

Instructions

What are accumulated income payments?

AIPs are amounts, usually paid to the subscriber, of the income earned from an RESP other than refunds of contributions, educational assistance payments (EAPs), payments to a designated educational institution in Canada, transfers to another RESP or repayments under the Canada Education Savings Act or under a designated provincial program.

An RESP may (after 1997) allow for AIPs when the following two conditions are met :

- the payment is made to, or for, a subscriber under the RESP who is a resident of Canada
- the payment is made to, or for, only one subscriber of the RESP

Also, **any one** of the following three conditions must apply :

- the payment is made after the year that includes the 9th anniversary of the RESP and each individual (other than a deceased individual) who is or was a beneficiary has reached 21 years of age and is not currently eligible to receive an EAP
- the payment is made in the year that includes the 35th anniversary of the RESP, unless the RESP is a **specified plan** (a non-family plan where the beneficiary is entitled to the disability tax credit for the beneficiary's tax year that includes the 31st anniversary of the plan) in which case the payment is made in the year that includes the 40th anniversary of the RESP
- all beneficiaries under the RESP are deceased when the payment is made

AIPs are reported in box 040 in the "Other information" section of the T4A slips issued in the name of the recipient. The recipient has to include the total of all AIPs on line 13000 of his or her tax return for the year the payments are received and pay the regular tax. These payments are also subject to an additional tax.

You can use this form to reduce the amount of AIPs subject to tax (up to a lifetime maximum of \$50,000) if one of the following situations applies:

- you are the original subscriber
- you acquired the former subscribers' rights as a consequence of marriage breakdown
- where there is no subscriber of the plan, you are or were the spouse or common-law partner of a deceased original subscriber

Note

You cannot reduce the AIPs subject to tax if you became a subscriber under the plan after the death of the **original** subscriber.

If you can reduce the amount of AIPs subject to tax because you meet one of the situations above, you must also meet both of the following conditions:

- you contribute the amount to your registered retirement savings plan (RRSP), pooled registered pension plan (PRPP) or specified pension plan (SPP) or your spouse's or common-law partner's RRSP or SPP, in the year the AIPs are received or in the first 60 days of the following year
- your RRSP deduction limit allows you to deduct the amount contributed to your RRSP, PRPP, or SPP or your spouse's or common-law partner's RRSP or SPP. Claim the deduction for the year in which any payments are made

Do you have to complete this form?

If you receive AIPs in 1999 or later years, you have to complete this form to calculate the additional tax. Complete either Part A or Part B (whichever applies) and if you are a resident of Quebec, Part C.

Attach a copy of this form to your income tax and benefit return for the year you received the AIPs. You have to pay the additional tax by the balance due date for your regular tax, usually April 30 of the year that follows the year in which you received the AIP. Where the recipient is a trust, the balance due date is 90 days after the end of the tax year of the trust in which the payments are received. For information about the balance due date in the case of a deceased person, see Guide T4011, Preparing Returns for Deceased Persons 2018, which is available at canada.ca/cra-forms or by calling **1-800-959-8281**.

Additional information

For more information about AIPs and RESPs, see Guide RC4092, Registered Education Savings Plans, which is available at canada.ca/cra-forms.