+		
Tax <b>paid</b> by instalments	476	+		
<b>Provincial or territorial credits</b> ( <b>attach</b> Form 479 if it applies)	479	+	*	
Add lines 437 to 479.	<b>482</b>	=	*	

These are your **total credits**.

Line 435 minus line 482 This is your **refund or balance owing**.

If the result is negative, you have a **refund**. If the result is positive, you have a **balance owing**.

Enter the amount below on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

**Refund 484** \_\_\_\_\_ •     
  **Balance owing** (see line 485 in the guide) **485** \_\_\_\_\_ •

**Amount enclosed 486**

Attach to page 1 a **cheque** or **money order** payable to the Receiver General, or make your payment online (go to [www.cra.gc.ca/mypayment](http://www.cra.gc.ca/mypayment)). Your payment is due no later than April 30, 2011.

**Direct deposit – Start or change (see line 484 in the guide)**

**You do not have to complete this area every year.** Do not complete it this year if your direct deposit information has not changed. **Income tax refund, GST/HST credit, WITB advance payments, and any other deemed overpayment of tax** – To start direct deposit or to change account information, complete lines 460, 461, and 462 below.

**Notes:** To deposit your **CCTB** payments (including certain related provincial or territorial payments) into the **same** account, also tick box 463. To deposit your **UCCB** payments into the **same** account, also tick box 491.

Branch number	Institution number	Account number	CCTB	UCCB
<b>460</b> _____ (5 digits)	<b>461</b> _____ (3 digits)	<b>462</b> _____ (maximum 12 digits)	<b>463</b> <input type="checkbox"/>	<b>491</b> <input type="checkbox"/>

I certify that the information given on this return and in any documents attached is correct, complete, and fully discloses all my income. <b>Sign here</b> <u>Samantha Valcourt</u> It is a serious offence to make a false return. Telephone <u>xxx – xxx – xxxx</u> Date <u>April 10, 2011</u>	<b>490 For professional tax preparers only</b> Name: _____ Address: _____ Telephone: <u>– –</u>
--	--

<b>Do not use this area</b>	<b>487</b> <input type="text"/>	<b>488</b> <input type="text"/>							
-----------------------------	---------------------------------	---------------------------------	--	--	--	--	--	--	--

Complete this schedule, and **attach** a copy to your return.

For more information, see the related line in the guide.

**Step 1 – Federal non-refundable tax credits**

Basic personal amount	claim \$10,382	300	10,382	00	1
Age amount (if you were born in 1945 or earlier) (use federal worksheet)	(maximum \$6,446)	301+			2
Spouse or common-law partner amount (if negative, enter "0")	\$10,382 minus ( ) his or her net income from page 1 of your return) =	303+			3
Amount for an eligible dependant ( <b>attach</b> Schedule 5) (if negative, enter "0")	\$10,382 minus ( ) his or her net income) =	305+			4
Amount for children born in 1993 or later	Number of children 366 × \$2,101 =	367+			5
Amount for infirm dependants age 18 or older (use federal worksheet and <b>attach</b> Schedule 5)		306+			6
CPP or QPP contributions:					
through employment from box 16 and box 17 on all T4 slips	(maximum \$2,163.15)	308+			• 7
on self-employment and other earnings ( <b>attach</b> Schedule 8)		310+			• 8
Employment Insurance premiums:					
through employment from box 18 and box 55 on all T4 slips	(maximum \$747.36)	312+	107	26	• 9
on self-employment and other eligible earnings ( <b>attach</b> Schedule 13)		317+			• 10
Canada employment amount (if you reported employment income on line 101 or line 104, see line 363 in the guide)	(maximum \$1,051)	363+	1,051	00	11
Public transit amount		364+			12
Children's fitness amount		365+			13
Home buyers' amount (see line 369 in the guide)		369+			14
Adoption expenses		313+			15
Pension income amount (use federal worksheet)	(maximum \$2,000)	314+			16
Caregiver amount (use federal worksheet and <b>attach</b> Schedule 5)		315+			17
Disability amount (for self) (claim \$7,239 or, if you were under 18 years of age, use federal worksheet)		316+			18
Disability amount transferred from a dependant (use federal worksheet)		318+			19
Interest paid on your student loans		319+			20
Tuition, education, and textbook amounts ( <b>attach</b> Schedule 11)		323+			21
Tuition, education, and textbook amounts transferred from a child		324+			22
Amounts transferred from your spouse or common-law partner ( <b>attach</b> Schedule 2)		326+			23
Medical expenses for self, spouse or common-law partner, and your dependent children born in 1993 or later		330			
Minus: \$2,024 or 3% of line 236, whichever is less		-			
Subtotal (if negative, enter "0")		=		(A)	
Allowable amount of medical expenses for other dependants (do the calculation at line 331 in the guide and <b>attach</b> Schedule 5)		331+		(B)	
Add lines (A) and (B).		=		▶ 332+	24
Add lines 1 to 24.		335=	11,540	26	25
Multiply the amount on line 25 by 15%.		338=	1,731	04	26
Donations and gifts ( <b>attach</b> Schedule 9)		349+			27
Add lines 26 and 27.					
Enter this amount on line 40 on the next page.	<b>Total federal non-refundable tax credits</b>	350=	1,731	04	28

Go to Step 2 on the next page. ➔



## Step 2 – Federal tax on taxable income

Enter your **taxable income** from line 260 of your return.

**6,500 00** 29

Use the amount on line 29 to determine which **ONE** of the following columns you have to complete.

	If line 29 is \$40,970 or less	If line 29 is more than \$40,970 but not more than \$81,941	If line 29 is more than \$81,941 but not more than \$127,021	If line 29 is more than \$127,021
Enter the amount from line 29.	<b>6,500 00</b>			<b>30</b>
Base amount	<b>00,000 00</b>	- 40,970 00	- 81,941 00	- 127,021 00 <b>31</b>
Line 30 minus line 31 (cannot be negative)	= <b>6,500 00</b>	=	=	= <b>32</b>
Rate	× 15%	× 22%	× 26%	× 29% <b>33</b>
Multiply line 32 by line 33.	= <b>975 00</b>	=	=	= <b>34</b>
Tax on base amount	<b>00,000 00</b>	+ 6,146 00	+ 15,159 00	+ 26,880 00 <b>35</b>
Add lines 34 and 35.	= <b>975 00</b>	=	=	= <b>36</b>
	Go to Step 3.	Go to Step 3.	Go to Step 3.	Go to Step 3.

## Step 3 – Net federal tax

Enter the amount from line 36 above.

Federal tax on split income (from line 5 of Form T1206)	<b>424</b> +	<b>975 00</b> 37	• 38
Add lines 37 and 38.	404=	<b>975 00</b>	<b>975 00</b> 39

Enter your total federal non-refundable tax credits from line 28 of the previous page.	350	<b>1,731 04</b> 40	
Federal dividend tax credit (see line 425 in the guide)	<b>425</b> +		• 41
Overseas employment tax credit ( <b>attach</b> Form T626)	426+		42
Minimum tax carryover ( <b>attach</b> Form T691)	<b>427</b> +		• 43
Add lines 40 to 43.	=	<b>1,731 04</b>	- <b>1,731 04</b> 44

Line 39 minus line 44 (if negative, enter "0"). **Basic federal tax** 429= **0 00** 45

Federal foreign tax credit (**attach** Form T2209) 405- **0 00** 46

Line 45 minus line 46 (if negative, enter "0"). **Federal tax** 406= **0 00** 47

Total federal political contributions ( <b>attach</b> receipts)	<b>409</b>		
Federal political contribution tax credit (use federal worksheet)	<b>410</b>		• 48
Investment tax credit ( <b>attach</b> Form T2038(IND))	<b>412</b> +		• 49
Labour-sponsored funds tax credit			
Net cost <b>413</b>		Allowable credit <b>414</b> +	• 50
Add lines 48, 49, and 50.		416=	- <b>0 00</b> 51

Line 47 minus line 51 (if negative, enter "0").  
If you have an amount on line 38 above, see Form T1206. 417= **0 00** 52

Working Income Tax Benefit (WITB) advance payments received (box 10 on the RC210 slip)	<b>415</b> +		• 53
Additional tax on RESP accumulated income payments ( <b>attach</b> Form T1172)	418+		54

Add lines 52, 53, and 54.  
Enter this amount on line 420 of your return. **Net federal tax** 420= **0 00** 55

# Solution – Example 2 – High school student with Quebec as province of employment



Canada Revenue Agency / Agence du revenu du Canada

**T1 GENERAL 2010**

## Income Tax and Benefit Return

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled.

QC **1**

### Identification

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial  
**Marie-Chantal**

Last name  
**Gagnon**

Mailing address: Apt No – Street No Street name  
**1095 Notre-Dame Street**

PO Box \_\_\_\_\_ RR \_\_\_\_\_

City **Town** Prov./Terr. **Q C** Postal code **G 0 L 4 K 0**

### Information about you

Enter your social insurance number (SIN) if it is not on the label, or if you are not attaching a label: **1 2 3 4 5 6 7 8 9**

Year Month Day  
**1 9 9 3 1 1 1 3**

Enter your date of birth: **1 9 9 3 1 1 1 3**

Your language of correspondence: English  Français

Votre langue de correspondance:

Tick the box that applies to your marital status on December 31, 2010: (see the "Marital status" section in the guide)

1  Married 2  Living common-law 3  Widowed  
4  Divorced 5  Separated 6  Single

### Information about your spouse or common-law partner (if you ticked box 1 or 2 above) (see the guide for more information)

Enter his or her SIN if it is not on the label, or if you are not attaching a label: \_\_\_\_\_

Enter his or her first name: \_\_\_\_\_

Enter his or her net income for 2010 to claim certain credits: \_\_\_\_\_

Enter the amount of Universal Child Care Benefit included on line 117 of his or her return: \_\_\_\_\_

Enter the amount of Universal Child Care Benefit repayment included on line 213 of his or her return: \_\_\_\_\_

Tick this box if he or she was self-employed in 2010: 1

### Information about your residence

Enter your province or territory of residence on **December 31, 2010**: **Quebec**

Enter the province or territory where you **currently** reside if it is not the same as that shown above for your mailing address: \_\_\_\_\_

If you were self-employed in 2010, enter the province or territory of self-employment: \_\_\_\_\_

If you **became** or **ceased** to be a resident of Canada in 2010, give the date of:  
entry Month Day \_\_\_\_\_ or departure Month Day \_\_\_\_\_

### Person deceased in 2010

If this **return** is for a **deceased person**, enter the date of death: Year Month Day  
\_\_\_\_\_

**Do not use this area**



**Elections Canada** (see the Elections Canada page in the tax guide for details or visit [www.elections.ca](http://www.elections.ca))

A) Are you a Canadian citizen? ..... Yes  1 No  2  
Answer the following question **only if you are a Canadian citizen.**

B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors?..... Yes  1 No  2  
Your authorization is valid until you file your next return. Your information will only be used for purposes permitted under the *Canada Elections Act* which includes sharing the information with provincial/territorial election agencies, Members of Parliament and registered political parties, as well as candidates at election time.

### Goods and services tax/harmonized sales tax (GST/HST) credit application

See the guide for details.  
Are you applying for the GST/HST credit? ..... Yes  1 No  2

Do not use this area	<b>172</b>					<b>171</b>				
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The guide contains valuable information to help you complete your return.

When you come to a line on the return that applies to you, look up the line number in the guide for more information.

**Please answer the following question:**

Did you own or hold foreign property at any time in 2010 with a total cost of more than CAN\$100,000? (see the "Foreign income" section in the guide for details) ..... **266** Yes  1 No  2

If **yes**, attach a completed Form T1135.

If you had dealings with a non-resident trust or corporation in 2010, see the "Foreign income" section in the guide.

**As a Canadian resident, you have to report your income from all sources both inside and outside Canada.**

**Total income**

Employment income (box 14 on all T4 slips)	101	6,200	00
Commissions included on line 101 (box 42 on all T4 slips)	102		
Other employment income	104 +	300	00
Old Age Security pension (box 18 on the T4A(OAS) slip)	113 +		
CPP or QPP benefits (box 20 on the T4A(P) slip)	114 +		
Disability benefits included on line 114 (box 16 on the T4A(P) slip)	152		
Other pensions or superannuation	115 +		
Elected split-pension amount (see the guide and <b>attach</b> Form T1032)	116 +		
Universal Child Care Benefit (UCCB) (see the guide)	117 +		
UCCB amount designated to a dependant	185		
Employment Insurance and other benefits (box 14 on the T4E slip)	119 +		
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see the guide and <b>attach</b> Schedule 4)	120 +		
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180		
Interest and other investment income ( <b>attach</b> Schedule 4)	121 +		
Net partnership income: limited or non-active partners only ( <b>attach</b> Schedule 4)	122 +		
Registered disability savings plan income (see the guide)	125 +		
Rental income	Gross 160		Net 126 +
Taxable capital gains ( <b>attach</b> Schedule 3)			127 +
Support payments received	Total 156		Taxable amount 128 +
RRSP income (from all T4RSP slips)			129 +
Other income	Specify:		130 +
Self-employment income (see lines 135 to 143 in the guide)			
Business income	Gross 162		Net 135 +
Professional income	Gross 164		Net 137 +
Commission income	Gross 166		Net 139 +
Farming income	Gross 168		Net 141 +
Fishing income	Gross 170		Net 143 +
Workers' compensation benefits (box 10 on the T5007 slip)	144		
Social assistance payments	145 +		
Net federal supplements (box 21 on the T4A(OAS) slip)	146 +		
Add lines 144, 145, and 146 (see line 250 in the guide).	=		▶ 147 +
Add lines 101, 104 to 143, and 147.	This is your <b>total income.</b>	150 =	6,500 00

**Attach your Schedule 1 (federal tax) here.**  
**Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return.**

**Net income**

Enter your <b>total income</b> from line 150.	150	<b>6,500</b>	<b>00</b>
Pension adjustment (box 52 on all T4 slips and box 034 on all T4A slips)	<b>206</b>		
Registered pension plan deduction (box 20 on all T4 slips and box 032 on all T4A slips)	<b>207</b>		
RRSP deduction (see Schedule 7, and <b>attach</b> receipts)	<b>208</b>	+	
Saskatchewan Pension Plan deduction (maximum \$600)	<b>209</b>	+	
Deduction for elected split-pension amount (see the guide, and <b>attach</b> Form T1032)	<b>210</b>	+	
Annual union, professional, or like dues (box 44 on all T4 slips, and receipts)	<b>212</b>	+	
Universal Child Care Benefit repayment (box 12 on all RC62 slips)	<b>213</b>	+	
Child care expenses ( <b>attach</b> Form T778)	<b>214</b>	+	
Disability supports deduction	<b>215</b>	+	
Business investment loss Gross <b>228</b>		Allowable deduction <b>217</b>	+
Moving expenses		<b>219</b>	+
Support payments made Total <b>230</b>		Allowable deduction <b>220</b>	+
Carrying charges and interest expenses ( <b>attach</b> Schedule 4)		<b>221</b>	+
Deduction for CPP or QPP contributions on self-employment and other earnings ( <b>attach</b> Schedule 8)		<b>222</b>	+
Deduction for PPIP premiums on self-employment income ( <b>attach</b> Schedule 10)		<b>223</b>	+
Exploration and development expenses ( <b>attach</b> Form T1229)		<b>224</b>	+
Other employment expenses		<b>229</b>	+
Clergy residence deduction		<b>231</b>	+
Other deductions Specify:		<b>232</b>	+
Add lines 207 to 224, 229, 231, and 232.		<b>233</b>	=
Line 150 minus line 233 (if negative, enter "0").		<b>234</b>	=
This is your <b>net income before adjustments.</b>		<b>6,500</b>	<b>00</b>
Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide). Use the federal worksheet to calculate your repayment.		<b>235</b>	-
Line 234 minus line 235 (if negative, enter "0").		<b>236</b>	=
If you have a spouse or common-law partner, see line 236 in the guide.		This is your <b>net income.</b>	
		<b>6,500</b>	<b>00</b>

**Taxable income**

Canadian Forces personnel and police deduction (box 43 on all T4 slips)	<b>244</b>		
Employee home relocation loan deduction (box 37 on all T4 slips)	<b>248</b>	+	
Security options deductions	<b>249</b>	+	
Other payments deduction (if you reported income on line 147, see line 250 in the guide)	<b>250</b>	+	
Limited partnership losses of other years	<b>251</b>	+	
Non-capital losses of other years	<b>252</b>	+	
Net capital losses of other years	<b>253</b>	+	
Capital gains deduction	<b>254</b>	+	
Northern residents deductions ( <b>attach</b> Form T2222)	<b>255</b>	+	
Additional deductions Specify:	<b>256</b>	+	
Add lines 244 to 256.	<b>257</b>	=	
Line 236 minus line 257 (if negative, enter "0").		<b>260</b>	=
This is your <b>taxable income.</b>		<b>6,500</b>	<b>00</b>

**Use your taxable income to calculate your federal tax on Schedule 1.**

### Refund or balance owing

Net federal tax: enter the amount from line 58 of Schedule 1 ( <b>attach</b> Schedule 1, even if the result is "0")	420			00
CPP contributions payable on self-employment and other earnings ( <b>attach</b> Schedule 8)	421 +			
Employment Insurance premiums payable on self-employment and other eligible earnings ( <b>attach</b> Schedule 13)	430 +			
Social benefits repayment (enter the amount from line 235)	422 +			
Provincial or territorial tax (other than Quebec provincial tax; see the guide)	428 +			
Add lines 420, 421, 430, 422, and 428.	This is your <b>total payable.</b>			435 = *

Total income tax deducted (see the guide)	437	202	00	•
Tax transfer for residents of Quebec	438	-		•
Line 437 minus line 438	=			▶ 439
Refundable Quebec abatement (16.5% of the amount on line 48 of Schedule 1)	440	+		•

Employment Insurance overpayment (enter your excess contributions)	450			• (A)
Amount on line 376 of Schedule 1	-			(B)
Net employment insurance overpayment				
Line (A) minus line (B) (if negative, enter "0")	=			▶ 451 +
Refundable medical expense supplement (use federal worksheet)	452	+		•
Working Income Tax Benefit (WITB) ( <b>attach</b> Schedule 6)	453	+		•
Refund of investment tax credit ( <b>attach</b> Form T2038(IND))	454	+		•
Part XII.2 trust tax credit (box 38 on all T3 slips)	456	+		•

Employee and partner GST/HST rebate ( <b>attach</b> Form GST370)	457	+		•
Tax <b>paid</b> by instalments	476	+		•
Add lines 439, 440, and 451 to 476.	These are your <b>total credits.</b>			482 = *

Line 435 minus line 482 This is your **refund or balance owing.** = \* \*

If the result is negative, you have a **refund**. If the result is positive, you have a **balance owing**.

Enter the amount below on whichever line applies.

<p>Generally, we do not charge or refund a difference of \$2 or less.</p> <p><b>Refund 484</b> <input style="width: 100px;" type="text"/></p>	<p><b>Balance owing</b> (see line 485 in the guide) <b>485</b> <input style="width: 100px;" type="text"/></p> <p><b>Amount enclosed 486</b> <input style="width: 100px;" type="text"/></p>
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Attach to page 1 a **cheque** or **money order** payable to the Receiver General, or make your payment online (go to [www.cra.gc.ca/mypayment](http://www.cra.gc.ca/mypayment)). Your payment is due no later than April 30, 2011.



#### Direct deposit – Start or change (see line 484 in the guide)

**You do not have to complete this area every year.** Do not complete it this year if your direct deposit information has not changed. **Income tax refund, GST/HST credit, WITB advance payments, and any other deemed overpayment of tax** – To start direct deposit or to change account information, complete lines 460, 461, and 462 below.

**Notes:** To deposit your **CCTB** payments (including certain related provincial or territorial payments) into the **same** account, also tick box 463. To deposit your **UCCB** payments into the **same** account, also tick box 491.

Branch number 460 <input style="width: 80px;" type="text"/> (5 digits)	Institution number 461 <input style="width: 80px;" type="text"/> (3 digits)	Account number 462 <input style="width: 150px;" type="text"/> (maximum 12 digits)	CCTB 463 <input type="checkbox"/>	UCCB 491 <input type="checkbox"/>
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I certify that the information given on this return and in any documents attached is correct, complete, and fully discloses all my income.

**Sign here** Marie-Chantal Gagnon

It is a serious offence to make a false return.

Telephone xxx - xxx - xxxx Date April 10, 2011

**490 For professional tax preparers only**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Telephone: - -

<b>Do not use this area</b>	487 <input type="checkbox"/>	488 <input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Complete this schedule, and **attach** a copy to your return.

For more information, see the related line in the guide.

**Step 1 – Federal non-refundable tax credits**

Basic personal amount	claim \$10,382	<b>300</b>		<b>10,382</b>	<b>00</b>	<b>1</b>
Age amount (if you were born in 1945 or earlier) (use federal worksheet)	(maximum \$6,446)	<b>301</b>	+			<b>2</b>
Spouse or common-law partner amount (if negative, enter "0")						
\$10,382 minus ( ) his or her net income from page 1 of your return =		<b>303</b>	+			<b>3</b>
Amount for an eligible dependant ( <b>attach</b> Schedule 5) (if negative, enter "0")						
\$10,382 minus ( ) his or her net income =		<b>305</b>	+			<b>4</b>
Amount for children born in 1993 or later	Number of children <b>366</b> × \$2,101 =	<b>367</b>	+			<b>5</b>
Amount for infirm dependants age 18 or older (use federal worksheet and <b>attach</b> Schedule 5)		<b>306</b>	+			<b>6</b>
CPP or QPP contributions:						
through employment from box 16 and box 17 on all T4 slips	(maximum \$2,163.15)	<b>308</b>	+			<b>• 7</b>
on self-employment and other earnings ( <b>attach</b> Schedule 8)		<b>310</b>	+			<b>• 8</b>
Employment insurance premiums:						
through employment (see the guide)	(maximum \$587.52)	<b>312</b>	+	<b>84</b>	<b>32</b>	<b>• 9</b>
on self-employment and other eligible earnings ( <b>attach</b> Schedule 13)		<b>317</b>	+			<b>• 10</b>
Provincial Parental Insurance Plan (PPIP) premiums paid (amount from box 55 on all T4 slips)	(maximum \$316.25)	<b>375</b>	+	<b>31</b>	<b>38</b>	<b>• 11</b>
PPIP premiums payable on employment income ( <b>attach</b> Schedule 10)		<b>376</b>	+			<b>• 12</b>
PPIP premiums payable on self-employment income ( <b>attach</b> Schedule 10)		<b>378</b>	+			<b>• 13</b>
Canada employment amount (if you reported employment income on line 101 or line 104, see line 363 in the guide)	(maximum \$1,051)	<b>363</b>	+	<b>1,051</b>	<b>00</b>	<b>14</b>
Public transit amount		<b>364</b>	+			<b>15</b>
Children's fitness amount		<b>365</b>	+			<b>16</b>
Home buyers' amount (see line 369 in the guide)		<b>369</b>	+			<b>17</b>
Adoption expenses		<b>313</b>	+			<b>18</b>
Pension income amount (use federal worksheet)	(maximum \$2,000)	<b>314</b>	+			<b>19</b>
Caregiver amount (use federal worksheet and <b>attach</b> Schedule 5)		<b>315</b>	+			<b>20</b>
Disability amount (for self) (claim <b>\$7,239</b> or, if you were under 18 years of age, use federal worksheet)		<b>316</b>	+			<b>21</b>
Disability amount transferred from a dependant (use federal worksheet)		<b>318</b>	+			<b>22</b>
Interest paid on your student loans		<b>319</b>	+			<b>23</b>
Tuition, education, and textbook amounts ( <b>attach</b> Schedule 11)		<b>323</b>	+			<b>24</b>
Tuition, education, and textbook amounts transferred from a child		<b>324</b>	+			<b>25</b>
Amounts transferred from your spouse or common-law partner ( <b>attach</b> Schedule 2)		<b>326</b>	+			<b>26</b>
Medical expenses for <b>self, spouse or common-law partner, and your dependent children born in 1993 or later</b>		<b>330</b>				
Minus: \$2,024 or 3% of line 236, whichever is <b>less</b>						
Subtotal (if negative, enter "0")					(A)	
<b>Allowable amount</b> of medical expenses for <b>other dependants</b> (do the calculation at line 331 in the guide and <b>attach</b> Schedule 5)		<b>331</b>	+		(B)	
Add lines (A) and (B).					<b>332</b>	<b>27</b>
Add lines 1 to 27.					<b>335</b>	<b>11,548 70 28</b>
<b>Multiply the amount on line 28 by 15%.</b>		<b>338</b>	=	<b>1,732</b>	<b>31</b>	<b>29</b>
Donations and gifts ( <b>attach</b> Schedule 9)		<b>349</b>	+			<b>30</b>
Add lines 29 and 30.						
Enter this amount on line 43 on the next page.	<b>Total federal non-refundable tax credits</b>	<b>350</b>	=	<b>1,732</b>	<b>31</b>	<b>31</b>

Go to Step 2 on the next page. ➔

## Step 2 – Federal tax on taxable income

Enter your **taxable income** from line 260 of your return.

**6,500 00** 32

Use the amount on line 32 to determine which **ONE** of the following columns you have to complete.

	If line 32 is \$40,970 or less	If line 32 is more than \$40,970 but not more than \$81,941	If line 32 is more than \$81,941 but not more than \$127,021	If line 32 is more than \$127,021
Enter the amount from line 32.	<b>6,500 00</b>			
Base amount	<b>00,000 00</b>	– 40,970 00	– 81,941 00	– 127,021 00
Line 33 minus line 34 (cannot be negative)	= <b>6,500 00</b>	=	=	=
Rate	× 15%	× 22%	× 26%	× 29%
Multiply line 35 by line 36.	= <b>975 00</b>	=	=	=
Tax on base amount	<b>00,000 00</b>	+ 6,146 00	+ 15,159 00	+ 26,880 00
Add lines 37 and 38.	= <b>975 00</b>	=	=	=
	Go to Step 3.	Go to Step 3.	Go to Step 3.	Go to Step 3.

## Step 3 – Net federal tax

Enter the amount from line 39 above.

	<b>975 00</b>	40
Federal tax on split income (from line 5 of Form T1206)	<b>424</b> +	• 41
Add lines 40 and 41.	404=	<b>975 00</b> ▶ <b>975 00</b> 42

Enter your total federal non-refundable tax credits from line 31 of the previous page.

	350	<b>1,732 31</b>	43
Federal dividend tax credit (see line 425 in the guide)	<b>425</b> +		• 44
Overseas employment tax credit ( <b>attach</b> Form T626)	426+		45
Minimum tax carryover ( <b>attach</b> Form T691)	<b>427</b> +		• 46
Add lines 43 to 46.	=	<b>1,732 31</b>	▶ – <b>1,732 31</b> 47

Line 42 minus line 47 (if negative, enter "0").

	<b>Basic federal tax</b> 429=	<b>0 00</b> 48
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Federal foreign tax credit (**attach** Form T2209)

	405–		49
--	------	--	----

Line 48 minus line 49 (if negative, enter "0").

	<b>Federal tax</b> 406=	<b>0 00</b> 50
--	-------------------------	----------------

Total federal political contributions (**attach** receipts)

	<b>409</b>		
--	------------	--	--

Federal political contribution tax credit (use federal worksheet)

	<b>410</b>		• 51
--	------------	--	------

Investment tax credit (**attach** Form T2038(IND))

	<b>412</b> +		• 52
--	--------------	--	------

Labour-sponsored funds tax credit

--	--	--	--

Net cost **413**

Allowable credit **414**+

	416=		▶ –	54
--	------	--	-----	----

Line 50 minus line 54 (if negative, enter "0").

	417=	<b>0 00</b>	55
--	------	-------------	----

If you have an amount on line 41 above, see Form T1206.

Working Income Tax Benefit (WITB) advance payments received (box 10 on the RC210 slip)	<b>415</b> +		• 56
--	--------------	--	------

Additional tax on RESP accumulated income payments ( <b>attach</b> Form T1172)	418+		57
--	------	--	----

Add lines 55, 56, and 57.			
Enter this amount on line 420 of your return.	<b>Net federal tax</b> 420=	<b>0 00</b>	58

# Solution – Example 3 – Post-secondary student



Canada Revenue Agency / Agence du revenu du Canada

**T1 GENERAL 2010**

## Income Tax and Benefit Return

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled.

1

### Identification

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial  
**Sue**

Last name  
**Brown**

Mailing address: Apt No – Street No Street name  
**555 Main Street**

PO Box

RR

City  
**Town**

Prov./Terr.  
**X X**

Postal code  
**Y 2 C 6 Z 4**

### Information about you

Enter your social insurance number (SIN) if it is not on the label, or if you are not attaching a label:

**1 2 3 4 5 6 7 8 9**

Enter your date of birth:

**1 9 9 1 0 8 0 2**

Your language of correspondence:  
Votre langue de correspondance :

English Français

Tick the box that applies to your marital status on December 31, 2010: (see the "Marital status" section in the guide)

1  Married 2  Living common-law 3  Widowed  
4  Divorced 5  Separated 6  Single

### Information about your spouse or common-law partner (if you ticked box 1 or 2 above) (see the guide for more information)

Enter his or her SIN if it is not on the label, or if you are not attaching a label:

\_\_\_\_\_

Enter his or her first name:

\_\_\_\_\_

Enter his or her net income for 2010 to claim certain credits:

\_\_\_\_\_

Enter the amount of Universal Child Care Benefit included on line 117 of his or her return:

\_\_\_\_\_

Enter the amount of Universal Child Care Benefit repayment included on line 213 of his or her return:

\_\_\_\_\_

Tick this box if he or she was self-employed in 2010:

1

### Information about your residence

Enter your province or territory of residence on December 31, 2010:

**Province or territory other than Quebec**

Enter the province or territory where you currently reside if it is not the same as that shown above for your mailing address:

\_\_\_\_\_

If you were self-employed in 2010, enter the province or territory of self-employment:

\_\_\_\_\_

If you became or ceased to be a resident of Canada in 2010, give the date of:

entry Month Day  
\_\_\_\_\_

or

departure Month Day  
\_\_\_\_\_

### Person deceased in 2010

If this return is for a deceased person, enter the date of death:

Year Month Day  
\_\_\_\_\_

Do not use this area



**Elections Canada** (see the Elections Canada page in the tax guide for details or visit [www.elections.ca](http://www.elections.ca))

A) Are you a Canadian citizen? ..... Yes  1 No  2

Answer the following question only if you are a Canadian citizen.

B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors? ..... Yes  1 No  2

Your authorization is valid until you file your next return. Your information will only be used for purposes permitted under the *Canada Elections Act* which includes sharing the information with provincial/territorial election agencies, Members of Parliament and registered political parties, as well as candidates at election time.

### Goods and services tax/harmonized sales tax (GST/HST) credit application

See the guide for details.

Are you applying for the GST/HST credit? ..... Yes  1 No  2

Do not use this area

172

171



The guide contains valuable information to help you complete your return.

When you come to a line on the return that applies to you, look up the line number in the guide for more information.

**Please answer the following question:**

Did you own or hold foreign property at any time in 2010 with a total cost of more than CAN\$100,000? (see the "Foreign income" section in the guide for details) ..... **266** Yes  1 No  2

If **yes**, attach a completed Form T1135.

If you had dealings with a non-resident trust or corporation in 2010, see the "Foreign income" section in the guide.

**As a Canadian resident, you have to report your income from all sources both inside and outside Canada.**

**Total income**

Employment income (box 14 on all T4 slips)	101	12,300	00
Commissions included on line 101 (box 42 on all T4 slips)	102		
Other employment income	104 +		
Old Age Security pension (box 18 on the T4A(OAS) slip)	113 +		
CPP or QPP benefits (box 20 on the T4A(P) slip)	114 +		
Disability benefits included on line 114 (box 16 on the T4A(P) slip)	152		
Other pensions or superannuation	115 +		
Elected split-pension amount (see the guide and <b>attach</b> Form T1032)	116 +		
Universal Child Care Benefit (UCCB) (see the guide)	117 +		
UCCB amount designated to a dependant	185		
Employment Insurance and other benefits (box 14 on the T4E slip)	119 +		
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see the guide and <b>attach</b> Schedule 4)	120 +		
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180		
Interest and other investment income ( <b>attach</b> Schedule 4)	121 +	52	00
Net partnership income: limited or non-active partners only ( <b>attach</b> Schedule 4)	122 +		
Registered disability savings plan income (see the guide)	125 +		
Rental income	Gross 160		Net 126 +
Taxable capital gains ( <b>attach</b> Schedule 3)			127 +
Support payments received	Total 156		Taxable amount 128 +
RRSP income (from all T4RSP slips)			129 +
Other income	Specify:		130 +
Self-employment income (see lines 135 to 143 in the guide)			
Business income	Gross 162		Net 135 +
Professional income	Gross 164		Net 137 +
Commission income	Gross 166		Net 139 +
Farming income	Gross 168		Net 141 +
Fishing income	Gross 170		Net 143 +
Workers' compensation benefits (box 10 on the T5007 slip)	144		
Social assistance payments	145 +		
Net federal supplements (box 21 on the T4A(OAS) slip)	146 +		
Add lines 144, 145, and 146 (see line 250 in the guide).	=		▶ 147 +
Add lines 101, 104 to 143, and 147.	This is your <b>total income.</b>	150 =	12,352 00



**Attach your Schedule 1 (federal tax) and Form 428 (provincial or territorial tax) here. Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return.**

**Net income**

Enter your <b>total income</b> from line 150.	150	12,352	00
Pension adjustment (box 52 on all T4 slips and box 034 on all T4A slips)	206		
Registered pension plan deduction (box 20 on all T4 slips and box 032 on all T4A slips)	207		
RRSP deduction (see Schedule 7, and <b>attach</b> receipts)	208 +		
Saskatchewan Pension Plan deduction (maximum \$600)	209 +		
Deduction for elected split-pension amount (see the guide, and <b>attach</b> Form T1032)	210 +		
Annual union, professional, or like dues (box 44 on all T4 slips, and receipts)	212 +		
Universal Child Care Benefit repayment (box 12 on all RC62 slips)	213 +		
Child care expenses ( <b>attach</b> Form T778)	214 +		
Disability supports deduction	215 +		
Business investment loss Gross 228	217 +		
Allowable deduction	219 +	300	00
Moving expenses			
Support payments made Total 230	220 +		
Allowable deduction	221 +		
Carrying charges and interest expenses ( <b>attach</b> Schedule 4)			
Deduction for CPP or QPP contributions on self-employment and other earnings ( <b>attach</b> Schedule 8)	222 +		
Exploration and development expenses ( <b>attach</b> Form T1229)	224 +		
Other employment expenses	229 +		
Clergy residence deduction	231 +		
Other deductions Specify:	232 +		
Add lines 207 to 224, 229, 231, and 232.	233 =	300	00
Line 150 minus line 233 (if negative, enter "0"). This is your <b>net income before adjustments</b> .	234 =	12,052	00
Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide). Use the federal worksheet to calculate your repayment.	235 -		
Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide. This is your <b>net income</b> .	236 =	12,052	00

**Taxable income**

Canadian Forces personnel and police deduction (box 43 on all T4 slips)	244		
Employee home relocation loan deduction (box 37 on all T4 slips)	248 +		
Security options deductions	249 +		
Other payments deduction (if you reported income on line 147, see line 250 in the guide)	250 +		
Limited partnership losses of other years	251 +		
Non-capital losses of other years	252 +		
Net capital losses of other years	253 +		
Capital gains deduction	254 +		
Northern residents deductions ( <b>attach</b> Form T2222)	255 +		
Additional deductions Specify:	256 +		
Add lines 244 to 256.	257 =		
Line 236 minus line 257 (if negative, enter "0"). This is your <b>taxable income</b> .	260 =	12,052	00

**Use your taxable income to calculate your federal tax on Schedule 1 and your provincial or territorial tax on Form 428.**

## Refund or balance owing

Net federal tax: enter the amount from line 55 of Schedule 1 ( <b>attach</b> Schedule 1, even if the result is "0")	420		0	00
CPP contributions payable on self-employment and other earnings ( <b>attach</b> Schedule 8)	421	+		
Employment Insurance premiums payable on self-employment and other eligible earnings ( <b>attach</b> Schedule 13)	430	+		
Social benefits repayment (enter the amount from line 235)	422	+		
<b>Provincial or territorial tax</b> ( <b>attach</b> Form 428, even if the result is "0")	428	+	*	
Add lines 420, 421, 430, 422, and 428.	<b>435</b>	=	*	

This is your **total payable**.

Total income tax deducted (see the guide)	437		1,995	00
Refundable Quebec abatement	440	+		
CPP overpayment (enter your excess contributions)	448	+		
Employment Insurance overpayment (enter your excess contributions)	450	+		
Refundable medical expense supplement (use federal worksheet)	452	+		
Working Income Tax Benefit (WITB) ( <b>attach</b> Schedule 6)	453	+		
Refund of investment tax credit ( <b>attach</b> Form T2038(IND))	454	+		
Part XII.2 trust tax credit (box 38 on all T3 slips)	456	+		
Employee and partner GST/HST rebate ( <b>attach</b> Form GST370)	457	+		
Tax <b>paid</b> by instalments	476	+		
<b>Provincial or territorial credits</b> ( <b>attach</b> Form 479 if it applies)	479	+	*	
Add lines 437 to 479.	<b>482</b>	=	*	

These are your **total credits**.

Line 435 minus line 482 This is your **refund or balance owing**.

If the result is negative, you have a **refund**. If the result is positive, you have a **balance owing**.

Enter the amount below on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

<b>Refund 484</b> _____	<b>Balance owing</b> (see line 485 in the guide) <b>485</b> _____
	<b>Amount enclosed 486</b> <input style="width: 100px;" type="text"/>

Attach to page 1 a **cheque** or **money order** payable to the Receiver General, or make your payment online (go to [www.cra.gc.ca/mypayment](http://www.cra.gc.ca/mypayment)). Your payment is due no later than April 30, 2011.

**Direct deposit – Start or change (see line 484 in the guide)**

**You do not have to complete this area every year.** Do not complete it this year if your direct deposit information has not changed. **Income tax refund, GST/HST credit, WITB advance payments, and any other deemed overpayment of tax** – To start direct deposit or to change account information, complete lines 460, 461, and 462 below.

**Notes:** To deposit your **CCTB** payments (including certain related provincial or territorial payments) into the **same** account, also tick box 463. To deposit your **UCCB** payments into the **same** account, also tick box 491.

Branch number	Institution number	Account number	CCTB	UCCB
<b>460</b> _____ <small>(5 digits)</small>	<b>461</b> _____ <small>(3 digits)</small>	<b>462</b> _____ <small>(maximum 12 digits)</small>	<b>463</b> <input type="checkbox"/>	<b>491</b> <input type="checkbox"/>

<p>I certify that the information given on this return and in any documents attached is correct, complete, and fully discloses all my income.</p> <p><b>Sign here</b> <u>Sue Brown</u></p> <p style="text-align: center;"><small>It is a serious offence to make a false return.</small></p> <p>Telephone <u>xxx - xxx - xxxx</u> Date <u>April 10, 2011</u></p>	<p><b>490 For professional tax preparers only</b></p> <p>Name: _____</p> <p>Address: _____</p> <p>_____</p> <p>Telephone: - -</p>
--	---

<b>Do not use this area</b>	<b>487</b> <input type="checkbox"/>	<b>488</b> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-----------------------------	-------------------------------------	-------------------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

Complete this schedule, and **attach** a copy to your return.

For more information, see the related line in the guide.

**Step 1 – Federal non-refundable tax credits**

Basic personal amount	claim \$10,382	<b>300</b>	<b>10,382</b>	<b>00</b>	<b>1</b>
Age amount (if you were born in 1945 or earlier) (use federal worksheet)	(maximum \$6,446)	<b>301</b> +			<b>2</b>
Spouse or common-law partner amount (if negative, enter "0")	\$10,382 minus ( ) his or her net income from page 1 of your return =	<b>303</b> +			<b>3</b>
Amount for an eligible dependant ( <b>attach</b> Schedule 5) (if negative, enter "0")	\$10,382 minus ( ) his or her net income =	<b>305</b> +			<b>4</b>
Amount for children born in 1993 or later	Number of children <b>366</b> × \$2,101 =	<b>367</b> +			<b>5</b>
Amount for infirm dependants age 18 or older (use federal worksheet and <b>attach</b> Schedule 5)		<b>306</b> +			<b>6</b>
CPP or QPP contributions:					
through employment from box 16 and box 17 on all T4 slips	(maximum \$2,163.15)	<b>308</b> +	<b>435</b>	<b>60</b>	<b>• 7</b>
on self-employment and other earnings ( <b>attach</b> Schedule 8)		<b>310</b> +			<b>• 8</b>
Employment Insurance premiums:					
through employment from box 18 and box 55 on all T4 slips	(maximum \$747.36)	<b>312</b> +	<b>212</b>	<b>79</b>	<b>• 9</b>
on self-employment and other eligible earnings ( <b>attach</b> Schedule 13)		<b>317</b> +			<b>• 10</b>
Canada employment amount (if you reported employment income on line 101 or line 104, see line 363 in the guide)	(maximum \$1,051)	<b>363</b> +	<b>1,051</b>	<b>00</b>	<b>11</b>
Public transit amount		<b>364</b> +	<b>720</b>	<b>00</b>	<b>12</b>
Children's fitness amount		<b>365</b> +			<b>13</b>
Home buyers' amount (see line 369 in the guide)		<b>369</b> +			<b>14</b>
Adoption expenses		<b>313</b> +			<b>15</b>
Pension income amount (use federal worksheet)	(maximum \$2,000)	<b>314</b> +			<b>16</b>
Caregiver amount (use federal worksheet and <b>attach</b> Schedule 5)		<b>315</b> +			<b>17</b>
Disability amount (for self) (claim <b>\$7,239</b> or, if you were under 18 years of age, use federal worksheet)		<b>316</b> +			<b>18</b>
Disability amount transferred from a dependant (use federal worksheet)		<b>318</b> +			<b>19</b>
Interest paid on your student loans		<b>319</b> +			<b>20</b>
Tuition, education, and textbook amounts ( <b>attach</b> Schedule 11)		<b>323</b> +	<b>0</b>	<b>00</b>	<b>21</b>
Tuition, education, and textbook amounts transferred from a child		<b>324</b> +			<b>22</b>
Amounts transferred from your spouse or common-law partner ( <b>attach</b> Schedule 2)		<b>326</b> +			<b>23</b>
Medical expenses for self, spouse or common-law partner, and your dependent children born in 1993 or later	<b>330</b>				
Minus: \$2,024 or 3% of line 236, whichever is less		-			
Subtotal (if negative, enter "0")		=			(A)
Allowable amount of medical expenses for other dependants (do the calculation at line 331 in the guide and <b>attach</b> Schedule 5)	<b>331</b> +				(B)
Add lines (A) and (B).		=			<b>332</b> +
Add lines 1 to 24.			<b>12,801</b>	<b>39</b>	<b>24</b>
		<b>335</b> =			<b>25</b>
Multiply the amount on line 25 by 15%.		<b>338</b> =	<b>1,920</b>	<b>21</b>	<b>26</b>
Donations and gifts ( <b>attach</b> Schedule 9)		<b>349</b> +			<b>27</b>
Add lines 26 and 27.					
Enter this amount on line 40 on the next page.	<b>Total federal non-refundable tax credits</b>	<b>350</b> =	<b>1,920</b>	<b>21</b>	<b>28</b>

Go to Step 2 on the next page. ➔

## Step 2 – Federal tax on taxable income

Enter your **taxable income** from line 260 of your return.

**12,052 00** 29

Use the amount on line 29 to determine which **ONE** of the following columns you have to complete.

	If line 29 is \$40,970 or less	If line 29 is more than \$40,970 but not more than \$81,941	If line 29 is more than \$81,941 but not more than \$127,021	If line 29 is more than \$127,021
Enter the amount from line 29.	<b>12,052 00</b>			<b>30</b>
Base amount	<b>00,000 00</b>	- 40,970 00	- 81,941 00	- 127,021 00 <b>31</b>
Line 30 minus line 31 (cannot be negative)	= <b>12,052 00</b>	=	=	= <b>32</b>
Rate	× 15%	× 22%	× 26%	× 29% <b>33</b>
Multiply line 32 by line 33.	= <b>1,807 80</b>	=	=	= <b>34</b>
Tax on base amount	<b>00,000 00</b>	+ 6,146 00	+ 15,159 00	+ 26,880 00 <b>35</b>
Add lines 34 and 35.	= <b>1,807 80</b>	=	=	= <b>36</b>
	Go to Step 3.	Go to Step 3.	Go to Step 3.	Go to Step 3.

## Step 3 – Net federal tax

Enter the amount from line 36 above.

Federal tax on split income (from line 5 of Form T1206)	<b>424</b> +	<b>1,807 80</b>	<b>37</b>
Add lines 37 and 38.	404=	<b>1,807 80</b>	<b>38</b>
			<b>39</b>

Enter your total federal non-refundable tax credits from line 28 of the previous page.	350	<b>1,920 21</b>	<b>40</b>
Federal dividend tax credit (see line 425 in the guide)	<b>425</b> +		<b>41</b>
Overseas employment tax credit (attach Form T626)	426+		<b>42</b>
Minimum tax carryover (attach Form T691)	<b>427</b> +		<b>43</b>
Add lines 40 to 43.		= <b>1,920 21</b>	<b>44</b>
Line 39 minus line 44 (if negative, enter "0").			<b>45</b>
		<b>Basic federal tax</b>	<b>429= 0 00</b>

Federal foreign tax credit (attach Form T2209)	405-		<b>46</b>
Line 45 minus line 46 (if negative, enter "0").			<b>47</b>
		<b>Federal tax</b>	<b>406= 0 00</b>

Total federal political contributions (attach receipts)	<b>409</b>		
Federal political contribution tax credit (use federal worksheet)	<b>410</b>		<b>48</b>
Investment tax credit (attach Form T2038(IND))	<b>412</b> +		<b>49</b>
Labour-sponsored funds tax credit			
Net cost <b>413</b>		Allowable credit <b>414</b> +	<b>50</b>
Add lines 48, 49, and 50.		416=	<b>51</b>
Line 47 minus line 51 (if negative, enter "0").			<b>52</b>
If you have an amount on line 38 above, see Form T1206.		417=	<b>0 00</b>
Working Income Tax Benefit (WITB) advance payments received (box 10 on the RC210 slip)	<b>415</b> +		<b>53</b>
Additional tax on RESP accumulated income payments (attach Form T1172)	418+		<b>54</b>
Add lines 52, 53, and 54.			<b>55</b>
Enter this amount on line 420 of your return.		<b>Net federal tax</b>	<b>420= 0 00</b>

For more information, see line 323 in the guide.

Only the student must complete this federal schedule and attach it to his or her return. Use it to:

- calculate your tuition, education, and textbook amounts;
- determine the amount available to transfer to a designated individual; and
- determine the unused amount, if any, available for you to carry forward to a future year.

**Tuition, education, and textbook amounts claimed by the student for 2010**

Unused federal tuition, education, and textbook amounts from your 2009 notice of assessment or notice of reassessment

Eligible tuition fees paid for 2010	<b>320</b>	2,500	00	2		1
-------------------------------------	------------	-------	----	---	--	---

**Education and textbook amounts for 2010**

Calculating your part-time amount: use column B of Forms T2202, T2202A, TL11A, TL11B, and TL11C.

Do not include any month that is also included in column C.

Only one claim per month (maximum 12 months)

**Education amount:**

number of months from column B		× \$120 =			3
--------------------------------	--	-----------	--	--	---

**Textbook amount:**

number of months from column B		× \$20 =			4
--------------------------------	--	----------	--	--	---

Add lines 3 and 4.

	<b>321</b>			5
--	------------	--	--	---

Calculating your full-time amount: use column C of Forms T2202, T2202A, TL11A, TL11B, and TL11C.

Only one claim per month (maximum 12 months)

**Education amount:**

number of months from column C	8	× \$400 =	3,200	00	6
--------------------------------	---	-----------	-------	----	---

**Textbook amount:**

number of months from column C	8	× \$65 =	520	00	7
--------------------------------	---	----------	-----	----	---

Add lines 6 and 7.

	<b>322</b>		3,720	00	8
--	------------	--	-------	----	---

Add lines 2, 5, and 8.	<b>Total 2010 tuition, education, and textbook amounts</b>		6,220	00	9
------------------------	--	--	-------	----	---

Add lines 1 and 9.	<b>Total available tuition, education, and textbook amounts</b>		6,220	00	10
--------------------	---	--	-------	----	----

Taxable income from line 260 of your return		12,052	00	11
---	--	--------	----	----

Total of lines 1 to 19 of your Schedule 1		12,801	39	12
---	--	--------	----	----

Line 11 minus line 12 (if negative, enter "0")		0	00	13
--	--	---	----	----

Unused tuition, education, and textbook amounts claimed for 2010				
--	--	--	--	--

Amount from line 1 or line 13, whichever is less		0	00	14
--	--	---	----	----

Line 13 minus line 14		0	00	15
-----------------------	--	---	----	----

2010 tuition, education, and textbook amounts claimed for 2010				
--	--	--	--	--

Amount from line 9 or line 15, whichever is less			0	00	16
--	--	--	---	----	----

Add lines 14 and 16.				
----------------------	--	--	--	--

			0	00	17
--	--	--	---	----	----

**Transfer/Carryforward of unused amount**

Amount from line 10			6,220	00	18
---------------------	--	--	-------	----	----

Amount from line 17			0	00	19
---------------------	--	--	---	----	----

Line 18 minus line 19			6,220	00	20
-----------------------	--	--	-------	----	----

If you are transferring an amount to another individual, continue on line 21.

Otherwise, enter the amount from line 20 on line 25.

Enter the amount from line 9; if it is more than \$5,000, enter \$5,000.					21
--	--	--	--	--	----

Amount from line 16					22
---------------------	--	--	--	--	----

Line 21 minus line 22 (if negative, enter "0").					23
---	--	--	--	--	----

You can transfer all or part of the amount on line 23 to your spouse or common-law partner, to his or her parent or grandparent, or to your parent or grandparent. To do this, you have to designate the individual on your Form T2202, T2202A, TL11A, TL11B, or TL11C and specify the federal amount that you are transferring to him or her. Enter the amount you are transferring on line 24 below.

**Note:** If your spouse or common-law partner is claiming an amount for you on line 303 or line 326 of his or her Schedule 1, you cannot transfer an amount to your parent or grandparent, or to your spouse's or common-law partner's parent or grandparent.

Enter the amount you are transferring (cannot be more than line 23).			0	00	24
--	--	--	---	----	----

Line 20 minus line 24			6,220	00	25
-----------------------	--	--	-------	----	----

**The person claiming the transfer should not attach this schedule to his or her return.**

# Solution – Example 4 – Employed individual



Canada Revenue Agency / Agence du revenu du Canada

**T1 GENERAL 2010**

## Income Tax and Benefit Return

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled.

1

### Identification

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial

**Clément**

Last name

**Boucher**

Mailing address: Apt No – Street No Street name

**303 Main Street**

PO Box

RR

City

**Town**

Prov./Terr.

**X X**

Postal code

**K 1 S 8 C 3**

### Information about you

Enter your social insurance number (SIN)

if it is not on the label, or if you are not attaching a label:

**1 2 3 4 5 6 7 8 9**  
Year Month Day

Enter your date of birth:

**1 9 8 5 0 8 0 2**

Your language of correspondence:

English

Français

Votre langue de correspondance :

Tick the box that applies to your marital status on December 31, 2010: (see the "Marital status" section in the guide)

- 1  Married    2  Living common-law    3  Widowed  
4  Divorced    5  Separated    6  Single

### Information about your spouse or common-law partner (if you ticked box 1 or 2 above) (see the guide for more information)

Enter his or her SIN if it is not on the label, or if you are not attaching a label:

\_\_\_\_\_

Enter his or her first name:

\_\_\_\_\_

Enter his or her net income for 2010 to claim certain credits:

\_\_\_\_\_

Enter the amount of Universal Child Care Benefit included on line 117 of his or her return:

\_\_\_\_\_

Enter the amount of Universal Child Care Benefit repayment included on line 213 of his or her return:

\_\_\_\_\_

Tick this box if he or she was self-employed in 2010:

1

### Information about your residence

Enter your province or territory of residence on December 31, 2010:

**Province or territory other than Quebec**

Enter the province or territory where you currently reside if it is not the same as that shown above for your mailing address:

\_\_\_\_\_

If you were self-employed in 2010, enter the province or territory of self-employment:

\_\_\_\_\_

If you became or ceased to be a resident of Canada in 2010, give the date of:

entry    Month    Day  
\_\_\_\_\_

or

departure    Month    Day  
\_\_\_\_\_

### Person deceased in 2010

If this return is for a deceased person, enter the date of death:

Year    Month    Day

\_\_\_\_\_

Do not use this area



**Elections Canada** (see the Elections Canada page in the tax guide for details or visit [www.elections.ca](http://www.elections.ca))

A) Are you a Canadian citizen? ..... Yes  1 No  2

Answer the following question **only if you are a Canadian citizen.**

B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors? ..... Yes  1 No  2

Your authorization is valid until you file your next return. Your information will only be used for purposes permitted under the *Canada Elections Act* which includes sharing the information with provincial/territorial election agencies, Members of Parliament and registered political parties, as well as candidates at election time.

### Goods and services tax/harmonized sales tax (GST/HST) credit application

See the guide for details.

Are you applying for the GST/HST credit? ..... Yes  1 No  2

Do not use this area

**172**

**171**

The guide contains valuable information to help you complete your return.

When you come to a line on the return that applies to you, look up the line number in the guide for more information.

**Please answer the following question:**

Did you own or hold foreign property at any time in 2010 with a total cost of more than CAN\$100,000? (see the "Foreign income" section in the guide for details) ..... **266** Yes  1 No  2

If **yes**, attach a completed Form T1135.

If you had dealings with a non-resident trust or corporation in 2010, see the "Foreign income" section in the guide.

**As a Canadian resident, you have to report your income from all sources both inside and outside Canada.**

**Total income**

Employment income (box 14 on all T4 slips)	101	28,000	00
Commissions included on line 101 (box 42 on all T4 slips)	102		
Other employment income	104 +		
Old Age Security pension (box 18 on the T4A(OAS) slip)	113 +		
CPP or QPP benefits (box 20 on the T4A(P) slip)	114 +		
Disability benefits included on line 114 (box 16 on the T4A(P) slip)	152		
Other pensions or superannuation	115 +		
Elected split-pension amount (see the guide and <b>attach</b> Form T1032)	116 +		
Universal Child Care Benefit (UCCB) (see the guide)	117 +		
UCCB amount designated to a dependant	185		
Employment Insurance and other benefits (box 14 on the T4E slip)	119 +		
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see the guide and <b>attach</b> Schedule 4)	120 +		
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180		
Interest and other investment income ( <b>attach</b> Schedule 4)	121 +	22	00
Net partnership income: limited or non-active partners only ( <b>attach</b> Schedule 4)	122 +		
Registered disability savings plan income (see the guide)	125 +		
Rental income	Gross 160		Net 126 +
Taxable capital gains ( <b>attach</b> Schedule 3)			127 +
Support payments received	Total 156		Taxable amount 128 +
RRSP income (from all T4RSP slips)			129 +
Other income	Specify:		130 +
Self-employment income (see lines 135 to 143 in the guide)			
Business income	Gross 162		Net 135 +
Professional income	Gross 164		Net 137 +
Commission income	Gross 166		Net 139 +
Farming income	Gross 168		Net 141 +
Fishing income	Gross 170		Net 143 +
Workers' compensation benefits (box 10 on the T5007 slip)	144		
Social assistance payments	145 +		
Net federal supplements (box 21 on the T4A(OAS) slip)	146 +		
Add lines 144, 145, and 146 (see line 250 in the guide).	=		▶ 147 +
Add lines 101, 104 to 143, and 147.	This is your <b>total income.</b>	150 =	28,022 00





**Attach your Schedule 1 (federal tax) and Form 428 (provincial or territorial tax) here. Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return.**

**Net income**

Enter your <b>total income</b> from line 150.	150	<b>28,022</b>	<b>00</b>
Pension adjustment (box 52 on all T4 slips and box 034 on all T4A slips)	206		
Registered pension plan deduction (box 20 on all T4 slips and box 032 on all T4A slips)	207		
RRSP deduction (see Schedule 7, and <b>attach</b> receipts)	208 +	<b>1,180</b>	<b>00</b>
Saskatchewan Pension Plan deduction (maximum \$600)	209 +		
Deduction for elected split-pension amount (see the guide, and <b>attach</b> Form T1032)	210 +		
Annual union, professional, or like dues (box 44 on all T4 slips, and receipts)	212 +		
Universal Child Care Benefit repayment (box 12 on all RC62 slips)	213 +		
Child care expenses ( <b>attach</b> Form T778)	214 +		
Disability supports deduction	215 +		
Business investment loss Gross <b>228</b> Allowable deduction	217 +		
Moving expenses	219 +		
Support payments made Total <b>230</b> Allowable deduction	220 +		
Carrying charges and interest expenses ( <b>attach</b> Schedule 4)	221 +		
Deduction for CPP or QPP contributions on self-employment and other earnings ( <b>attach</b> Schedule 8)	222 +		
Exploration and development expenses ( <b>attach</b> Form T1229)	224 +		
Other employment expenses	229 +		
Clergy residence deduction	231 +		
Other deductions Specify:	232 +		
Add lines 207 to 224, 229, 231, and 232.	233 =		
Line 150 minus line 233 (if negative, enter "0"). This is your <b>net income before adjustments</b> .	234 =	<b>26,842</b>	<b>00</b>
Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide). Use the federal worksheet to calculate your repayment.	235 -		
Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide. This is your <b>net income</b> .	236 =	<b>26,842</b>	<b>00</b>

**Taxable income**

Canadian Forces personnel and police deduction (box 43 on all T4 slips)	244		
Employee home relocation loan deduction (box 37 on all T4 slips)	248 +		
Security options deductions	249 +		
Other payments deduction (if you reported income on line 147, see line 250 in the guide)	250 +		
Limited partnership losses of other years	251 +		
Non-capital losses of other years	252 +		
Net capital losses of other years	253 +		
Capital gains deduction	254 +		
Northern residents deductions ( <b>attach</b> Form T2222)	255 +		
Additional deductions Specify:	256 +		
Add lines 244 to 256.	257 =		
Line 236 minus line 257 (if negative, enter "0"). This is your <b>taxable income</b> .	260 =	<b>26,842</b>	<b>00</b>

**Use your taxable income to calculate your federal tax on Schedule 1 and your provincial or territorial tax on Form 428.**

### Refund or balance owing

Net federal tax: enter the amount from line 55 of Schedule 1 ( <b>attach</b> Schedule 1, even if the result is "0")	420						2,056	78
CPP contributions payable on self-employment and other earnings ( <b>attach</b> Schedule 8)	421	+						
Employment Insurance premiums payable on self-employment and other eligible earnings ( <b>attach</b> Schedule 13)	430	+						
Social benefits repayment (enter the amount from line 235)	422	+						
<b>Provincial or territorial tax</b> ( <b>attach</b> Form 428, even if the result is "0")	428	+					*	
Add lines 420, 421, 430, 422, and 428.	435	=					*	

This is your **total payable**.

Total income tax deducted (see the guide)	437						3,700	00
Refundable Quebec abatement	440	+						
CPP overpayment (enter your excess contributions)	448	+						
Employment Insurance overpayment (enter your excess contributions)	450	+						
Refundable medical expense supplement (use federal worksheet)	452	+						
Working Income Tax Benefit (WITB) ( <b>attach</b> Schedule 6)	453	+						
Refund of investment tax credit ( <b>attach</b> Form T2038(IND))	454	+						
Part XII.2 trust tax credit (box 38 on all T3 slips)	456	+						
Employee and partner GST/HST rebate ( <b>attach</b> Form GST370)	457	+						
Tax <b>paid</b> by instalments	476	+						
<b>Provincial or territorial credits</b> ( <b>attach</b> Form 479 if it applies)	479	+					*	
Add lines 437 to 479.	482	=					*	

These are your **total credits**.

Line 435 minus line 482 This is your **refund or balance owing**.

If the result is negative, you have a **refund**. If the result is positive, you have a **balance owing**.

Enter the amount below on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

**Refund** 484 \_\_\_\_\_ •     
  **Balance owing** (see line 485 in the guide) 485 \_\_\_\_\_ •

**Amount enclosed** 486   •

Attach to page 1 a **cheque** or **money order** payable to the Receiver General, or make your payment online (go to [www.cra.gc.ca/mypayment](http://www.cra.gc.ca/mypayment)). Your payment is due no later than April 30, 2011.



#### Direct deposit – Start or change (see line 484 in the guide)

**You do not have to complete this area every year.** Do not complete it this year if your direct deposit information has not changed. **Income tax refund, GST/HST credit, WITB advance payments, and any other deemed overpayment of tax** – To start direct deposit or to change account information, complete lines 460, 461, and 462 below.

**Notes:** To deposit your **CCTB** payments (including certain related provincial or territorial payments) into the **same** account, also tick box 463. To deposit your **UCCB** payments into the **same** account, also tick box 491.

Branch number 460 _____ (5 digits)	Institution number 461 _____ (3 digits)	Account number 462 _____ (maximum 12 digits)	CCTB 463 <input type="checkbox"/>	UCCB 491 <input type="checkbox"/>
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I certify that the information given on this return and in any documents attached is correct, complete, and fully discloses all my income.

**Sign here** Clément Boucher

It is a serious offence to make a false return.

Telephone xxx – xxx – xxxx Date April 12, 2011

**490 For professional tax preparers only**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Telephone: - - -

**Do not use this area**

487  488  \_\_\_\_\_

Complete this schedule, and **attach** a copy to your return.

For more information, see the related line in the guide.

**Step 1 – Federal non-refundable tax credits**

Basic personal amount	claim \$10,382	300	10,382	00	1
Age amount (if you were born in 1945 or earlier) (use federal worksheet)	(maximum \$6,446)	301+			2
Spouse or common-law partner amount (if negative, enter "0")	\$10,382 minus ( ) his or her net income from page 1 of your return) =	303+			3
Amount for an eligible dependant ( <b>attach</b> Schedule 5) (if negative, enter "0")	\$10,382 minus ( ) his or her net income) =	305+			4
Amount for children born in 1993 or later	Number of children 366 × \$2,101 =	367+			5
Amount for infirm dependants age 18 or older (use federal worksheet and <b>attach</b> Schedule 5)		306+			6
CPP or QPP contributions:					
through employment from box 16 and box 17 on all T4 slips	(maximum \$2,163.15)	308+	1,212	75	• 7
on self-employment and other earnings ( <b>attach</b> Schedule 8)		310+			• 8
Employment Insurance premiums:					
through employment from box 18 and box 55 on all T4 slips	(maximum \$747.36)	312+	484	40	• 9
on self-employment and other eligible earnings ( <b>attach</b> Schedule 13)		317+			• 10
Canada employment amount (if you reported employment income on line 101 or line 104, see line 363 in the guide)	(maximum \$1,051)	363+	1,051	00	11
Public transit amount		364+			12
Children's fitness amount		365+			13
Home buyers' amount (see line 369 in the guide)		369+			14
Adoption expenses		313+			15
Pension income amount (use federal worksheet)	(maximum \$2,000)	314+			16
Caregiver amount (use federal worksheet and <b>attach</b> Schedule 5)		315+			17
Disability amount (for self) (claim \$7,239 or, if you were under 18 years of age, use federal worksheet)		316+			18
Disability amount transferred from a dependant (use federal worksheet)		318+			19
Interest paid on your student loans		319+			20
Tuition, education, and textbook amounts ( <b>attach</b> Schedule 11)		323+			21
Tuition, education, and textbook amounts transferred from a child		324+			22
Amounts transferred from your spouse or common-law partner ( <b>attach</b> Schedule 2)		326+			23
Medical expenses for self, spouse or common-law partner, and your dependent children born in 1993 or later	330				
Minus: \$2,024 or 3% of line 236, whichever is less					
Subtotal (if negative, enter "0")					(A)
Allowable amount of medical expenses for other dependants (do the calculation at line 331 in the guide and <b>attach</b> Schedule 5)	331+				(B)
Add lines (A) and (B).					332+ 24
Add lines 1 to 24.					335= 13,130 15 25
Multiply the amount on line 25 by 15%.					338= 1,969 52 26
Donations and gifts ( <b>attach</b> Schedule 9)					349+ 27
Add lines 26 and 27.					
Enter this amount on line 40 on the next page.	Total federal non-refundable tax credits	350=	1,969	52	28

Go to Step 2 on the next page. ➔

## Step 2 – Federal tax on taxable income

Enter your **taxable income** from line 260 of your return.

**26,842 00** 29

Use the amount on line 29 to determine which **ONE** of the following columns you have to complete.

	If line 29 is \$40,970 or less	If line 29 is more than \$40,970 but not more than \$81,941	If line 29 is more than \$81,941 but not more than \$127,021	If line 29 is more than \$127,021
Enter the amount from line 29.	<b>26,842 00</b>			<b>30</b>
Base amount	<b>00,000 00</b>	- 40,970 00	- 81,941 00	- 127,021 00 <b>31</b>
Line 30 minus line 31 (cannot be negative)	<b>26,842 00</b>	=	=	= <b>32</b>
Rate	× 15%	× 22%	× 26%	× 29% <b>33</b>
Multiply line 32 by line 33.	<b>4,026 30</b>	=	=	= <b>34</b>
Tax on base amount	<b>00,000 00</b>	+ 6,146 00	+ 15,159 00	+ 26,880 00 <b>35</b>
Add lines 34 and 35.	<b>4,026 30</b>	=	=	= <b>36</b>
	Go to Step 3.	Go to Step 3.	Go to Step 3.	Go to Step 3.

## Step 3 – Net federal tax

Enter the amount from line 36 above.

	<b>4,026 30</b>	<b>37</b>
Federal tax on split income (from line 5 of Form T1206)	<b>424</b> +	<b>• 38</b>
Add lines 37 and 38.	<b>404</b> =	<b>4,026 30</b> <b>▶</b> <b>4,026 30</b> <b>39</b>

Enter your total federal non-refundable tax credits from line 28 of the previous page.	<b>350</b>	<b>1,969 52</b>	<b>40</b>
Federal dividend tax credit (see line 425 in the guide)	<b>425</b> +		<b>• 41</b>
Overseas employment tax credit ( <b>attach</b> Form T626)	<b>426</b> +		<b>42</b>
Minimum tax carryover ( <b>attach</b> Form T691)	<b>427</b> +		<b>• 43</b>
Add lines 40 to 43.	=	<b>1,969 52</b>	<b>▶</b> <b>- 1,969 52</b> <b>44</b>
Line 39 minus line 44 (if negative, enter "0").		<b>Basic federal tax</b> <b>429</b> =	<b>2,056 78</b> <b>45</b>

Federal foreign tax credit ( <b>attach</b> Form T2209)	<b>405</b> -		<b>46</b>
Line 45 minus line 46 (if negative, enter "0").		<b>Federal tax</b> <b>406</b> =	<b>2,056 78</b> <b>47</b>

Total federal political contributions ( <b>attach</b> receipts)	<b>409</b>		
Federal political contribution tax credit (use federal worksheet)	<b>410</b>		<b>• 48</b>
Investment tax credit ( <b>attach</b> Form T2038(IND))	<b>412</b> +		<b>• 49</b>
Labour-sponsored funds tax credit			
Net cost <b>413</b>		Allowable credit <b>414</b> +	<b>• 50</b>
Add lines 48, 49, and 50.		<b>416</b> =	<b>▶</b> <b>-</b> <b>51</b>
Line 47 minus line 51 (if negative, enter "0").			
If you have an amount on line 38 above, see Form T1206.		<b>417</b> =	<b>2,056 78</b> <b>52</b>
Working Income Tax Benefit (WITB) advance payments received (box 10 on the RC210 slip)	<b>415</b> +		<b>• 53</b>
Additional tax on RESP accumulated income payments ( <b>attach</b> Form T1172)	<b>418</b> +		<b>54</b>
Add lines 52, 53, and 54.			
Enter this amount on line 420 of your return.		<b>Net federal tax</b> <b>420</b> =	<b>2,056 78</b> <b>55</b>

# Solution – Example 5 – Single-parent family



Canada Revenue Agency / Agence du revenu du Canada

**T1 GENERAL 2010**

## Income Tax and Benefit Return

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled.

**1**

### Identification

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial

**Karen**

Last name

**Singh**

Mailing address: Apt No – Street No Street name

**83 Elm Street**

PO Box

RR

City

**Bytown**

Prov./Terr.

**X X**

Postal code

**K 1 S 4 F 8**

### Information about you

Enter your social insurance number (SIN)

if it is not on the label, or if you are not attaching a label:

**1 2 3 4 5 6 7 8 9**  
Year Month Day

Enter your date of birth:

**1 9 7 7 0 5 1 5**

Your language of correspondence:

English

Français

Votre langue de correspondance :

Tick the box that applies to your marital status on December 31, 2010: (see the "Marital status" section in the guide)

- 1  Married    2  Living common-law    3  Widowed  
4  Divorced    5  Separated    6  Single

### Information about your spouse or common-law partner (if you ticked box 1 or 2 above) (see the guide for more information)

Enter his or her SIN if it is not on the label, or if you are not attaching a label:

\_\_\_\_\_

Enter his or her first name:

\_\_\_\_\_

Enter his or her net income for 2010 to claim certain credits:

\_\_\_\_\_

Enter the amount of Universal Child Care Benefit included on line 117 of his or her return:

\_\_\_\_\_

Enter the amount of Universal Child Care Benefit repayment included on line 213 of his or her return:

\_\_\_\_\_

Tick this box if he or she was self-employed in 2010:

1

### Information about your residence

Enter your province or territory of residence on December 31, 2010:

**Province or territory other than Quebec**

Enter the province or territory where you currently reside if it is not the same as that shown above for your mailing address:

\_\_\_\_\_

If you were self-employed in 2010, enter the province or territory of self-employment:

\_\_\_\_\_

If you became or ceased to be a resident of Canada in 2010, give the date of:

entry    Month    Day  
\_\_\_\_\_

or

departure    Month    Day  
\_\_\_\_\_

### Person deceased in 2010

If this return is for a deceased person, enter the date of death:

Year    Month    Day

\_\_\_\_\_

Do not use this area



**Elections Canada** (see the Elections Canada page in the tax guide for details or visit [www.elections.ca](http://www.elections.ca))

A) Are you a Canadian citizen? ..... Yes  1 No  2

Answer the following question **only if you are a Canadian citizen.**

B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors? ..... Yes  1 No  2

Your authorization is valid until you file your next return. Your information will only be used for purposes permitted under the *Canada Elections Act* which includes sharing the information with provincial/territorial election agencies, Members of Parliament and registered political parties, as well as candidates at election time.

### Goods and services tax/harmonized sales tax (GST/HST) credit application

See the guide for details.

Are you applying for the GST/HST credit? ..... Yes  1 No  2

Do not use this area

**172**

**171**

The guide contains valuable information to help you complete your return.

When you come to a line on the return that applies to you, look up the line number in the guide for more information.

**Please answer the following question:**

Did you own or hold foreign property at any time in 2010 with a total cost of more than CAN\$100,000? (see the "Foreign income" section in the guide for details) ..... **266** Yes  1 No  2

If **yes**, attach a completed Form T1135.

If you had dealings with a non-resident trust or corporation in 2010, see the "Foreign income" section in the guide.

**As a Canadian resident, you have to report your income from all sources both inside and outside Canada.**

**Total income**

Employment income (box 14 on all T4 slips)	101	34,790	00
Commissions included on line 101 (box 42 on all T4 slips)	102		
Other employment income	104 +		
Old Age Security pension (box 18 on the T4A(OAS) slip)	113 +		
CPP or QPP benefits (box 20 on the T4A(P) slip)	114 +		
Disability benefits included on line 114 (box 16 on the T4A(P) slip)	152		
Other pensions or superannuation	115 +		
Elected split-pension amount (see the guide and <b>attach</b> Form T1032)	116 +		
Universal Child Care Benefit (UCCB) (see the guide)	117 +	1,200	00
UCCB amount designated to a dependant	185		
Employment Insurance and other benefits (box 14 on the T4E slip)	119 +		
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see the guide and <b>attach</b> Schedule 4)	120 +		
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180		
Interest and other investment income ( <b>attach</b> Schedule 4)	121 +		
Net partnership income: limited or non-active partners only ( <b>attach</b> Schedule 4)	122 +		
Registered disability savings plan income (see the guide)	125 +		
Rental income	Gross 160		Net 126 +
Taxable capital gains ( <b>attach</b> Schedule 3)			127 +
Support payments received	Total 156		Taxable amount 128 +
RRSP income (from all T4RSP slips)			129 +
Other income	Specify:		130 +
Self-employment income (see lines 135 to 143 in the guide)			
Business income	Gross 162		Net 135 +
Professional income	Gross 164		Net 137 +
Commission income	Gross 166		Net 139 +
Farming income	Gross 168		Net 141 +
Fishing income	Gross 170		Net 143 +
Workers' compensation benefits (box 10 on the T5007 slip)	144		
Social assistance payments	145 +	950	00
Net federal supplements (box 21 on the T4A(OAS) slip)	146 +		
Add lines 144, 145, and 146 (see line 250 in the guide).	=	950	00
	147 +	950	00
Add lines 101, 104 to 143, and 147.	This is your <b>total income.</b>	150 =	36,940 00



**Attach your Schedule 1 (federal tax) and Form 428 (provincial or territorial tax) here. Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return.**

**Net income**

Enter your <b>total income</b> from line 150.	150	<b>36,940</b>	<b>00</b>
Pension adjustment (box 52 on all T4 slips and box 034 on all T4A slips)	206	<b>1,565</b>	<b>00</b>
Registered pension plan deduction (box 20 on all T4 slips and box 032 on all T4A slips)	207	<b>782</b>	<b>50</b>
RRSP deduction (see Schedule 7, and <b>attach</b> receipts)	208	+	
Saskatchewan Pension Plan deduction (maximum \$600)	209	+	
Deduction for elected split-pension amount (see the guide, and <b>attach</b> Form T1032)	210	+	
Annual union, professional, or like dues (box 44 on all T4 slips, and receipts)	212	+	<b>165 00</b>
Universal Child Care Benefit repayment (box 12 on all RC62 slips)	213	+	
Child care expenses ( <b>attach</b> Form T778)	214	+	<b>3,160 00</b>
Disability supports deduction	215	+	
Business investment loss Gross <b>228</b>	217	+	
Moving expenses	219	+	
Support payments made Total <b>230</b>	220	+	
Carrying charges and interest expenses ( <b>attach</b> Schedule 4)	221	+	
Deduction for CPP or QPP contributions on self-employment and other earnings ( <b>attach</b> Schedule 8)	222	+	
Exploration and development expenses ( <b>attach</b> Form T1229)	224	+	
Other employment expenses	229	+	
Clergy residence deduction	231	+	
Other deductions Specify:	232	+	
Add lines 207 to 224, 229, 231, and 232.	233	=	<b>4,107 50</b>
Line 150 minus line 233 (if negative, enter "0"). This is your <b>net income before adjustments</b> .	234	=	<b>32,832 50</b>
Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide). Use the federal worksheet to calculate your repayment.	235	-	
Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide. This is your <b>net income</b> .	236	=	<b>32,832 50</b>

**Taxable income**

Canadian Forces personnel and police deduction (box 43 on all T4 slips)	244		
Employee home relocation loan deduction (box 37 on all T4 slips)	248	+	
Security options deductions	249	+	
Other payments deduction (if you reported income on line 147, see line 250 in the guide)	250	+	<b>950 00</b>
Limited partnership losses of other years	251	+	
Non-capital losses of other years	252	+	
Net capital losses of other years	253	+	
Capital gains deduction	254	+	
Northern residents deductions ( <b>attach</b> Form T2222)	255	+	
Additional deductions Specify:	256	+	
Add lines 244 to 256.	257	=	<b>950 00</b>
Line 236 minus line 257 (if negative, enter "0"). This is your <b>taxable income</b> .	260	=	<b>31,882 50</b>

**Use your taxable income to calculate your federal tax on Schedule 1 and your provincial or territorial tax on Form 428.**





Complete this schedule, and **attach** a copy to your return.

For more information, see the related line in the guide.

**Step 1 – Federal non-refundable tax credits**

Basic personal amount	claim \$10,382	<b>300</b>		<b>10,382</b>	<b>00</b>	<b>1</b>
Age amount (if you were born in 1945 or earlier) (use federal worksheet)	(maximum \$6,446)	<b>301</b>	+			<b>2</b>
Spouse or common-law partner amount (if negative, enter "0")	\$10,382 minus (his or her net income from page 1 of your return) =	<b>303</b>	+			<b>3</b>
Amount for an eligible dependant ( <b>attach</b> Schedule 5) (if negative, enter "0")	\$10,382 minus (his or her net income) =	<b>305</b>	+	<b>10,382</b>	<b>00</b>	<b>4</b>
Amount for children born in 1993 or later	Number of children <b>366</b> 1 × \$2,101 =	<b>367</b>	+	<b>2,101</b>	<b>00</b>	<b>5</b>
Amount for infirm dependants age 18 or older (use federal worksheet and <b>attach</b> Schedule 5)		<b>306</b>	+			<b>6</b>
CPP or QPP contributions:						
through employment from box 16 and box 17 on all T4 slips	(maximum \$2,163.15)	<b>308</b>	+	<b>1,548</b>	<b>85</b>	<b>7</b>
on self-employment and other earnings ( <b>attach</b> Schedule 8)		<b>310</b>	+			<b>8</b>
Employment Insurance premiums:						
through employment from box 18 and box 55 on all T4 slips	(maximum \$747.36)	<b>312</b>	+	<b>601</b>	<b>87</b>	<b>9</b>
on self-employment and other eligible earnings ( <b>attach</b> Schedule 13)		<b>317</b>	+			<b>10</b>
Canada employment amount (if you reported employment income on line 101 or line 104, see line 363 in the guide)	(maximum \$1,051)	<b>363</b>	+	<b>1,051</b>	<b>00</b>	<b>11</b>
Public transit amount		<b>364</b>	+			<b>12</b>
Children's fitness amount		<b>365</b>	+			<b>13</b>
Home buyers' amount (see line 369 in the guide)		<b>369</b>	+			<b>14</b>
Adoption expenses		<b>313</b>	+			<b>15</b>
Pension income amount (use federal worksheet)	(maximum \$2,000)	<b>314</b>	+			<b>16</b>
Caregiver amount (use federal worksheet and <b>attach</b> Schedule 5)		<b>315</b>	+			<b>17</b>
Disability amount (for self) (claim <b>\$7,239</b> or, if you were under 18 years of age, use federal worksheet)		<b>316</b>	+			<b>18</b>
Disability amount transferred from a dependant (use federal worksheet)		<b>318</b>	+			<b>19</b>
Interest paid on your student loans		<b>319</b>	+			<b>20</b>
Tuition, education, and textbook amounts ( <b>attach</b> Schedule 11)		<b>323</b>	+			<b>21</b>
Tuition, education, and textbook amounts transferred from a child		<b>324</b>	+			<b>22</b>
Amounts transferred from your spouse or common-law partner ( <b>attach</b> Schedule 2)		<b>326</b>	+			<b>23</b>
Medical expenses <b>for self, spouse or common-law partner, and your dependent children born in 1993 or later</b>	<b>330</b>					
Minus: \$2,024 or 3% of line 236, whichever is <b>less</b>						
Subtotal (if negative, enter "0")						(A)
<b>Allowable amount</b> of medical expenses for <b>other dependants</b> (do the calculation at line 331 in the guide and <b>attach</b> Schedule 5)	<b>331</b>	+				(B)
Add lines (A) and (B).				<b>332</b>		<b>24</b>
Add lines 1 to 24.				<b>335</b>	<b>26,066</b>	<b>72</b>
<b>Multiply the amount on line 25 by 15%.</b>				<b>338</b>	<b>3,910</b>	<b>00</b>
Donations and gifts ( <b>attach</b> Schedule 9)				<b>349</b>		<b>27</b>
Add lines 26 and 27.						
Enter this amount on line 40 on the next page.	<b>Total federal non-refundable tax credits</b>	<b>350</b>	=	<b>3,910</b>	<b>00</b>	<b>28</b>

Go to Step 2 on the next page. ➔

## Step 2 – Federal tax on taxable income

Enter your **taxable income** from line 260 of your return.

**31,882 50 29**

Use the amount on line 29 to determine which **ONE** of the following columns you have to complete.

	If line 29 is \$40,970 or less	If line 29 is more than \$40,970 but not more than \$81,941	If line 29 is more than \$81,941 but not more than \$127,021	If line 29 is more than \$127,021
Enter the amount from line 29.	<b>31,882 50</b>			<b>30</b>
Base amount	<b>00,000 00</b>	– 40,970 00	– 81,941 00	– 127,021 00 <b>31</b>
Line 30 minus line 31 (cannot be negative)	<b>31,882 50</b>	=	=	= <b>32</b>
Rate	× 15%	× 22%	× 26%	× 29% <b>33</b>
Multiply line 32 by line 33.	<b>4,782 38</b>	=	=	= <b>34</b>
Tax on base amount	<b>00,000 00</b>	+ 6,146 00	+ 15,159 00	+ 26,880 00 <b>35</b>
Add lines 34 and 35.	<b>4,782 38</b>	=	=	= <b>36</b>
	Go to Step 3.	Go to Step 3.	Go to Step 3.	Go to Step 3.

## Step 3 – Net federal tax

Enter the amount from line 36 above.

Federal tax on split income (from line 5 of Form T1206)	<b>424</b> +	<b>4,782 38 37</b>	• 38
Add lines 37 and 38.	404=	<b>4,782 38</b>	<b>4,782 38 39</b>

Enter your total federal non-refundable tax credits from line 28 of the previous page.	350	<b>3,910 00 40</b>	
Federal dividend tax credit (see line 425 in the guide)	<b>425</b> +		• 41
Overseas employment tax credit ( <b>attach</b> Form T626)	426+		42
Minimum tax carryover ( <b>attach</b> Form T691)	<b>427</b> +		• 43
Add lines 40 to 43.	=	<b>3,910 00</b>	– <b>3,910 00 44</b>

Line 39 minus line 44 (if negative, enter "0"). **Basic federal tax** 429= **872 38 45**

Federal foreign tax credit (**attach** Form T2209) 405– **46**

Line 45 minus line 46 (if negative, enter "0"). **Federal tax** 406= **872 38 47**

Total federal political contributions ( <b>attach</b> receipts)	<b>409</b>		
Federal political contribution tax credit (use federal worksheet)	<b>410</b>		• 48
Investment tax credit ( <b>attach</b> Form T2038(IND))	<b>412</b> +		• 49
Labour-sponsored funds tax credit			
Net cost <b>413</b>	Allowable credit <b>414</b> +		• 50
Add lines 48, 49, and 50.	416=		– <b>51</b>

Line 47 minus line 51 (if negative, enter "0").  
If you have an amount on line 38 above, see Form T1206. 417= **872 38 52**

Working Income Tax Benefit (WITB) advance payments received (box 10 on the RC210 slip)	<b>415</b> +		• 53
Additional tax on RESP accumulated income payments ( <b>attach</b> Form T1172)	418+		54

Add lines 52, 53, and 54.  
Enter this amount on line 420 of your return. **Net federal tax** 420= **872 38 55**

See the guide to find out if you can claim an amount on lines 305, 306, 315, and/or 331 of Schedule 1. For each dependant claimed on lines 305, 306, 315, and/or 331, provide the details requested below. **Attach a copy of this schedule to your return.**

**Line 305 – Amount for an eligible dependant**

If your marital status changed in 2010, give the date of the change. ▶ 

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Do not forget to tick the box on page 1 of your return to state your marital status.

Last name	Date of birth	Relationship to you	Net income in 2010	Nature of the impairment (if it applies)	Amount of claim
First name	Year    Month    Day				
<b>Singh</b>					
<b>Annie</b>					
Address <b>83, Elm Street</b>					
<b>Bytown, Province K1S 4F8</b>		<b>2   0   0   8   0   6   0   4</b>	<b>Daughter</b>	<b>0.00</b>	<b>10,382 00</b>

**Lines 306, 315, and/or 331 – Attach a separate sheet of paper if you need more space.**

Last name	Year of birth	Relationship to you	Net income in 2010	Nature of the impairment (if it applies)	Line claimed	Amount of claim
First name						
Address						

Last name	Year of birth	Relationship to you	Net income in 2010	Nature of the impairment (if it applies)	Line claimed	Amount of claim
First name						
Address						



# Child Care Expenses Deduction for 2010

Read the attached information sheet. On the sheet we define **child care expenses**, **eligible child**, **net income**, **earned income**, and **educational program**. For more information, see Interpretation Bulletin IT-495, *Child Care Expenses*.

Each person claiming the child care expenses deduction must attach a completed Form T778 to his or her return.

Do not include receipts, but keep them in case we ask to see them.

If you are the **only person** claiming child care expenses, complete parts A and B, and, if it applies, Part D.

If there is **another person** (as described under "Who can claim child care expenses?" on the attached sheet) and you are the one with the **lower net income**, complete parts A and B.

If there is **another person** (as described under "Who can claim child care expenses?" on the attached sheet) and you are the one with the **higher net income**, complete parts A, B, C, and, if it applies, Part D.

## Part A – Total child care expenses

List the **first and last names** and the **dates of birth** of all your eligible children, even if you did not pay child care expenses for all of them.

	Year	Month	Day
<b>Annie Singh</b>	2   0   0   8	0   6	0   4

First name of each child for whom payments were made	Child care expenses paid (see note below)	Name of the child care organization or the name and social insurance number of the individual who received the payments	Number of weeks for boarding schools or overnight camps
<b>Annie</b>	+ 3,160 00	<b>Sunny Nursery</b>	
	+		
	+		
	+		
<b>Total</b>	= 3,160 00		

**Note:** The maximum you can claim for expenses that relate to a stay in a boarding school (other than education costs) or an overnight camp (including an overnight sports school) is **\$175 per week** for a child included on line 1 in Part B, **\$250 per week** for a child included on line 2, and **\$100 per week** for a child included on line 3.

Enter any child care expenses included above that were incurred in 2010 for a child who was 18 or older. **6795**

## Part B – Basic limit for child care expenses

Number of eligible children:

<b>Born in 2004 or later</b> , for whom the disability amount cannot be claimed	<u>1</u>	× \$7,000 =	<u>7,000 00</u>	1
<b>Born in 2010 or earlier</b> , for whom the disability amount can be claimed *		× \$10,000 =	<b>6796</b> +	2
<b>Born in 1994 to 2003</b> , (or born in 1993 or earlier, with a mental or physical impairment, for whom the disability amount cannot be claimed)		× \$4,000 =	+	3
Add lines 1, 2, and 3.			= <u>7,000 00</u>	4
Enter your <b>total child care expenses</b> from Part A.			<u>3,160 00</u>	5
Enter your <b>earned income</b> .	<u>34,790 00</u>	× $\frac{2}{3}$ =	<u>23,193 33</u>	6
Enter the amount from line 4, 5, or 6, whichever is <b>least</b> .			<u>3,160 00</u>	7

If you are the person with the higher net income, go to Part C. Leave lines 8 and 9 blank.

Enter any child care expenses that the <b>other person</b> (as described under "Who can claim child care expenses?" on the attached sheet) with the higher net income deducted on line 214 of his or her 2010 return.			-	8
Line 7 minus line 8. If you attended school in 2010 and you are the only person making a claim, also go to Part D. Otherwise, enter this amount on line 214 of your return. <b>Your allowable deduction</b>			= <u>3,160 00</u>	9

\* Attach Form T2201, *Disability Tax Credit Certificate*. If this form has already been filed for the child, attach a note to your return showing the name and social insurance number of the person who filed the form and the tax year for which it was filed.

# Solution – Example 6 – First Nations resident



Canada Revenue Agency / Agence du revenu du Canada

**T1 GENERAL 2010**

## Income Tax and Benefit Return

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled.

1

### Identification

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial

**John**

Last name

**Francis**

Mailing address: Apt No – Street No Street name

**1001 R.R. 4**

PO Box

RR

City

**Town**

Prov./Terr.

**X X**

Postal code

**X 0 X 0 X 0**

### Information about you

Enter your social insurance number (SIN)

if it is not on the label, or if you are not attaching a label:

**1 2 3 4 5 6 7 8 9**  
Year Month Day

Enter your date of birth:

**1 9 7 6 0 7 0 8**

Your language of correspondence:

English

Français

Votre langue de correspondance :

Tick the box that applies to your marital status on December 31, 2010: (see the "Marital status" section in the guide)

1  Married

2  Living common-law

3  Widowed

4  Divorced

5  Separated

6  Single

### Information about your spouse or common-law partner (if you ticked box 1 or 2 above) (see the guide for more information)

Enter his or her SIN if it is not on the label, or if you are not attaching a label:

\_\_\_\_\_

Enter his or her first name:

\_\_\_\_\_

Enter his or her net income for 2010 to claim certain credits:

\_\_\_\_\_

Enter the amount of Universal Child Care Benefit included on line 117 of his or her return:

\_\_\_\_\_

Enter the amount of Universal Child Care Benefit repayment included on line 213 of his or her return:

\_\_\_\_\_

Tick this box if he or she was self-employed in 2010:

1

### Information about your residence

Enter your province or territory of residence on December 31, 2010:

**Province or territory**

Enter the province or territory where you currently reside if it is not the same as that shown above for your mailing address:

\_\_\_\_\_

If you were self-employed in 2010, enter the province or territory of self-employment:

\_\_\_\_\_

If you became or ceased to be a resident of Canada in 2010, give the date of:

entry Month Day  
\_\_\_\_\_

or

departure Month Day  
\_\_\_\_\_

### Person deceased in 2010

If this return is for a deceased person, enter the date of death:

Year Month Day  
\_\_\_\_\_

Do not use this area



**Elections Canada** (see the Elections Canada page in the tax guide for details or visit [www.elections.ca](http://www.elections.ca))

A) Are you a Canadian citizen? ..... Yes  1 No  2

Answer the following question **only if you are a Canadian citizen.**

B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors? ..... Yes  1 No  2

Your authorization is valid until you file your next return. Your information will only be used for purposes permitted under the *Canada Elections Act* which includes sharing the information with provincial/territorial election agencies, Members of Parliament and registered political parties, as well as candidates at election time.

### Goods and services tax/harmonized sales tax (GST/HST) credit application

See the guide for details.

Are you applying for the GST/HST credit? ..... Yes  1 No  2

Do not use this area

**172**

**171**

The guide contains valuable information to help you complete your return.

When you come to a line on the return that applies to you, look up the line number in the guide for more information.

**Please answer the following question:**

Did you own or hold foreign property at any time in 2010 with a total cost of more than CAN\$100,000? (see the "Foreign income" section in the guide for details) ..... **266** Yes  1 No  2

If **yes**, attach a completed Form T1135.

If you had dealings with a non-resident trust or corporation in 2010, see the "Foreign income" section in the guide.

**As a Canadian resident, you have to report your income from all sources both inside and outside Canada.**

**Total income**

Employment income (box 14 on all T4 slips)	101	5,500	00
Commissions included on line 101 (box 42 on all T4 slips)	102		
Other employment income	104 +		
Old Age Security pension (box 18 on the T4A(OAS) slip)	113 +		
CPP or QPP benefits (box 20 on the T4A(P) slip)	114 +		
Disability benefits included on line 114 (box 16 on the T4A(P) slip)	152		
Other pensions or superannuation	115 +		
Elected split-pension amount (see the guide and <b>attach</b> Form T1032)	116 +		
Universal Child Care Benefit (UCCB) (see the guide)	117 +		
UCCB amount designated to a dependant	185		
Employment Insurance and other benefits (box 14 on the T4E slip)	119 +		
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see the guide and <b>attach</b> Schedule 4)	120 +		
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180		
Interest and other investment income ( <b>attach</b> Schedule 4)	121 +		
Net partnership income: limited or non-active partners only ( <b>attach</b> Schedule 4)	122 +		
Registered disability savings plan income (see the guide)	125 +		
Rental income	Gross 160		Net 126 +
Taxable capital gains ( <b>attach</b> Schedule 3)			127 +
Support payments received	Total 156		Taxable amount 128 +
RRSP income (from all T4RSP slips)			129 +
Other income	Specify:		130 +
Self-employment income (see lines 135 to 143 in the guide)			
Business income	Gross 162		Net 135 +
Professional income	Gross 164		Net 137 +
Commission income	Gross 166		Net 139 +
Farming income	Gross 168		Net 141 +
Fishing income	Gross 170		Net 143 +
Workers' compensation benefits (box 10 on the T5007 slip)	144		
Social assistance payments	145 +		
Net federal supplements (box 21 on the T4A(OAS) slip)	146 +		
Add lines 144, 145, and 146 (see line 250 in the guide).	=		▶ 147 +
Add lines 101, 104 to 143, and 147.	This is your <b>total income.</b>	150 =	5,500 00



**Attach your Schedule 1 (federal tax) and Form 428 (provincial or territorial tax) here. Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return.**

### Net income

Enter your <b>total income</b> from line 150.		150	5,500	00
Pension adjustment (box 52 on all T4 slips and box 034 on all T4A slips)	206			
Registered pension plan deduction (box 20 on all T4 slips and box 032 on all T4A slips)	207			
RRSP deduction (see Schedule 7, and <b>attach</b> receipts)	208 +			
Saskatchewan Pension Plan deduction (maximum \$600)	209 +			
Deduction for elected split-pension amount (see the guide, and <b>attach</b> Form T1032)	210 +			
Annual union, professional, or like dues (box 44 on all T4 slips, and receipts)	212 +			
Universal Child Care Benefit repayment (box 12 on all RC62 slips)	213 +			
Child care expenses ( <b>attach</b> Form T778)	214 +			
Disability supports deduction	215 +			
Business investment loss Gross 228	Allowable deduction 217 +			
Moving expenses	219 +			
Support payments made Total 230	Allowable deduction 220 +			
Carrying charges and interest expenses ( <b>attach</b> Schedule 4)	221 +			
Deduction for CPP or QPP contributions on self-employment and other earnings ( <b>attach</b> Schedule 8)	222 +			
Exploration and development expenses ( <b>attach</b> Form T1229)	224 +			
Other employment expenses	229 +			
Clergy residence deduction	231 +			
Other deductions Specify:	232 +			
Add lines 207 to 224, 229, 231, and 232.	233 =			
Line 150 minus line 233 (if negative, enter "0").	This is your <b>net income before adjustments.</b>	234 =	5,500	00
Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide). Use the federal worksheet to calculate your repayment.		235 -		
Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide.	This is your <b>net income.</b>	236 =	5,500	00

### Taxable income

Canadian Forces personnel and police deduction (box 43 on all T4 slips)	244			
Employee home relocation loan deduction (box 37 on all T4 slips)	248 +			
Security options deductions	249 +			
Other payments deduction (if you reported income on line 147, see line 250 in the guide)	250 +			
Limited partnership losses of other years	251 +			
Non-capital losses of other years	252 +			
Net capital losses of other years	253 +			
Capital gains deduction	254 +			
Northern residents deductions ( <b>attach</b> Form T2222)	255 +			
Additional deductions Specify:	256 +			
Add lines 244 to 256.	257 =			
Line 236 minus line 257 (if negative, enter "0").	This is your <b>taxable income.</b>	260 =	5,500	00

**Use your taxable income to calculate your federal tax on Schedule 1 and your provincial or territorial tax on Form 428.**





Complete this schedule, and **attach** a copy to your return.

For more information, see the related line in the guide.

**Step 1 – Federal non-refundable tax credits**

Basic personal amount	claim \$10,382	<b>300</b>	<b>10,382</b>	<b>00</b>	<b>1</b>
Age amount (if you were born in 1945 or earlier) (use federal worksheet)	(maximum \$6,446)	<b>301</b> +			<b>2</b>
Spouse or common-law partner amount (if negative, enter "0")	\$10,382 minus ( ) his or her net income from page 1 of your return) =	<b>303</b> +			<b>3</b>
Amount for an eligible dependant ( <b>attach</b> Schedule 5) (if negative, enter "0")	\$10,382 minus ( ) his or her net income) =	<b>305</b> +			<b>4</b>
Amount for children born in 1993 or later	Number of children <b>366</b> × \$2,101 =	<b>367</b> +			<b>5</b>
Amount for infirm dependants age 18 or older (use federal worksheet and <b>attach</b> Schedule 5)		<b>306</b> +			<b>6</b>
CPP or QPP contributions:					
through employment from box 16 and box 17 on all T4 slips	(maximum \$2,163.15)	<b>308</b> +	<b>1,642</b>	<b>16</b>	<b>• 7</b>
on self-employment and other earnings ( <b>attach</b> Schedule 8)		<b>310</b> +			<b>• 8</b>
Employment Insurance premiums:					
through employment from box 18 and box 55 on all T4 slips	(maximum \$747.36)	<b>312</b> +	<b>695</b>	<b>03</b>	<b>• 9</b>
on self-employment and other eligible earnings ( <b>attach</b> Schedule 13)		<b>317</b> +			<b>• 10</b>
Canada employment amount (if you reported employment income on line 101 or line 104, see line 363 in the guide)	(maximum \$1,051)	<b>363</b> +	<b>1,051</b>	<b>00</b>	<b>11</b>
Public transit amount		<b>364</b> +			<b>12</b>
Children's fitness amount		<b>365</b> +			<b>13</b>
Home buyers' amount (see line 369 in the guide)		<b>369</b> +			<b>14</b>
Adoption expenses		<b>313</b> +			<b>15</b>
Pension income amount (use federal worksheet)	(maximum \$2,000)	<b>314</b> +			<b>16</b>
Caregiver amount (use federal worksheet and <b>attach</b> Schedule 5)		<b>315</b> +			<b>17</b>
Disability amount (for self) (claim <b>\$7,239</b> or, if you were under 18 years of age, use federal worksheet)		<b>316</b> +			<b>18</b>
Disability amount transferred from a dependant (use federal worksheet)		<b>318</b> +			<b>19</b>
Interest paid on your student loans		<b>319</b> +			<b>20</b>
Tuition, education, and textbook amounts ( <b>attach</b> Schedule 11)		<b>323</b> +			<b>21</b>
Tuition, education, and textbook amounts transferred from a child		<b>324</b> +			<b>22</b>
Amounts transferred from your spouse or common-law partner ( <b>attach</b> Schedule 2)		<b>326</b> +			<b>23</b>
Medical expenses for self, spouse or common-law partner, and your dependent children born in 1993 or later	<b>330</b>				
Minus: \$2,024 or 3% of line 236, whichever is less		-			
Subtotal (if negative, enter "0")		=		(A)	
Allowable amount of medical expenses for other dependants (do the calculation at line 331 in the guide and <b>attach</b> Schedule 5)	<b>331</b> +			(B)	
Add lines (A) and (B).		=		<b>332</b> +	<b>24</b>
Add lines 1 to 24.				<b>335</b> =	<b>13,770 19 25</b>
Multiply the amount on line 25 by 15%.		<b>338</b> =	<b>2,065</b>	<b>53</b>	<b>26</b>
Donations and gifts ( <b>attach</b> Schedule 9)		<b>349</b> +			<b>27</b>
Add lines 26 and 27.					
Enter this amount on line 40 on the next page.	<b>Total federal non-refundable tax credits</b>	<b>350</b> =	<b>2,065</b>	<b>53</b>	<b>28</b>

Go to Step 2 on the next page. ➔

## Step 2 – Federal tax on taxable income

Enter your **taxable income** from line 260 of your return.

**5,500 00** 29

Use the amount on line 29 to determine which **ONE** of the following columns you have to complete.

	If line 29 is \$40,970 or less	If line 29 is more than \$40,970 but not more than \$81,941	If line 29 is more than \$81,941 but not more than \$127,021	If line 29 is more than \$127,021
Enter the amount from line 29.	<b>5,500 00</b>			
Base amount	<b>00,000 00</b>	- 40,970 00	- 81,941 00	- 127,021 00
Line 30 minus line 31 (cannot be negative)	= <b>5,500 00</b>	=	=	=
Rate	× 15%	× 22%	× 26%	× 29%
Multiply line 32 by line 33.	= <b>825 00</b>	=	=	=
Tax on base amount	<b>00,000 00</b>	+ 6,146 00	+ 15,159 00	+ 26,880 00
Add lines 34 and 35.	= <b>825 00</b>	=	=	=
	Go to Step 3.	Go to Step 3.	Go to Step 3.	Go to Step 3.

## Step 3 – Net federal tax

Enter the amount from line 36 above.

Federal tax on split income (from line 5 of Form T1206)	<b>424</b> +	<b>825 00</b>	<b>37</b>
Add lines 37 and 38.	404=	<b>825 00</b>	<b>39</b>

Enter your total federal non-refundable tax credits from line 28 of the previous page.	350	<b>2,065 53</b>	<b>40</b>
Federal dividend tax credit (see line 425 in the guide)	<b>425</b> +		<b>41</b>
Overseas employment tax credit ( <b>attach</b> Form T626)	426+		<b>42</b>
Minimum tax carryover ( <b>attach</b> Form T691)	<b>427</b> +		<b>43</b>
Add lines 40 to 43.	=	<b>2,065 53</b>	<b>44</b>

Line 39 minus line 44 (if negative, enter "0"). **Basic federal tax** 429= **0 00** 45

Federal foreign tax credit (**attach** Form T2209) 405- **0 00** 46

Line 45 minus line 46 (if negative, enter "0"). **Federal tax** 406= **0 00** 47

Total federal political contributions ( <b>attach</b> receipts)	<b>409</b>		
Federal political contribution tax credit (use federal worksheet)	<b>410</b>		<b>48</b>
Investment tax credit ( <b>attach</b> Form T2038(IND))	<b>412</b> +		<b>49</b>
Labour-sponsored funds tax credit			
Net cost <b>413</b>	Allowable credit <b>414</b> +		<b>50</b>
Add lines 48, 49, and 50.	416=		<b>51</b>

Line 47 minus line 51 (if negative, enter "0").  
If you have an amount on line 38 above, see Form T1206. 417= **0 00** 52

Working Income Tax Benefit (WITB) advance payments received (box 10 on the RC210 slip)	<b>415</b> +		<b>53</b>
Additional tax on RESP accumulated income payments ( <b>attach</b> Form T1172)	418+		<b>54</b>

Add lines 52, 53, and 54.  
Enter this amount on line 420 of your return. **Net federal tax** 420= **0 00** 55

## Solution – Appendix 4.1 – Matching Federal Non-Refundable Tax Credits

Draw an arrow to match the amount from the right column to the correct question in the left column.

- |   |          |
|---|----------|
| ■ What is the maximum spouse or common-law partner amount?  | \$10,382 |
| ■ What is the maximum tuition, education, and textbook amount that can be transferred from a child? | \$5,000  |
| ■ What is the basic personal amount?  | \$10,382 |
| ■ What is the full-time education amount per month?   | \$400    |
| ■ What is the part-time education amount per month?   | \$120    |
| ■ What is the full-time textbook amount per month?  | \$65     |
| ■ What is the part-time textbook amount per month?  | \$20     |
| ■ What is the amount for an eligible dependant?   | \$10,382 |

## **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:



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