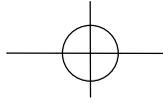


**Special Income  
Tax and Benefit  
Guide – 1999**



## What's new for 1999?

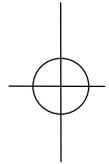
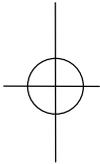
We list the major changes below, including income tax changes that have been announced, but were not law at the time of printing. If they become law as proposed, they will be effective for 1999. For more details on these and other changes, see the areas outlined in red in this guide.

**New lines** - To allow more individuals to use this package, we have added lines for you to claim moving expenses (line 219) and amounts transferred from your spouse (line 326).

**Travelling expenses** - You now have an option to simplify the calculation of travelling expenses included in your claim for moving expenses (line 219), northern residents deductions (line 255), or medical expenses (line 330). For details, call our **T.I.P.S. (Info-Tax)** service. See the T.I.P.S. information with your forms.

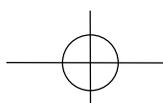
In addition, there are changes regarding the following subjects.

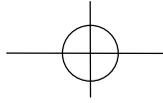
- **Retroactive lump-sum payments** (for details, see page 18)
- **Emergency volunteers** (for details, see line 101)
- **Basic personal amount** (for details, see line 300)
- **Spousal amount** (for details, see line 303)
- **Equivalent-to-spouse amount** (for details, see line 305)
- **Medical expenses** (for details, see line 330)
- **Federal individual surtax** (for details, see line 419)



As of November 1, 1999, Revenue Canada  
became the Canada Customs  
and Revenue Agency.

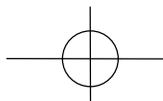
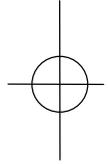
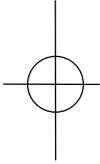
La version française de cette publication est intitulée *Guide spécial d'impôt et de prestations - 1999*.

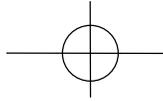




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Please indicate “yes” on page 1 of your return to authorize us to provide your name, address, and date of birth to Elections Canada. Elections Canada will use this information to make sure the National Register of Electors is kept up to date. **Your authorization is needed every year, whether your information has changed or not.**

The National Register of Electors contains the name, address, and date of birth of Canadians eligible to vote. Its information can be used only to produce electoral lists. You can write to Elections Canada to ask not to be included on the Register, or that your information not be shared with provinces, territories, municipalities, and school boards that use the Register to produce their electoral lists.

### **If you indicate “Yes”**

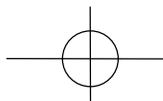
- You authorize us to give **only** your name, address, and date of birth to Elections Canada.
- Elections Canada will **not add** your name if it is not already on the Register.

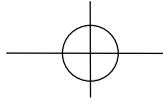
### **If you indicate “No” (or do not make a choice)**

- We will not give Elections Canada any information.
- **You will not lose your right to vote** and Elections Canada will **not delete** your name from the Register if it is already there.
- Your information may not be up to date on electoral lists. If so, you will have to take the necessary steps to correct your information during an election or referendum.

### **Contacting Elections Canada**

You can call Elections Canada toll free in Canada and the United States at 1-800-INFO-VOTE (1-800-463-6868) or 1-800-361-8935 (TTY service for individuals with a hearing or speech impairment).





## At your service

### What if you need help?

In this guide, we use plain language to explain the most common tax situations. If you need more help after reading this guide, we have other services available.

You can use our Tax Information Phone Service (T.I.P.S.) **Info-Tax** service to get recorded information on many tax topics. See the T.I.P.S. information with your forms.

Throughout this guide, we mention forms, pamphlets, interpretation bulletins, information circulars, and other guides that give more details on specific tax topics. We will send you some of these guides in the mail by late February, depending on the type of income you reported and the deductions or credits you claimed on your 1998 return. All publications mentioned in this guide are available from us.

### Internet access

You can find most of our publications at [www.cca-adrc.gc.ca](http://www.cca-adrc.gc.ca) on the Internet.

Confidentiality procedures prevent us from providing personal tax information over the Internet. Therefore, you should direct any enquiries to your tax services office.

### Before you contact us

We want to provide you with the best service possible. You can help us answer your questions more quickly if you have all of your information ready. Before contacting us you should do **all** of the following:

- read the appropriate sections of this guide;
- read the appropriate sections of other publications we mention in this guide;
- prepare all the details of your situation and question; and
- have on hand the working copy of your return, any related papers or receipts, a pencil, and some paper.

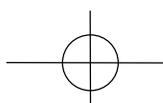
Being prepared helps us both!

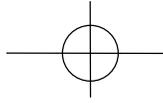
For our addresses and telephone numbers, see the listings in the government section of your telephone book.

### Contacting us

**For faster service, call or visit us before 10:00 a.m. or after 2:00 p.m.**

**By phone** – You can use our automated service 24 hours a day, 7 days a week. Agents are available Monday to Friday (except holidays) from 8:15 a.m. to





5:00 p.m. (local time) year round. From February 21 to April 30, this has been extended to 10:00 p.m. weekdays, and from 9:00 a.m. to 1:00 p.m. on weekends.

**In person** – You can visit us Monday to Friday (except holidays) from 8:15 a.m. to 4:30 p.m. year round. From February 21 to April 30, you can visit until 5:00 p.m. In some offices, where there is a continuing demand, this applies year round. Check to see if it applies to your office.

**By fax** – You can send us correspondence by facsimile. However, because of the nature of facsimile services, we are not responsible for misdirected, incomplete, or illegible documents.

**Teletypewriter (TTY) users** – If you have a hearing or speech impairment and use a TTY, an agent at our bilingual enquiry service (**1-800-665-0354**) can assist you during the hours shown under “**By phone**” on page 5.

## Getting personal tax information

Your personal tax information is confidential. Therefore, we follow certain procedures before we will give your personal information to you or your representative, **including your spouse**. See “Representatives” below.

If you visit us, and ask for personal tax information, we will ask you for one piece of signed identification with your picture. You also can provide two pieces of signed identification and your *Notice of Assessment*, *Notice of Reassessment*, or information about the contents of your return.

If you call us, and ask for personal tax information, we will ask for your social insurance number, your date of birth, and (if you call before May 1) the total income amount you entered on line 150 of your 1998 return. If you call after April 30, use the amount you entered on your 1999 return. If you ask about your assessment, we may ask for additional information from your return.

## Representatives

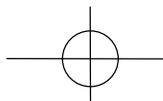
You can authorize a representative, such as your spouse, to get information on your tax matters by completing and signing Form T1013, *Consent Form*. We will give information to your representative only after we are satisfied that you have authorized us in writing to do so.

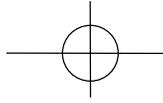
If your representative visits us, and asks for your personal tax information, he or she must show two pieces of signed identification, a Form T1013 that you completed and signed, and your *Notice of Assessment*, *Notice of Reassessment*, or information about the contents of your return.

## Community Volunteer Income Tax Program



We offer free training sessions to teach volunteers how to complete basic tax returns for low-income individuals with simple tax situations. If you need a volunteer’s help, or if you want to help out in your community, get in touch with us. Call **1-800-959-8281** for information about this free program.





## Income tax problems?

The General Enquiries section of your tax services office can solve most of your tax-related problems and answer your questions. If the problem is not resolved to your satisfaction, contact the office's Problem Resolution Program co-ordinator. You can find the number in the government section of your telephone book.

## Social insurance number (SIN)

You have to give your SIN to anyone who prepares a tax information slip (such as a T3, T4, T5, or T600 slip) for you. If you do not give your SIN, you may have to pay a \$100 penalty each time you do not provide it.

Check your information slips carefully. If your SIN is not shown on your slip or is incorrect, please advise the slip preparer.

## Before you start

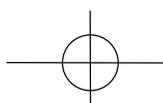
### Do you have to file a return?

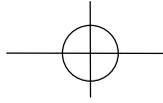
You have to file a 1999 return if **any** of the following applies:

- You have a balance owing for 1999.
- We sent you a request to file a return.
- You have to pay back any of your Old Age Security or Employment Insurance benefits. See line 235 for details.
- You have not repaid all of the amounts you withdrew from your RRSP under the Home Buyers' Plan or the Lifelong Learning Plan. For details, see the guide called *Home Buyers' Plan (HBP)* or the guide called *Lifelong Learning Plan (LLP)*.

Even if none of these requirements applies, you may still want to file a return if **any** of the following applies:

- You want to claim a refund.
- You want to apply for the goods and services tax/harmonized sales tax (GST/HST) credit (see page 14).
- You or your spouse wants to continue receiving Canada Child Tax Benefit payments (see the next section).
- You want to carry forward the unused portion of your tuition and education amounts (see line 323).
- You received income for which you could contribute to a registered retirement savings plan (RRSP). To keep your RRSP deduction limit (see page 32) up to date, you would have to file a return.





## Canada Child Tax Benefit (CCTB)

If you are responsible for the care of a child who is under 18, you can apply for the CCTB for that child. To do so, submit a completed Form RC66, *Canada Child Tax Benefit Application*, along with any other schedules and documents required, as soon as possible after the child is born or begins to live with you. If you are a landed immigrant or Convention refugee, you should apply as soon as possible after you and your child arrive in Canada.

The CCTB is based on the income shown on your return and your spouse's (if applicable, see page 14) return. Therefore, to qualify for the benefit, **you both have to file a return every year**, even if there is no income to report. Once you have applied for the CCTB, you have to advise us immediately of **any** of the following changes (as well as the date it happened or will happen):

- the child is no longer in your care, stops living with you, or dies;
- you move (or your payments may be interrupted);
- your marital status changes;
- you have your payments deposited directly into your account at a financial institution (see "Direct deposit" on page 54) and your banking information changes;
- you or your spouse is no longer a resident of Canada; or
- your or your spouse's immigration status changes.

For more information about the CCTB, get the pamphlet called *Your Canada Child Tax Benefit*, or call us at **1-800-387-1193**.

## Can you use this package?

See "T1 Special - The Right Package for You!" included with your forms to find out if you can use this package. If you cannot, you can get a General package for the province or territory where you resided on December 31, 1999, from us, or from any postal outlet in that province or territory.

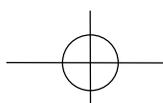
## Filing your return

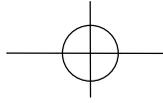
### Getting started

Gather all the documents needed to complete your return. This includes your information slips (such as T3, T4, T4A, and T5 slips) and receipts for any deductions or credits you plan to claim. You can file a paper return, or you can file your return electronically, using EFILE or TELEFILE.



Your EFILE service provider can prepare your return for you, or you can prepare your return yourself for an EFILE service provider who accepts client-prepared returns. In either case, remember to take your personal label with you





and show all of your documents to the EFILE service provider.



This system lets you file your completed return using your telephone. You can call seven days a week, for free! For more information, see the TELEFILE information sheet included in this package.

As you prepare your return, when you come to a line that applies to you, you can look it up in this guide, or see the back of your information slips for more instructions.

If you are filing a paper return, mail or deliver it in the envelope included in this package. Use your mail-in label if you have one, and make note of the address for future reference. If you are preparing other people's returns, mail or deliver each person's return in a separate envelope.

### What date is your 1999 return due?

Generally, your 1999 return has to be filed **on or before April 30, 2000**.

#### Note

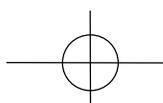
If you file your return after April 30, 2000, your goods and services tax/harmonized sales tax (GST/HST) credit and Canada Child Tax Benefit payments may be delayed.

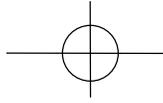
**Spouses of self-employed persons** – If your spouse carried on a business in 1999 (other than a business whose expenditures are primarily in connection with a tax shelter) your 1999 return has to be filed **on or before June 15, 2000**. However, if you have a balance owing for 1999, you still have to pay it **on or before April 30, 2000**. Send your payment to your tax centre with a note explaining how the payment is to be applied. Do not attach a copy of your return to your payment, unless you are filing that return.

**Deceased persons** – As the legal representative (executor or administrator) of the estate of an individual who died in 1999 or before May 1, 2000 (June 16, 2000, for the spouse of a self-employed individual) you may have to file a 1999 return for that individual (see "Do you have to file a return?" on page 7). If so, the 1999 return for the deceased individual (and for the individual's spouse) has to be filed **on or before** whichever of the following two dates is **later**:

- April 30, 2000, for most individuals (June 15, 2000, if this return is for the spouse of a self-employed individual); or
- six months after the individual's date of death.

For details about your filing requirements and options, get the guide called *Preparing Returns for Deceased Persons*.





#### Note

If you received income in 1999 for a person who died in 1998 or earlier, do not file a 1999 return for that income on behalf of that person. However, you may have to file a T3 *Trust Income Tax and Information Return* for the estate.

## What penalties and interest do we charge?

### Penalties

If you owe tax for 1999, and do not file your 1999 return **within the dates** we specify under "What date is your 1999 return due?" on page 9, we will charge you a late-filing penalty. The penalty is 5% of your balance owing for 1999, plus 1% of your balance owing for each full month that your return is late, to a maximum of 12 months. Your late-filing penalty may be higher if we charged you a late-filing penalty on a return for any of the three previous years.

#### Tax Tip

Even if you cannot pay the full amount you owe on or before April 30, 2000, you can avoid the late-filing penalty by filing your return on time.

We may waive this penalty (as well as any interest that may apply, as discussed in the next section) if you file your return late because of circumstances beyond your control. If this happens, include a letter with your return giving the reasons why you filed your return late. For details, get **Information Circular 92-2, Guidelines for the Cancellation and Waiver of Interest and Penalties**.

If you fail to report an amount on your return, you may have to pay a penalty. If you do this more than once within a four-year period, you may have to pay another penalty.

### Interest

If you have a balance owing for 1999, we charge compound daily interest starting May 1, 2000, on **any unpaid taxes owing** for 1999. This includes any balance owing if we reassess your return. In addition, we will charge you interest on any penalty you have to pay, starting the day after your return is due.

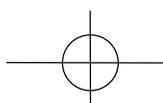
## When will we pay interest?

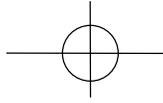
We will pay you compound daily interest on your 1999 tax refund, starting on whichever of the following three dates is **latest**:

- June 15, 2000;
- the 46th day after you file your return; or
- the day after you overpaid your taxes.

## What do you include with your return and what records do you keep?

If you are filing a paper return, include one copy of each of your information slips. Your return, the guide explanations, the forms, or the schedules will tell





you when to attach other supporting documents, such as certificates, forms, schedules, or official receipts. If you are using EFILE, you have to show your EFILE service provider all of your supporting documents.

If you make a claim without the required receipt, certificate, schedule, or form, we may disallow your claim. It could also delay the processing of your return.

Even if you do not have to attach certain supporting documents to your return, or if you are using EFILE or TELEFILE, keep them in case we select your return for review. Generally, you should keep your supporting documents for six years.

You should also keep a copy of your 1999 return, the related *Notice of Assessment*, and any *Notice of Reassessment*. These can help you complete your 2000 return. For example, your notice for 1999 will tell you:

- your 2000 RRSP deduction limit;
- your unused RRSP contributions for 2000; and
- your tuition and education amounts carry-forward balance. For details, see line 323.

### What if you are missing information?

If you have to file a 1999 return, as explained on page 7, be sure to file it **on time** (see page 9) even if some slips or receipts are missing. If you know that you will not be able to get a slip by the due date, attach to your paper return a note stating which slips are missing, the payer's name and address, and what you are doing to get the slips. To calculate the income to report, and any related deductions and credits you can claim, use any stubs you may have and attach them to your paper return.

## After you file

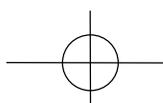
### When can you expect your refund?

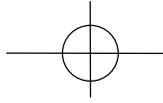
We usually process returns in **four to six weeks**. However, we start to process returns in mid-February, so do not call before March 1, even if you filed your return in January. If you filed your return on or before April 15, wait four weeks before you call. If you filed your return after April 15, wait six weeks before you call. We process most returns filed using EFILE or TELEFILE in about two weeks.

To find out about your refund, call our automated **T.I.P.S. (Telerefund)** service. See the T.I.P.S. information with your forms.

### What happens to your return after we receive it?

When we receive your return, we usually review it based on the information you provided, and send you a *Notice of Assessment* based on that review.





However, we may select your return for a more detailed review **before** we assess it. If so, and we ask you to give us documents to verify the deductions or credits you claimed, your assessment may be delayed. We also review some returns **after** we have assessed them, to verify the income reported, or the deductions or credits claimed.

## How do you change a return?

If you need to make a change to any return you have sent us, **do not file another return for that year**. Instead, send **both** of the following to your tax centre:

- a completed Form T1-ADJ, *T1 Adjustment Request*, or a signed letter providing the details of your request (including the years of the returns you want us to change), your social insurance number, your address, and a telephone number where we can reach you during the day; and
- supporting documents for the changes you want to make and, if you have not sent them to us before, supporting documents for your original claim.

### Note

Send your Form T1-ADJ or letter **separately** from your 1999 return.

You can ask for a refund for years as far back as 1985. It usually takes eight weeks before we complete the adjustment and mail you a *Notice of Reassessment*.

## Can you file a return to claim a refund for a previous year?

If you have not already filed one, you can file a return to claim a refund for 1985 or any year after that. If you are filing a return for a year before 1999, make sure you attach receipts for all the deductions or credits you are claiming.

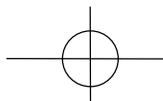
## What is a voluntary disclosure?

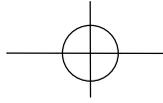
If you have never filed a return, stopped filing returns for two or more years, or sent us a return that was incomplete, we encourage you to voluntarily file or correct your return. We will then assess or reassess your return without applying a penalty. You will only have to pay the tax you owe, with interest. Information Circular 85-1, *Voluntary Disclosures*, has more details.

## What should you do if you disagree?

If you disagree with your assessment or reassessment, contact us for more information. If you still disagree, you can make a formal objection by sending us a completed Form T400A, *Objection*, or a letter on or before whichever of the following two dates is **later**:

- one year after the due date for the return; or
- 90 days after the date of the *Notice of Assessment* or *Notice of Reassessment*.





## What should you do if you move?

If you move, let us know your new address as soon as possible. This will ensure that you keep getting any goods and services tax/harmonized sales tax (GST/HST) credit or Canada Child Tax Benefit (and similar provincial or territorial program) payments to which you may be entitled. If you use direct deposit, and your account at your financial institution has changed, be sure to advise us of your new account. We also need to know your new address to mail you your return package for next year.

You can change your address by calling, writing, or visiting us. If you are writing, send your letter to your tax centre. Make sure you sign it, and include your social insurance number, your new address, and the date of your move. If you are writing for other people, include their social insurance numbers, and have each of them sign the letter authorizing the change to his or her records.

### Note

Because an individual's personal information is confidential, generally we will not provide a change of address to other government departments or Crown corporations, such as Human Resources Development Canada or Canada Post. Similarly, they do not provide such information to us.

## Should you be paying your taxes by instalments?

You may have to pay your taxes by instalments if there is not enough income tax withheld from your income. To find out if you have to pay your taxes for 2000 by instalments, estimate your taxes and credits for 2000 using your 1999 return. Enter those amounts in the chart on the *Worksheet* you will find with your forms. The chart contains the most common factors to consider. To find out all of the factors, or to calculate your payments, get Form T1033-WS, *Worksheet for Calculating 2000 Instalment Payments*.

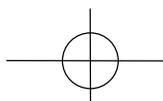
If our records show that you may have to pay your taxes by instalments, we will send you an *Instalment Reminder* in advance, showing the amount we suggest you pay and the date the payment is due. For more information about instalment payments, or instalment interest charges, get the pamphlet called *Paying Your Income Tax by Instalments*.

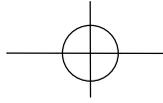
## Identification

**F**ollow the instructions on the return to complete each item in this area. Providing incomplete or incorrect information **may delay** the processing of your return, and any refund, credit, or benefit, such as any Goods and services tax/harmonized sales tax (GST/HST) credit and Canada Child Tax Benefit payments to which you may be entitled.

### Personal label

If you have a personal label, attach it to your return. If your name, your address, your social insurance number (SIN), or your spouse's SIN is incorrect,





put a line through the wrong information, and print your changes clearly on the label.

We may modify part of your address to meet Canada Post's requirements. Therefore, the address on your package, your *Notice of Assessment*, or other correspondence we send you may be different from the one you indicate on your return.

## Marital status

Check the box that applies to your status for income tax purposes on December 31, 1999. Check either "Married" or "Living common law" (whichever applies) if you had a spouse who meets the definition below. Check one of the other boxes only if the first two categories do not apply.

### Spouse

For tax purposes, you have a spouse when you are legally married, or living common law with someone (see below). You still have a spouse if you are living apart for reasons other than a breakdown in your relationship.

**Living common law** – This applies when you live and have a relationship with a person of the opposite sex to whom **any** of the following applies. He or she:

- is the natural or adoptive parent (legal or in fact) of your child;
- has been living common law with you for at least 12 continuous months; or
- lived with you previously as your spouse for at least 12 continuous months.

The above includes any period that you were separated for less than 90 days because of a breakdown in the relationship.

## Province or territory of residence

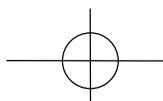
Enter the province or territory where you lived on December 31, 1999.

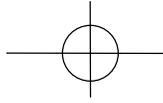
## Elections Canada

Please answer the question, on page 1 of your return, about providing certain information to Elections Canada. For more information, see page 4 of this guide.

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

You can receive the GST/HST credit only if you **apply for it each year**, even if you received it in the previous year. To apply, you have to **complete this area on page 1 of your 1999 return**. Your credit is based on the information





provided on your return and, if applicable, your spouse's return (see the definition of "spouse" above).

If you qualify, you will receive payments in July and October of 2000, and January and April of 2001. However, if your total credit for the year is less than \$100, we will pay all of it in July of 2000. If you apply, we will let you know in July of 2000 the amount to which you are entitled, if any, and how we calculated your credit. If you move, tell us, or your payments may be interrupted.

#### Notes

If you have a spouse, only one of you can receive the credit. No matter which one of you applies, the credit will be the same.

To be eligible to receive a GST/HST credit for a particular month, you have to be resident in Canada at the beginning of that month.

### Who can apply?

You can apply for the GST/HST credit if, at the end of 1999, you were resident in Canada and **any** of the following applies. You:

- were 19 years of age or older;
- had a spouse; or
- were a parent.

#### Note

You cannot apply for the GST/HST credit if, at the end of 1999, you were confined to a prison or a similar institution, and had been there for more than six months during 1999. You also cannot claim the credit for your spouse or child who was in this situation at the end of 1999.

### Number of children

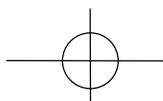
You can claim for each of your children to whom **all** of the following apply. At the end of 1999, he or she:

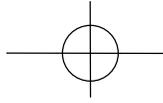
- was under 19 years of age;
- did not have a spouse;
- was not a parent; and
- either lived with you, or was claimed as a dependant by either you or your spouse.

Only one person can claim a GST/HST credit for a particular child.

### Net income of spouse

Your spouse's net income is the amount on line 236 of your spouse's return, or the amount that it would be if your spouse filed a return.





## Income limit

In the chart that follows, look up the number of children you have. If your net family income is equal to, or less than, the amount shown across from the number of your children, you may be entitled to receive the credit. Your net family income is the total of your net income and, if applicable, your spouse's net income.

Number of children	Maximum family income
0	\$33,880
1	\$35,980
2	\$38,080
3	\$40,180
4	\$42,280
5 or more	apply

### Note

These income limits are only guidelines to help you decide if you should apply for the credit. If you apply, we will send you a notice by the end of July 2000 to let you know the amount to which you are entitled, if any.

## Calculating your GST/HST credit

To find out how to calculate your GST/HST credit, call our **T.I.P.S. (Info-Tax)** service. See the T.I.P.S. information with your forms.

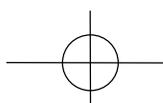
We may apply your GST/HST credit against certain outstanding federal, provincial, or territorial government debts, such as student loans, Employment Insurance and social assistance benefit overpayments, Immigration loans, and training allowance overpayments. We also may apply it to satisfy a garnishment order under the *Family Orders and Agreements Enforcement Assistance Act*.

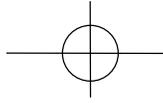
## Foreign income

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

### How do you report foreign income and other amounts?

Report foreign income and other amounts (such as expenses and taxes paid) in Canadian dollars. Use the exchange rate that was in effect on the day you received the income or paid the expense. If the amount was paid at various times throughout the year, you can contact us to get an average annual rate. If the payer deducted tax, you have to use a General return to claim a credit for it.





## Foreign property

At some point in 1999, the total cost of foreign property you owned or held might have been more than CAN\$100,000. This refers to foreign property you owned and your share of foreign property in which you had an interest. If so, you have to complete Form T1135, *Foreign Income Verification Statement*, and file it with your paper return. If you are using EFILE (see page 8) or TELEFILE (see page 9) send Form T1135 directly to your tax centre.

For details about foreign property, see “T1 Special – The Right Package for You!” included with your forms. Form T1135 contains more information about filing, and a complete list of the different kinds of foreign property.

## Loans and transfers to non-resident trusts

In 1999 or a previous year, you may have loaned or transferred funds or property to a non-resident trust. If so, you may have to complete and file Form T1141, *Information Return in Respect of Transfers or Loans to a Non-resident Trust*. For more information, get Form T1141.

## Beneficiaries of non-resident trusts

In 1999, you may have received funds or property from, or been indebted to, a non-resident trust under which you were a beneficiary. If so, you may have to complete and file Form T1142, *Information Return in Respect of Distributions From and Indebtedness to a Non-resident Trust*. For more information, get Form T1142.

## Due dates for forms

The deadline for filing these forms is the same as for your 1999 return (see “What date is your 1999 return due?” on page 9). **File Form T1135 with your return. File Forms T1141 and T1142 separately from your return.** You do not have to file any of these forms for the year you immigrated to Canada.

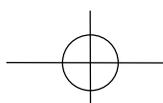
## Penalties

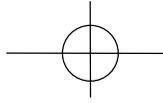
There are substantial penalties for failing to complete and file these forms by the due date.

## Total income

You have to include in income most amounts you received in 1999. However, you do not have to include **any** of the following amounts in your income:

- any GST/HST credit or Canada Child Tax Benefit payments;
- any provincial or territorial child tax credits or benefits;
- allowances for newborn children received from the Régie des rentes du Québec and Quebec family allowances;





- compensation received from a province or territory if you were a victim of a criminal act or a motor vehicle accident;
- lottery winnings or inheritances;
- any allowance, disability pension, or dependants' pension paid for war service; or
- most amounts received from a life insurance policy following someone's death.

**Note**

Income earned on any of the above amounts is taxable (such as interest you earn when you invest lottery winnings).

### **Retroactive lump-sum payments**

You may have received a **lump-sum** payment of certain income in 1999, of which parts were for previous years after 1977. You have to report the whole payment for 1999.

Under proposed changes, you can ask us to tax the parts for the previous years as if you received them in those years. We will do this for the parts that apply to years throughout which you were resident in Canada, if the total of those parts is \$3,000 or more (not including interest) and it is better for you. Eligible income includes:

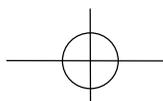
- employment income and damages for loss of employment received under a court judgment, arbitration award, or lawsuit settlement agreement;
- periodic pension benefits (which do not include amounts received when leaving the plan);
- wage-loss replacement plan benefits;
- spousal or child support payments; and
- Employment or Unemployment Insurance benefits.

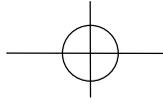
The payer will give you a completed Form T1198, *Statement of Qualifying Retroactive Lump-Sum Payment*. If you receive a form for a previous year, contact us.

### **Loans and transfers of property**

You may have to report income, such as dividends (see line 120) or interest (see line 121) from property (including money and any replacement property) you loaned or transferred to your spouse, child, or other relative. You also may have to report capital gains or losses from the disposition of property you loaned to your spouse.

For details, get Interpretation Bulletin IT-510, *Transfers and Loans of Property made after May 22, 1985 to a Related Minor*, or IT-511, *Interspousal and Certain Other Transfers and Loans of Property*.





## Line 101 – Employment income

Enter the total of amounts shown in box 14 of all your T4 slips. If you have not received your slip by early April, or if you have any questions about an amount on a slip, contact your employer.

### Note

If tips you received through employment are not included on your T4 slip, report them on line 104.

### Tax Tips

You may be able to contribute to the Canada or Quebec Pension Plan for your tips. See line 310 in the General guide for details.

Your contributions to the Canada or Quebec Pension Plan (box 16 or 17 of your T4 slips and any amount you contribute for your tips) determine the amount of benefits you will receive under either of these plans. If there are no contributions in box 16 or 17 of your T4 slips, or if you have any questions about the amount of your contributions, contact your employer.

### Emergency volunteers

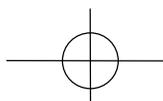
In 1999, you may have received an allowance from a government, municipality, or other public authority for your work as a volunteer ambulance technician, fire fighter, or search, rescue, or other emergency worker. If so, under proposed changes, the T4 slip issued by such an authority generally will show only the taxable part of the allowance, which is the part that is more than \$1,000. However, if that authority employed you (other than as a volunteer) for the same or similar duties, the whole allowance will be taxable.

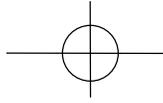
## Line 104 – Other employment income

Include your total employment income not reported on a T4 slip, such as tips and occasional earnings.

Amounts to report on this line also include:

- **Net research grants** – Subtract your expenses from any research grant you received and enter the net amount on this line. Your expenses cannot be more than the grant you received. Attach to your paper return a list of your expenses. For details, get Interpretation Bulletin IT-75, *Scholarships, Fellowships, Bursaries, Prizes, and Research Grants*; and
- **Income-maintenance insurance plans (wage-loss replacement plans)** – Report the taxable part of payments you received, such as income from a wage-loss replacement plan. Box 28 of your T4A slip includes the payments you received from these plans. There should also be a note on the slip identifying them. You may not have to report the full amount on your return. You can reduce the payments you received by the contributions you made to the wage-loss replacement plan after 1967, if you did not use the contributions on a previous year's return to reduce the income you had to report. For more information, get Interpretation Bulletin IT-428, *Wage Loss Replacement Plans*.





To find out what other amounts to include on this line, call our **T.I.P.S. (Info-Tax)** service. See the T.I.P.S. information with your forms.

### **Line 113 – Old Age Security pension**

Enter the amount from box 18 of your T4A(OAS) slip. Do not include on line 113 the amount in box 21 of your T4A(OAS) slip. For details on how to report this income, see line 146. If you do not have your T4A(OAS) slip, contact the nearest Income Security Programs office of Human Resources Development Canada.

#### **Notes**

If your net income before adjustments (line 234) is more than \$53,215, you may have to repay all or a part of your Old Age Security (OAS) pension. See line 235 for details.

### **Line 114 – Canada or Quebec Pension Plan benefits**

Enter the total Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) benefits shown in box 20 of your T4A(P) slip. This amount is the total of the amounts in boxes 14 to 18. If your T4A(P) slip has an amount in box 16, 17, or 18, read the part of this section that applies to you.

**Lump-sum benefits** – You may have received a lump-sum CPP or QPP benefit in 1999, of which parts were for previous years. You have to report the whole benefit for 1999. However, we will automatically tax the parts that relate to previous years as if you received them in those years, if the total of those parts is \$300 or more and it is better for you. We will tell you the results on your *Notice of Assessment* or *Notice of Reassessment*. If you received a lump-sum benefit in 1998, we did this calculation automatically when we assessed your 1998 return.

#### **CPP or QPP disability benefit (box 16)**

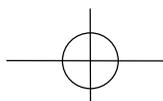
Enter on **line 152**, located below and to the left of line 114, the amount of your CPP or QPP disability benefits from box 16. This amount is already included in your income on line 114, so **do not add it again** when you calculate your total income on line 150.

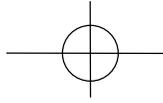
#### **CPP or QPP child benefit (box 17)**

Include a child benefit only if you received it because you were the child of a deceased or disabled contributor. Any benefits paid for your children are **their** income, even if you received the payment.

#### **CPP or QPP death benefit (box 18)**

As a beneficiary of the estate of the deceased person, you can choose to include this amount either on line 114 of your own return, or on a *Trust Income Tax and Information Return* for the **estate**. Do not report it on the deceased person's individual return. The taxes payable may be different, depending on which





return you use. For more information, get the guide called *T3 Guide and Trust Return*.

## Line 115 – Other pensions or superannuation

Include on this line any other pensions or superannuation you received, such as amounts shown in box 16 of your T4A slips and box 31 of your T3 slips. Report on line 130 any amount shown in box 18 of your T4A slip or box 22 of your T3 slip.

You may also have to report on this line other amounts that you received. Read the parts of this section that correspond to the type of income you have.

### Tax Tip

If you have to report your pension or annuity payments on line 115, you may be able to claim the pension income amount. See line 314 for details.

### Annuity and registered retirement income fund (including life income fund) payments

Report an amount from box 24 of your T4A slip, box 16 or 20 of your T4RIF slip, or box 19 of your T5 slip as follows:

- If you were 65 or older on December 31, 1999, or you received it at any age because your spouse died, include it on line 115.
- Otherwise, report the amount in box 24 of your T4A slip, or box 16 or 20 of your T4RIF slip, on line 130. Report the amount in box 19 of your T5 slip on line 121.

### Note

If there is an amount in box 18 or 22 of your T4RIF slip, see the instructions on the back of the slip.

### Pensions from a foreign country

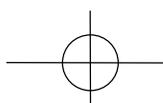
Report in Canadian dollars the **total amount** of your 1999 foreign pension income. See “How do you report foreign income and other amounts?” on page 16. Attach a note to your paper return, identifying the type of pension you received and where it came from.

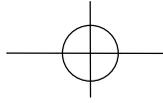
In some cases, amounts you receive may not be considered pension income and may have to be reported elsewhere on your return. If you had a United States individual retirement account (IRA) in 1999 and either received amounts from such an account or converted it to a “Roth” IRA, contact us.

### Tax Tip

You can claim a deduction on line 256 for the part of your foreign pension income that is tax-free under a tax treaty. If you do not know whether any part of your foreign pension is tax-free in Canada, contact us.

**United States social security** – Include on line 115 the full amount, in Canadian dollars, of your U.S. social security benefits. You can claim a deduction for part of this income. See line 256 for details.





Benefits paid for your children are their income, even if you received the payments.

### **Line 119** – Employment Insurance benefits

Enter the amount shown in box 14 of your T4E slip. If your net income before adjustments (line 234) is more than \$39,000, you may have to repay some of the benefits you received. See line 235 for details.

### **Line 120** – Taxable amount of dividends from taxable Canadian corporations

Enter on line 120 the taxable amount of all dividends from taxable Canadian corporations, as shown in box 11 on T5 slips, box 31 on T4PS slips, and box 32 on T3 slips. You have to report your dividends even if you did not receive an information slip. If you did not receive one, you can calculate the taxable amount of dividends you received by multiplying the dividends you actually received by 125%.

These dividends qualify for the federal dividend tax credit, which can reduce the amount of tax you pay. See “Line 425 – Federal dividend tax credit” on page 51 for details.

#### **Note**

Special rules apply for income from property (including shares) one family member lends or transfers to another. See “Loans and transfers of property” on page 18 for more information.

#### **Tax Tip**

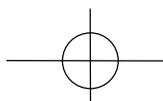
In some cases, it may be better for you to report **all** the taxable dividends your spouse received from taxable Canadian corporations. You can do this only if, by including the dividends in your income, you will be able to claim or increase your claim for the spousal amount (see line 303).

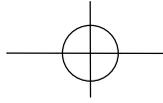
If you use this option, you may be able to take better advantage of the dividend tax credit. Do not include these dividends in your spouse’s income when you calculate claims such as the spousal amount on line 303 or amounts transferred from your spouse on Schedule 2.

### **Line 121** – Interest income

Include on this line your interest from Canadian sources, such as amounts shown in box 13 of your T5 slips. Also include the interest on any tax refund you received in 1999, which is shown on your *Notice of Assessment* or *Notice of Reassessment*.

Report the amounts you actually received, as well as amounts that were credited to you in the year. The interest you report depends on the type of investment and when you made it.





### Notes

Special rules apply for income from most property (including money) one family member lends or transfers to another. See “Loans and transfers of property” on page 18 for more information.

Generally, when you invest your money in your child’s name, you have to report the income from those investments. However, if you deposited Canada Child Tax Benefit payments into a bank account or trust in your child’s name, the interest earned on those payments is your child’s income.

### How to report

Generally, you report your share of interest from a **joint investment** based on how much you contributed to it.

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#### Example

Karen and Pavel received a T5 slip from their joint bank account showing the \$400 interest they earned in 1999. Karen had deposited \$4,000 and Pavel had deposited \$1,000 into the account.

Karen reports \$320 interest, calculated as follows:

$$\frac{\$4,000 \text{ (her share)}}{\$5,000 \text{ (total)}} \times \$400 \text{ (total interest)} = \$320$$

Pavel reports \$80 interest, calculated as follows:

$$\frac{\$1,000 \text{ (his share)}}{\$5,000 \text{ (total)}} \times \$400 \text{ (total interest)} = \$80$$

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### Bank accounts

Report interest paid or credited to you in 1999, even if you did not receive an information slip. You may not receive a T5 slip for amounts under \$50.

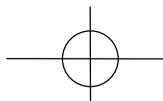
### Term deposits, guaranteed investment certificates (GICs), and other similar investments

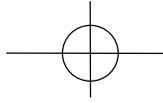
On these investments, interest builds up over a period of time, usually longer than one year. Generally, you do not receive the interest until the investment matures, or you cash it in. For more information on Canada Savings Bonds, see “Canada Savings Bonds” on page 24.

The amount of income you report is based on the interest you earned during each complete investment year. For example, if you made a long-term investment on July 1, 1998, report on your 1999 return the interest that accumulated to the end of June 1999, even if you do not receive a T5 slip. Report the interest from July 1999 to June 2000 on your 2000 return.

#### Note

Your investment agreement may specify a different interest rate each year. If so, report the amount on your T5 slip, even if it is different from what the





agreement specifies, or what you received. The issuer of your investment can tell you how this amount was calculated.

For most investments you made **in 1990 or later**, you have to report the interest each year, as you earn it. For information about reporting methods for investments (including CSBs) made **in 1989 or earlier**, call our **T.I.P.S. (Info-Tax)** service. See the T.I.P.S. information with your forms.

### **Canada Savings Bonds**

Interest on a regular interest ("R") bond is paid annually until the bond matures, or you cash it in. Interest on a compound interest ("C") bond is not paid until you cash it in.

#### **How to report**

**"C" bonds, Series 45 and subsequent, and all "R" bonds** - Report the amount shown on the T5 slip.

**"C" bonds, Series 44 (1989)** - Report \$7.91 for every \$100 of these bonds for which you are already using the annual accrual method or for which you want to **change** to the annual accrual method.

If you already use the cash or receivable method for these bonds, and you want to continue reporting them using that method, you have to report the interest at least every three years. For each \$100 of bonds for which you are using this method, you should have reported \$32.05 on your 1992 return, \$24.48 on your 1995 return, and \$29.49 on your 1998 return. You do not have to report any amount for 1999.

If you cashed Series 44 "C" bonds in 1999, report the amount shown on the T600 slip minus any part of that amount that you reported in previous years. Whether you used the annual accrual, cash, or receivable method, you should have reported a total of \$86.02 in previous years for each \$100 of bonds.

#### **Tax Tip**

If you bought bonds through your payroll savings plan, you can deduct any interest charges you paid to buy the bonds. See line 221 for details.

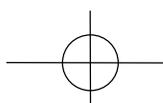
### **Treasury bills (T-Bills)**

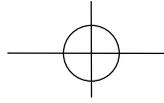
If you disposed of a T-Bill at maturity in 1999, you have to report as interest the difference between the price you paid and the proceeds of disposition shown on your T5008 slip, or account statement.

If you disposed of a T-Bill before maturity in 1999, you may also have to report a capital gain or loss. For details, get the guide called *Capital Gains*.

### **Earnings on life insurance policies**

Report the earnings that have accumulated on certain life insurance policies in the same way as you do for other investments. In all cases, your insurance company will send you a T5 slip. For policies bought before 1990, you can choose to report accumulated earnings annually by telling your insurer in writing that you choose to do so.





## Line 128 – Support payments received

Enter on line 156 the total spousal and child support you received in 1999. Enter on line 128 the taxable amount. For more information, get the pamphlet called *Support Payments*.

### Tax Tips

If the payments you received from a resident of another country are tax-free in Canada because of a tax agreement between Canada and the other country, you can claim a deduction for the payments on line 256. To find out if the payments you received are tax-free, contact us.

You may be able to claim a deduction for support income you repaid under a court order. For details, get the pamphlet called *Support Payments*.

## Line 129 – Registered retirement savings plan (RRSP) income

Enter on line 129 the total amount shown in boxes 16, 18, 20, 22, 26, 28, and 34 of all your T4RSP slips, unless your spouse made a contribution to your RRSP. See “Spousal RRSPs” below for more details.

### Tax Tip

Annuity payments shown in box 16 of your T4RSP slip may qualify for the pension income amount. See line 314 for more details.

## Spousal RRSPs

Your spouse may have to report some or all of the RRSP income shown in box 20, 22, or 26 of your T4RSP slips if he or she contributed to any of your RRSPs in 1997, 1998, or 1999. In that case, your T4RSP slip should have *yes* checked in box 24, and either your spouse’s name in box 38 or your spouse’s social insurance number in box 36.

To calculate the amount from a spousal RRSP that each of you has to report, complete Form T2205, *Calculating Amounts From a Spousal RRSP or RRIF to Include in Income*. Both you and your spouse should include this form with your paper returns. However, only the person shown as the annuitant on the T4RSP slip can claim the income tax deducted (box 30). Attach the slip to your paper return.

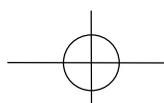
### Note

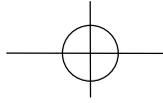
If you and your spouse were living apart because of a breakdown in the relationship when you withdrew funds from your RRSP, you have to report the whole amount shown on your T4RSP slips.

For more details on RRSP income, get the guide called *RRSPs and Other Registered Plans for Retirement*.

## Repayments under the Home Buyers’ Plan (HBP)

If you withdrew funds from your RRSP under the HBP before 1998, you have to repay to your RRSP, from **January 1, 1999, to February 29, 2000**, the amount





shown on the statement we sent you. You also have to designate it using line 246 of Schedule 7. **Do not make the repayment to us.** For more information, see “Line 6 – Repayments under the HBP and LLP” on page 31.

If you do not repay the full amount indicated on your repayment statement for 1999, you have to include on line 129 of your return the part you did not repay.

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**Example**

Mohammed withdrew funds under the HBP in 1996. The statement he received in the fall of 1999 showed a required repayment of \$800. The only RRSP contribution he made from January 1, 1999, to February 29, 2000, was for \$500 on June 17, 1999. He designated it on line 246 of Schedule 7 as a repayment under the HBP, and includes \$300 in his income on line 129 (\$800 required repayment minus \$500 repaid and designated).

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For more information, including the rules that apply when the person who made the withdrawal dies, turns 69, or becomes a non-resident, get the guide called *Home Buyers’ Plan (HBP)*.

**Line 130 – Other income**

Use this line to report taxable income that is not reported anywhere else on the return. Make sure you have read the instructions for lines 101 to 129 first. Identify the type of income you are reporting in the space to the left of line 130 on your return. If you have more than one type of income, attach a note to your paper return giving the details.

For other amounts not listed, call our **T.I.P.S. (Info-Tax)** service. See the T.I.P.S. information with your forms. To find out if an amount is taxable, contact us.

**Note**

Special rules apply for income from property one family member lends or transfers to another. See “Loans and transfers of property” on page 18 for more information.

**Scholarships, fellowships, bursaries, study grants, and artists’ project grants**

Total all the amounts you received in 1999 (box 28 of your T4A slips). Report on line 130 only the amount that is more than \$500.

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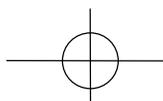
**Example**

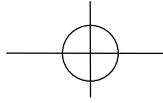
Kimiko received a \$1,500 scholarship to attend university. She subtracts the \$500 tax-free amount and reports \$1,000 on line 130.

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**Note**

If you received an artists’ project grant, you can subtract the \$500 or your expenses, whichever you prefer, but not both. However, the expenses you





claim cannot be more than the grant. You cannot claim personal living expenses while at your usual place of residence.

Report prizes and awards you received as a benefit from your employment. However, these are not eligible for the \$500 tax-free amount. If you received a research grant, see line 104.

For more information, get Interpretation Bulletin IT-75, *Scholarships, Fellowships, Bursaries, Prizes, and Research Grants*.

### **Lump-sum payments**

Include lump-sum payments from pensions and deferred profit-sharing plans (box 18 of your T4A slips and box 22 of your T3 slips) received when you leave a plan.

### **Retiring allowances (severance pay)**

A retiring allowance includes an amount paid as severance pay. Include the amount shown in boxes 26 and 27 of your T4A slips.

Also, report any retiring allowance included in the amount in box 26 of your T3 slips. Details regarding the retiring allowance will be shown in box 36 and in the footnotes area of the slips.

#### **Tax Tip**

You may be able to transfer part or all of your retiring allowances to your registered retirement savings plan (RRSP). See “Line 9 – Transfers” on page 32.

### **Death benefits (other than Canada or Quebec Pension Plan death benefits)**

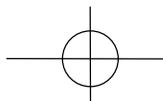
A death benefit is an amount you receive, after a person’s death, for that person’s employment service. It is shown in box 28 of your T4A slips or box 35 of your T3 slips.

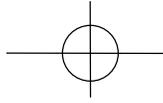
You may not have to pay tax on up to \$10,000 of the benefit you received. If you are the only one to receive a death benefit, report the amount you receive that is more than \$10,000. Even if you do not receive all of the death benefit in one year, the total tax-free amount for all years cannot be more than \$10,000. To find out what to report if anyone else also received a death benefit for the same person, call our **T.I.P.S. (Info-Tax)** service. See the T.I.P.S. information with your forms.

Attach to your paper return, a note stating the amount of death benefits you received but did not include in your income.

### **Line 144 – Workers’ compensation benefits**

Enter the amount shown in box 10 of your T5007 slip. Claim a deduction on line 250 for the benefits you entered on line 144.





## Line 145 – Social assistance payments

Enter the amount shown in box 11 of your T5007 slip (or box A of your RL-5 slip if you were a resident of Quebec) unless you lived with your spouse at the time either of you received the social assistance payments. In that case, the spouse with the higher net income on line 236 (without including these payments, or deducting the amounts on lines 214 or 235) has to report these payments, no matter whose name is on the slip. If you and your spouse have the same net income, whoever received the payments has to report them.

### Note

You do not have to include certain social assistance payments you or your spouse received for being a foster parent or for caring for a disabled adult who lived with you. For more information, contact us. However, if the payments are for caring for your spouse or an individual related to you or your spouse, you or your spouse (whoever has the higher net income) will have to include them.

Claim a deduction on line 250 for the social assistance payments you entered on line 145.

## Line 146 – Net federal supplements

Enter the amount shown in box 21 of your T4A(OAS) slip.

If your net income before adjustments (line 234) is \$53,215 or less, claim a deduction on line 250 for the net federal supplements you entered on line 146. If line 234 of your return is more than \$53,215, contact us to find out how much you can deduct on line 250.

## Net income

## Line 206 – Pension adjustment

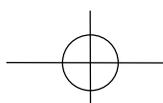
Enter on line 206 the total of all amounts in box 52 of your T4 slips, or box 34 of your T4A slips. Generally, this total represents the value of the benefits you earned in 1999 under a registered pension plan (RPP) or a deferred profit-sharing plan (DPSP).

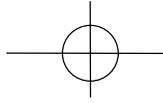
Do not include the pension adjustment (PA) amount in your income, and do not deduct it on your return. Simply enter this amount on line 206. We will use it to calculate your registered retirement savings plan (RRSP) deduction limit for 2000, which we will show on your *Notice of Assessment* for 1999. See line 208 for details.

If you have any questions about how your PA was calculated, ask your employer.

### Note

If you live in Canada and you participated in a foreign pension plan in 1999, you may have to enter an amount on this line. For details, contact us.





## Line 207 – Registered pension plan (RPP) deduction

Enter the total of all deductible amounts shown in box 20 of your T4 slips, in box 32 of your T4A slips, or on your union or RPP receipts. Generally, you cannot claim contributions to pension plans in foreign countries.

You can deduct the total amount unless it is more than \$3,500 **and** your information slip shows a past-service amount for service before 1990. In that case, or if you contributed to an RPP in a previous year and could not deduct part of the amount, contact us to find out how much you can deduct.

**Receipts** – With the exception of your T4 and T4A slips, do not include your receipts with your paper return. If you are using EFILE (see page 8) show them to your EFILE service provider. In either case, or if you are using TELEFILE (see page 9) you have to keep them in case we ask to see them.

## Line 208 – Registered retirement savings plan (RRSP) deduction

This section gives general information on RRSPs. If you need more information after reading this section, get the guide called *RRSPs and Other Registered Plans for Retirement*. For information about Schedule 7, see the section about this schedule on page 30.

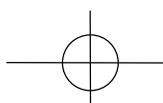
**Receipts** – Attach to your paper return official receipts for all amounts you contributed from March 2, 1999, to February 29, 2000, including those you are not deducting on your 1999 return and those you are designating as Home Buyers' Plan (HBP) or Lifelong Learning Plan (LLP) repayments. See "Line 6 – Repayments under the HBP and LLP" on page 31 for details about HBP and LLP repayments. If you contributed to your spouse's plan, the receipt has to show your name as the contributor and your spouse's name as the annuitant. Also attach Schedule 7 if you have to complete it.

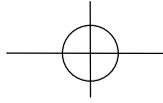
If you are using EFILE (page 8) show your receipts to your EFILE service provider. In that case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

### Maximum contributions you can deduct

The maximum you can deduct on line 208 is whichever of the following amounts is **less**:

- the undeducted RRSP contributions shown on your 1998 *Notice of Assessment* or *Notice of Reassessment* **plus** the total of your RRSP contributions made from March 2, 1999, to February 29, 2000 (not including amounts you designate as HBP or LLP repayments, see "Line 6 – Repayments under the HBP and LLP" on page 31); or
- your 1999 RRSP deduction limit (see "Line 8 – Deduction for contributions based on your 1999 RRSP deduction limit" on page 32) **plus** amounts you transfer (see "Line 9 – Transfers" on page 32) to your RRSP on or before February 29, 2000.





### Notes

Neither you nor your spouse can contribute to your RRSP after the end of the year you turn 69. Therefore, you may no longer be able to contribute to your own RRSP, even though you still have an RRSP deduction limit that you have not used. If so, you still can contribute to an RRSP for your spouse until the end of the year he or she turns 69. You can deduct these contributions as long as your deduction limit allows.

If you contribute more to an RRSP than you can deduct, you may have to pay a special tax.

### Schedule 7

You may not have to complete Schedule 7. To find out, read the information at the top of the schedule. If you do have to complete it, you will find information below about lines 1, 2, 3, 6, 8, and 9.

#### Line 1 – Undeducted RRSP contributions

This is the total of all contributions to your own RRSP or to an RRSP for your spouse that you made after 1990 and showed on a previous year's Schedule 7, but did not deduct on any previous return. This amount is shown on your 1998 *Notice of Assessment* or *Notice of Reassessment*.

If you do not have your 1998 *Notice of Assessment* or *Notice of Reassessment*, you can find out if you have undeducted RRSP contributions for 1998 by calling our automated **T.I.P.S. (RRSP deduction limit)** service. See the T.I.P.S. information with your forms.

#### Note

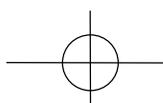
If you made RRSP contributions from March 3, 1998, to March 1, 1999, that you did not deduct on your 1998 return, you should have filed a completed Schedule 7 with your 1998 paper return. If you did not, you should submit your receipts and a completed copy of a 1998 Schedule 7 to your tax centre, **but not with your 1999 return**. See "How do you change a return?" on page 12 for details. However, if you made a contribution from January 1, 1991, to March 2, 1998, and you did not show it on a Schedule 7 for 1997 or earlier, contact us.

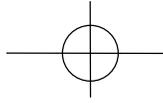
#### Lines 2 and 3 – Total RRSP contributions

This total includes amounts you:

- contributed to your own RRSP or an RRSP for your spouse from March 2, 1999, to February 29, 2000;
- transferred to your own RRSP (see "Line 9 – Transfers" on page 32); and
- designate as Home Buyers' Plan (HBP) or Lifelong Learning Plan (LLP) repayments (see "Line 6 – Repayments under the HBP and LLP" on page 31).

Be sure to include on these lines any contributions you made from January 1, 2000, to February 29, 2000, even if you are **not** deducting them on





your 1999 return. Otherwise, we may reduce or disallow the claim for these contributions you make on your return for a future year.

**Do not** include the following amounts:

- Part or all of the contributions you made to your RRSP or an RRSP for your spouse less than 90 days before you or your spouse withdrew funds from that RRSP under the HBP or LLP. For more details, get the guide called *Home Buyers' Plan (HBP)* or the guide called *Lifelong Learning Plan (LLP)*.
- Any payments directly transferred to your own RRSP for which you did not receive an information slip.
- If you received a T10 slip showing that you had a pension adjustment reversal for 1998, any RRSP contributions you made from March 2, 1999, to April 30, 1999, that you claimed on your 1998 return. This can happen, for example, when you leave an RPP.

In addition, although your RRSP contributions also **do not include** the following amounts, you may be able to claim a deduction for them on another line. However, to do so you would need to use the **General package**.

- Any unused RRSP contributions you made on or after March 2, 1999, that were refunded to you or your spouse in 1999.
- The part of an RRSP withdrawal that you recontributed to your RRSP. This would have happened if, in error, you withdrew more RRSP funds than necessary to obtain past-service benefits under a registered pension plan (RPP).
- The excess part of a direct transfer of a lump-sum payment from your RPP to an RRSP or registered retirement income fund (RRIF) that you withdrew and are including on line 129 or 130 of your 1999 return.

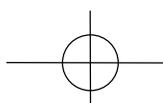
#### **Line 6 – Repayments under the HBP and LLP**

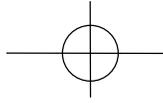
If you have withdrawn funds from your RRSP under the Home Buyers' Plan (HBP) you may have received a *Home Buyers' Plan (HBP) – Statement of Account* from us, indicating the amount of the annual repayment you have to make for 1999. If you withdrew funds from your RRSP in 1999 under the Lifelong Learning Plan (LLP) you can make a repayment for 1999 if you want, but you do not have to.

You make repayments by contributing to your **own** RRSP from January 1, 1999, to February 29, 2000, and designating them using line 246 or 262 of Schedule 7.

**Do not make repayments to us.**

Enter on line 6 the amount from line 15, which is the total of the RRSP contributions you are designating as 1999 repayments under the HBP or LLP. Do this only if you did not deduct them or designate them as repayments on your 1998 return, and they were not refunded to you. You **cannot deduct** any RRSP contribution you **designate as an HBP or LLP repayment** on Schedule 7.





**Note**

If you do not repay the amount indicated on your HBP statement of account on or before February 29, 2000 (and designate it on your Schedule 7 for 1999) you have to include an amount in income. See line 129 for details.

Remember to complete the “1999 withdrawals under the LLP” section of Schedule 7. In that section, you have to state the total of your withdrawals for the year from box 25 of your T4RSP slip, and you can check the box at line 264 to designate that your spouse was the student for whom the funds were withdrawn. If you do not check the box, you will be considered to be the student for LLP purposes. You can change the person you designate as the student only on the return for the year you make your first withdrawal.

The guides called *Home Buyers’ Plan (HBP)* and *Lifelong Learning Plan (LLP)* include more information about:

- when you have to make your repayments; and
- the rules that apply when the person who made the withdrawal dies, turns 69, or becomes a non-resident.

**Line 8 – Deduction for contributions based on your 1999 RRSP deduction limit**

We will show your 1999 RRSP deduction limit on your latest *Notice of Assessment* or *Notice of Reassessment* for 1998, or on Form T1028, *Your RRSP Deduction Limit Statement for 1999*. You can carry forward indefinitely any part of your RRSP deduction limit accumulated after 1990 that you do not use.

If you do not have your notice or Form T1028, you can find out your limit for 1999 by calling our automated **T.I.P.S. (RRSP deduction limit)** service, or by contacting us. See the T.I.P.S. information with your forms.

If you would like to calculate your 1999 RRSP deduction limit, get the guide called *RRSPs and Other Registered Plans for Retirement*.

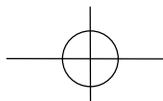
**Note**

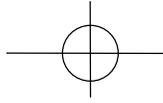
In a previous year, you may have received income for which you could contribute to an RRSP, but you may not have filed a return for that year. If you want to keep your RRSP deduction limit up to date, you have to file a return for that year.

**Line 9 – Transfers**

You may have received certain types of income and reported them on line 115, 129, or 130 of your 1999 return. If you contributed any of these amounts to your own RRSP on or before February 29, 2000, you can deduct this contribution, called a **transfer**, in addition to any RRSP contribution you make based on your “1999 RRSP deduction limit.”

For example, if you received a retiring allowance in 1999, you would report it on line 130 of your return. You can contribute to your RRSP up to the eligible part of that income (box 26 of your T4A slip) and deduct it as a transfer. Include the amounts you are transferring on lines 240 and 245 of Schedule 7.





The guide called *RRSPs and Other Registered Plans for Retirement* has more information about amounts you can transfer.

### Line 209 – Saskatchewan Pension Plan deduction

You may be able to deduct 1999 contributions to the Saskatchewan Pension Plan (SPP). You can deduct whichever of the following three amounts is **least**:

- \$600;
- your 1999 RRSP deduction limit minus your RRSP deduction from line 208 (not including transfers to your RRSP); or
- the total amount you contributed to the SPP for yourself or your spouse from January 1, 1999, to February 29, 2000, not including any contributions that you deducted on your 1998 return.

**Note**

For 1998, you also could have deducted contributions you made for your spouse. This change was made public after the 1998 guide went to print. If it affects how you would have filed your 1998 return, you can ask us to correct it. See “How do you change a return?” on page 12 for details.

**Receipts** – Attach your receipts to your paper return. If you are using EFILE (see page 8) show them to your EFILE service provider. In that case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

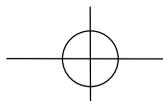
### Line 212 – Annual union, professional, or like dues

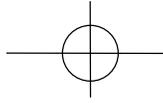
Enter the **total** of the following amounts:

- annual membership dues you paid to a trade union or an association of public servants;
- dues you paid to a professions board that you had to pay under provincial law;
- professional or malpractice liability insurance premiums or professional membership dues you paid if you had to pay them to keep a professional status recognized by law; and
- dues you paid to a parity or advisory committee (or similar body) that you had to pay under provincial law.

Annual membership dues do not include initiation fees, special assessments, or charges for anything other than the organization’s ordinary operating costs. You cannot claim charges for pension plans as membership dues even if your receipts show them as dues. For more information, get Interpretation Bulletins IT-103, *Dues Paid to a Union or to a Parity or Advisory Committee*, and IT-158, *Employees’ Professional Membership Dues*.

The amount shown in box 44 of your T4 slip, or on your receipts, includes any goods and services tax/harmonized sales tax (GST/HST) you paid.





**Receipts** – With the exception of your T4 slips, do not include your receipts with your paper return. If you are using EFILE (see page 8) show them to your EFILE service provider. In either case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

## Line 214 – Child care expenses

Generally, you can claim expenses you or your spouse paid for someone to look after your child, so you (or your spouse) could earn income, go to school, or conduct research in 1999. The child must, at some time in 1999, have either been under 16 or had a mental or physical infirmity.

For more information, and to make your claim, get Form T778, *Child Care Expenses Deduction for 1999*. However, if you claimed child care expenses on your 1998 return, the package we mailed to you should include this form.

### Tax Tips

You may be able to claim payments you made to a boarding school, sports school, or camp. For details, get Form T778.

If your child needs special attendant care or care in an establishment, see “Options” in the guide called *Information Concerning People with Disabilities* for details about different amounts you may be able to claim.

**Receipts** – Attach a completed Form T778, but not your receipts, to your paper return. If you are using EFILE (see page 8) show your receipts to your EFILE service provider. In either case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

## Line 219 – Moving expenses

Generally, if you moved at least 40 kilometres in 1999 to start a job, or to study full-time at an educational institution that offers post-secondary courses, you can deduct your moving expenses from income you earned at the new location. For more information, get Form T1-M, *Moving Expenses Deduction*.

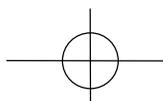
### How to claim

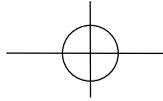
Complete Form T1-M to find out what you can deduct.

#### Note

If you moved in 1998 but could not claim all your moving expenses in that year, you can claim the remaining expenses against income you earned in 1999 at the new location.

**Receipts** – Do not include your receipts or Form T1-M with your paper return. If you are using EFILE (see page 8) show them to your EFILE service provider. In either case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.





## Line 220 – Support payments made

Enter on line 230 the total spousal and child support you paid in 1999. Enter on line 220 the deductible amount. If your order or agreement has been amended, or you need more information, get the pamphlet called *Support Payments*.

**Receipts** – Do not include your receipts or cancelled cheques, or your court order or written agreement with your paper return. If you are using EFILE (see page 8) show them to your EFILE service provider. In either case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

## Line 221 – Carrying charges and interest expenses

You can claim the following carrying charges and interest you paid to earn income from investments:

- fees to manage or take care of your investments (other than administration fees you paid for your registered retirement savings plan or registered retirement income fund) including safety deposit box charges;
- fees for certain investment advice (see Interpretation Bulletin IT-238, *Fees Paid to Investment Counsel*) or for recording investment income; and
- most interest you pay on money you borrow, but generally only as long as you are using it to try to earn investment income, including interest and dividends. However, if the only earnings your investment can produce are capital gains, you cannot claim the interest you paid. For details, contact us.

You cannot deduct on line 221 the interest portion of student loan repayments. However, you may be able to claim a credit on line 319 for this amount.

### Note

You cannot deduct the interest you paid on money you borrowed to contribute to a registered retirement savings plan or a registered education savings plan.

**Canada Savings Bonds (CSBs)** – When you buy bonds through payroll deductions, you may pay an interest charge. You can claim this amount on line 221.

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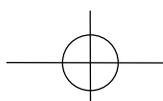
### Example

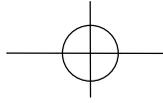
Michael bought a \$1,000 CSB through payroll deductions. The total amount deducted from his pay for the bond was \$1,017.94 (the \$1,000 face value of the bond plus \$17.94 he paid in interest). Michael can claim the \$17.94 on line 221.

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**Policy loan interest** – To claim interest you paid during 1999 on a policy loan made to earn income, have your insurer complete Form T2210, *Verification of Policy Loan Interest by the Insurer*, on or before April 30, 2000.

**Refund interest** – If we paid you interest on an income tax refund, you have to report the interest in the year you receive it, as explained at line 121 in this





guide. If we then reassessed your return and you repaid some of the refund interest in 1999, you can deduct the amount you repaid.

**Receipts** – Do not include your receipts or Form T2210 with your paper return. If you are using EFILE (see page 8) show them to your EFILE service provider. In either case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

## Line 235 – Social benefits repayment

### Employment Insurance (EI) benefits

You may have to repay part of the EI benefits (line 119) you received in 1999 if **one** of the following applies:

- There is an amount in box 15 of your T4E slip, the repayment rate in box 7 is **30%**, and your net income before adjustments (line 234) is more than \$48,750.
- There is an amount in box 16 of your T4E slip, and your net income before adjustments (line 234) is more than \$48,750.
- There is an amount in box 15 of your T4E slip, the repayment rate in box 7 is **more than 30%**, and your net income before adjustments (line 234) is more than \$39,000.

Complete one or both of the charts included with your T4E slip to calculate how much of your EI benefits you have to repay. If you also have to repay Old Age Security (OAS) benefits you received (see the next section) enter, on lines 7 and 13 of the chart for line 235 on the *Worksheet* you will find with your forms, the EI benefits that you have to repay.

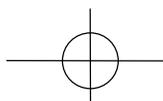
### Old Age Security (OAS) benefits

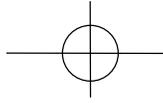
If you received OAS pension (line 113) or net federal supplements (line 146) and your net income before adjustments (line 234) is more than \$53,215, you may have to repay all or a part of these benefits. Complete the chart for line 235 on the *Worksheet* you will find with your forms to calculate how much you have to repay.

#### Note

Tax may have been withheld from your monthly OAS pension if you had an OAS repayment for 1998. The amount deducted is included in box 22 of your 1999 T4A(OAS) slip. Claim it on line 437 to reduce the amount of tax you owe when you file your 1999 return. Similarly, if you have an OAS repayment for 1999, tax may be withheld starting with your July 2000 OAS payment. For more details, contact us.

## Taxable income





## Line 250 – Other payments deduction

Generally, you can deduct the amount from line 147 of your return. This is the total of the workers' compensation payments, social assistance payments, and net federal supplements you entered on lines 144, 145, and 146.

### Note

If your net income before adjustments (line 234) is more than \$53,215 and you reported net federal supplements on line 146, you may not be entitled to claim the whole amount from line 147. Contact us to determine how much you can deduct.

## Line 255 – Northern residents deductions

To make your claim, use Form T2222, *Northern Residents Deductions – 1999*. Residents of Nunavut, the Yukon, and the Northwest Territories will find this form in their package. You also can get a copy from us. For a list of the areas that qualify, get the publication called *Northern Residents Deductions – Places in Prescribed Zones*.

### Note

Certain employment benefits affect the amount you can claim (see Form T2222). This change applied to your 1998 return, but was made public after the 1998 guide went to print. If it affects how you would have filed your 1998 return, you can ask us to correct it. See "How do you change a return?" on page 12 for details.

## Line 256 – Additional deductions

### Income exempt under a tax treaty

You can claim a deduction for foreign income you included on your return (such as support payments you received from a resident of another country and reported on line 128) if it is tax-free in Canada because of a tax treaty. If you received foreign income and you do not know whether it is tax-free in Canada, contact us.

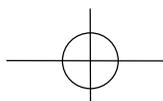
### Note

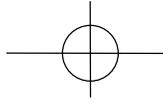
Under the Canada-U.S. tax treaty, you can claim a deduction equal to 15% of the U.S. social security benefits included in your income on line 115.

## Non-refundable tax credits

**N**on-refundable tax credits reduce the amount of income tax you owe. However, if the total of these credits is more than the amount you owe, you will not get a refund for the difference.

The information at lines 300 to 307 explains, in general, how to claim personal amounts. For more details, get Interpretation Bulletin IT-513, *Personal Tax Credits*.





### Line 300 – Basic personal amount

Claim the basic personal amount. Under proposed changes, this amount is \$6,794.

You may be able to claim an additional amount on line 307.

### Line 301 – Age amount

If you were 65 or older on December 31, 1999, and your net income (line 236 of your return) is:

- \$25,921 or less, enter \$3,482 on line 301;
- more than \$25,921, but less than \$49,134, use the chart for line 301 on the *Worksheet* you will find with your forms to calculate your claim; or
- \$49,134 or more, you cannot claim the age amount.

**Date of birth** – Be sure to enter your date of birth in the Identification area on page 1 of your return.

#### Tax Tips

If you do not need all of your age amount to reduce your federal income tax to zero, you can transfer the unused part to your spouse. See line 326 for details.

You may be able to claim all or part of your spouse's age amount. See line 326 for details.

### Line 303 – Spousal amount

You may be able to claim a spousal amount if, in 1999, you had a spouse (see page 14) whom you supported. In the Identification area on page 1 of your return, be sure to enter the information concerning your spouse. If your spouse's net income (see the next section) is:

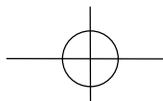
- under proposed changes, \$572 or less, claim \$5,718;
- more than \$572, but less than \$6,290, complete the calculation on line 303 of your return; or
- \$6,290 or more, you cannot claim a spousal amount.

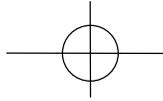
You may be able to claim an additional amount on line 307.

### Net income of spouse

This is the amount on line 236 of your spouse's return, or the amount that it would be if he or she filed a return. If you were living with your spouse on December 31, 1999, use your spouse's net income for the whole year. This applies even if you got married in 1999, or if you separated and got back together in 1999.

If you separated in 1999 because of a breakdown in your relationship, and were not back together on December 31, 1999, reduce your claim only by your





spouse's net income before the separation. For a common-law spouse, you also have to be separated for at least 90 days.

There are exceptions to the above rules if you were required to make support payments to your spouse or former spouse. Get the pamphlet called *Support Payments* to help you prepare your return correctly.

**Tax Tip**

If you cannot claim the spousal amount (or you have to reduce your claim) because of dividends your spouse received from taxable Canadian corporations, you may be able to reduce your tax if you report all of your spouse's dividends. See line 120 for details.

**Line 305 – Equivalent-to-spouse amount**

You may be able to claim an equivalent-to-spouse amount if, **at any time in the year**, you were single, divorced, separated, or widowed and, at that time, you supported a dependant to whom **all** of the following applied. The dependant:

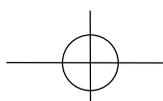
- was under 18, your parent or grandparent, or mentally or physically infirm;
- was related to you by blood, marriage, or adoption;
- lived with you in a home that you maintained; and
- in most cases, lived in Canada.

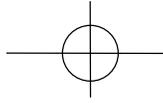
**Notes**

Your dependant may live away from home while attending school. If the dependant ordinarily lived with you when not in school, we consider that dependant to live with you for the purposes of this credit.

You cannot claim this amount if **any** of the following applies:

- The dependant's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is, under proposed changes, \$6,290 or more.
- You are claiming a spousal amount (see line 303).
- The claim is for your common-law spouse. However, you may be able to claim the spousal amount on line 303.
- Someone else in your household is making this claim. Each household is allowed only one claim for the equivalent-to-spouse amount, even if there is more than one dependant in the household.
- The claim is for a child for whom you were required to make support payments. However, if you separated in 1999, due to a breakdown in your relationship, some special rules apply. For details, get the pamphlet called *Support Payments*.





### Note

If you were separated, but reconciled during the year, you can claim the equivalent-to-spouse amount if you otherwise qualify for it and do not claim the spousal amount (line 303) for the year.

You may be able to claim an additional amount on line 307.

### How to claim

- Calculate your dependant's net income. Net income is the amount on line 236 of your dependant's return, or the amount that it would be if he or she filed a return. Use the chart for line 305 on the *Worksheet* you will find with your forms to calculate your claim.
- Complete Schedule 5 and attach it to your paper return.

### Notes

You cannot split this amount with another person. Once you claim this amount for a dependant, no one else can claim, for that dependant, this amount or an amount on line 306 of the General return.

If you and another person both can claim this amount for the same dependant, but cannot agree who will claim it, neither of you is allowed to claim the amount.

### Tax tip

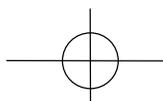
If the dependant is infirm, see "Options" in the guide called *Information Concerning People with Disabilities* for details about different amounts you may be able to claim.

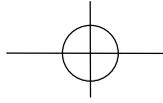
## Line 307 – Personal amount supplement

Complete Schedule 13 to claim this amount if, in 1999, you were in either of the following situations:

- A. Your net income (line 236) was more than \$6,794 but less than \$19,794, and **one** of the following applies:
  - You neither had a spouse, nor lived with a person described at line 305.
  - You had a spouse, or lived with a person described at line 305, but his or her net income was more than \$7,293.
- B. The above situation does not apply, but **all** of the following apply:
  - You had a spouse, or lived with a person described at line 305.
  - Your spouse, or the person described at line 305, had a net income of less than \$7,294.
  - The total of your net income and the net income of your spouse (or the person described at line 305) was less than \$39,588.

In that case, enter on line 393 of Schedule 13 your spouse's net income, or enter on line 397 the net income of the person described at line 305.





**Tax tip**

If your spouse, or the person described at line 305, had a net income of more than \$6,794, but less than \$7,294, he or she also should claim an amount on line 307 of his or her own return.

**Line 308 – Canada or Quebec Pension Plan contributions through employment**

Enter the total, in dollars and cents, of the amounts shown in boxes 16 and 17 of your T4 slips. Do not enter more than \$1,186.50. If you contributed to the QPP in 1999 but lived **outside Quebec** on December 31, 1999, attach to your paper return the RL-1 slip your employer sent you.

If you contributed more than \$1,186.50, enter the excess amount on line 448 of your return. We will refund this overpayment to you, or use it to reduce your balance owing. However, if you lived **in Quebec** on December 31, 1999, and contributed more than \$1,186.50, claim the overpayment on your Quebec provincial return.

In some cases, you may have an overpayment, even if you contributed less than \$1,186.50. For example, we will prorate your CPP or QPP contribution, and show the correct amount on your *Notice of Assessment* if, in 1999, **either** of the following situations applied to you:

- You were a CPP participant and you turned 18 or 70, or received a CPP retirement or disability pension.
- You were a QPP participant and you turned 18 or received a QPP disability pension.

If you would like to calculate your CPP overpayment, get Form T2204, *Employee Overpayment of 1999 Canada Pension Plan Contributions and 1999 Employment Insurance Premiums*.

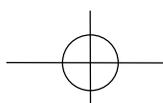
**Line 312 – Employment Insurance premiums**

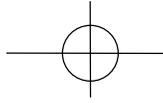
Enter the total, in dollars and cents, of the amounts shown in box 18 of all your T4 slips. Do not enter more than \$994.50.

If you contributed more than \$994.50, enter the excess amount on line 450 of your return. We will refund this overpayment to you, or use it to reduce your balance owing.

In some cases, you may have an overpayment even if you contributed less than \$994.50. If so, we will calculate your overpayment and show it on your *Notice of Assessment*. If you would like to calculate your overpayment, get Form T2204, *Employee Overpayment of 1999 Canada Pension Plan Contributions and 1999 Employment Insurance Premiums*.

If the total of the Employment Insurance (EI) insurable earnings shown in box 24 of all your T4 slips (or box 14 if box 24 is blank) is \$2,000 or less, we will refund your total EI premiums to you or use the amount to reduce your balance





owing. In this case, do not enter your total EI premiums on line 312. Instead, enter the amount on line 450.

If your total EI insurable earnings are more than \$2,000 and less than \$2,059, we will refund a part of your EI premiums to you or use the amount to reduce your balance owing. In this case, enter your total EI premiums on line 312. We will calculate your refund and show it on your *Notice of Assessment*. If you would like to calculate your refund yourself, get Form T2204.

### Line 314 – Pension income amount

You may be able to claim up to \$1,000 if you reported pension or annuity income on line 115 or line 129 of your return. Therefore, make sure you have reported your pension or annuity income correctly.

#### Note

Only pension or annuity income you report on line 115 or 129 qualifies for the pension income amount. Therefore, amounts such as Old Age Security benefits, Canada Pension Plan benefits, Quebec Pension Plan benefits, Saskatchewan Pension Plan payments, death benefits, and retiring allowances do **not** qualify.

Use the chart for line 314 on the *Worksheet* you will find with your forms to calculate your claim.

#### Tax Tips

If you do not need all of your pension income amount to reduce your federal income tax to zero, you can transfer the unused part to your spouse.

You may be able to claim all or part of your spouse's pension income amount. See line 326 for details.

### Line 316 – Disability amount

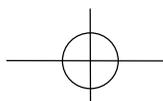
You may be able to claim a disability amount of \$4,233 if a qualified person certifies both of the following:

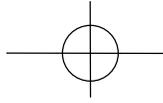
- You had a **severe** mental or physical impairment in 1999, which caused you to be markedly restricted in any of the basic activities of daily living.
- Your impairment was **prolonged**, which means it has lasted, or is expected to last, for a continuous period of at least 12 months.

The only persons who can qualify to certify that your impairment was severe and prolonged are doctors, optometrists, psychologists, occupational therapists, and audiologists.

You may be markedly restricted in a basic activity of daily living if either:

- you are blind; or
- you are unable to feed and dress yourself, control bowel and bladder functions, walk, speak, hear, or perceive, think, and remember. You may also be markedly restricted if it takes you an extremely long time to perform any





of these activities, even with therapy and the use of appropriate aids and medication.

**Note**

If you receive a disability benefit (such as CPP or QPP disability benefits) it does not necessarily mean that you are eligible to claim this credit. To qualify for the disability amount, your ability to perform an activity of daily living has to be markedly restricted **all or almost all of the time**.

**Tax Tip**  
See “Options” in the guide called *Information Concerning People with Disabilities* for details about different amounts you may be able to claim.

**How to claim**

- If you are making a new application for this amount, you have to submit a completed and certified Form T2201, *Disability Tax Credit Certificate*. We will review your claim **before** we assess your return to determine if you qualify. Once we approve your claim, you will be able to claim this amount for future years, as long as your circumstances do not change.
- If you were allowed the disability amount in 1998 and you still met the eligibility requirements in 1999, you can claim the disability amount in 1999 without sending us another Form T2201. However, you have to send us a new one if the period stated on the certificate ended in 1998 or earlier.

We will accept a photocopy of your Form T2201 only if the signature of the person authorized to sign it is an original, not a photocopy. For more details, get the guide called *Information Concerning People with Disabilities*. That guide also contains Form T2201.

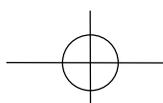
**Transfers**

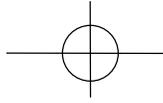
You can transfer to your spouse the part of your disability amount you do not need to use to reduce your federal income tax to zero. Your spouse would claim it on line 326 of his or her return. If you do not transfer this amount to your spouse, you can transfer it to another supporting person, who would claim it on line 318 of his or her return.

If your spouse does not need to use all of his or her disability amount, you may be able to claim the unused part on line 326. If you have another dependant who does not need to use all of this amount, you may be able to claim the unused part. See line 318 in the General guide for details.

**Line 319 – Interest paid on your student loans**

You can claim an amount for most of the interest you, or a person related to you, paid after 1997 on loans made to you for post-secondary education under the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act*, or similar provincial or territorial government laws. For more details, get the pamphlet called *Students and Income Tax*.





You can claim an amount only for interest you have not previously claimed. If you do not wish to claim these amounts on the return for the year they are paid, you can carry them forward and apply them on any one of the next five years' returns.

**Receipts** – Attach to your paper return the receipts for the amounts you claim. If you are using EFILE (see page 8) show your receipts to your EFILE service provider. In that case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

### **Line 323** – Tuition and education amounts

Claim your eligible tuition and education amounts for 1999, and any unused amounts carried forward from previous years, that are shown on your 1998 *Notice of Assessment* or *Notice of Reassessment*. See “Transferring and carrying forward amounts” on page 45 for more information. Attach to your paper return a completed Schedule 11. For more details, get the pamphlet called *Students and Income Tax*.

**Receipts** – Do not include your receipts or forms (other than Schedule 11) with your paper return. If you are using EFILE (see page 8) show them to your EFILE service provider. In either case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

#### **Claiming your eligible tuition fees**

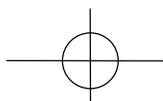
You can claim only the fees paid for courses you took in 1999. Most courses at the post-secondary level or that develop or improve skills in an occupation qualify. However, **more than \$100** for the year must have been paid to each educational institution whose fees you claim.

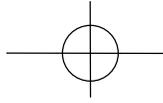
You cannot claim other expenses, such as books, or board and lodging. The *Students and Income Tax* pamphlet has details about what kinds of institutions and fees qualify.

#### **Forms**

- For you to claim tuition fees paid to an educational institution in Canada, your institution has to give you either an official tax receipt or a completed Form T2202A, *Tuition and Education Amounts Certificate*.
- For you to claim tuition fees paid to an educational institution outside Canada, your institution has to complete and give you either Form TL11A, *Tuition Fees Certificate – University Outside Canada*, or Form TL11C, *Tuition Fees Certificate – Commuters to the United States*, whichever applies.
- For you to claim tuition fees paid to a flying school or club in Canada, your school or club has to give you a completed Form TL11B, *Tuition Fees Certificate – Flying School or Club*.

You can get these forms from us. You also can get Form TL11B from your flying school or club.





### Claiming your education amount

You can claim this amount for each whole or part month in 1999 in which you were enrolled in a qualifying educational program. Generally, you **cannot** claim this amount for a program for which you received a reimbursement, benefit, grant, or allowance, or for a program related to your job if you received a salary or wages while studying.

Your educational institution has to complete and give you either Form T2202, *Education Amount Certificate*, or Form T2202A, *Tuition and Education Amounts Certificate*, to confirm the period in which you were enrolled in a qualifying program. The following amounts apply:

- You can claim \$200 for each month in which you were enrolled as a full-time student. You can still make this claim if you could attend only part-time because of a mental or physical impairment. However, in that case, **you** have to have Form T2202, *Education Amount Certificate*, completed to make your claim.
- You can claim \$60 for each month in which you were enrolled in a qualifying part-time program.

You cannot claim more than one education amount for a particular month.

### Transferring and carrying forward amounts

You have to show your tuition and education amounts first on your own return, even if someone else paid your fees. However, you can **transfer** to your spouse the part of your tuition and education amounts you do not need to use to reduce your federal income tax to zero. Your spouse would claim it on line 326 of his or her return. If you do not transfer this amount to your spouse, you can transfer it to your or your spouse's parent or grandparent, who would claim it on line 324 of his or her return.

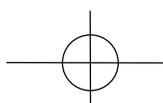
Complete the back of Form T2202 or T2202A, as well as Schedule 11, (**particularly** line 327) to calculate and designate this transfer.

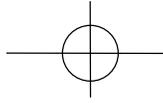
You can **carry forward** and claim in a future year the part of your tuition and education amounts you do not need to use (and do not transfer) for the year. However, if you carry forward an amount, you will not be able to transfer it to anyone. You have to claim your carry-forward amount in the earliest year possible. Calculate this amount on Schedule 11.

#### Tax Tips

If you are transferring an amount to another person, do not transfer more than the person needs to reduce his or her federal income tax to zero. That way, you can carry forward as much as possible to use in a future year.

If your spouse does not need to use all of his or her tuition and education amounts, you may be able to claim the unused part on line 326. If your child or grandchild does not need to use all of these amounts, you may be able to claim the unused part on line 324.





## Line 324 – Tuition and education amounts transferred from a child

A student who does not need all of his or her 1999 tuition and education amounts to reduce his or her federal income tax to zero may be able to transfer the unused part to you if you are a parent or grandparent of the student or of the student's spouse. The maximum amount that each student can transfer is \$5,000 minus the amount the student needs, even if there is still an unused part.

### How to claim

The student has to complete Form T2202, *Education Amount Certificate*, or Form T2202A, *Tuition and Education Amounts Certificate*, to calculate the transfer amount and to designate you as the parent or grandparent who can claim it. If the tuition fees being transferred to you are not shown on the student's Form T2202 or T2202A, you should have a copy of the student's official tuition fees receipt.

**Amounts claimed by student's spouse** – If a student's spouse claims amounts on line 303 or 326 for the student, you cannot claim the tuition and education amounts transfer. However, the student can designate that the spouse claim the transfer on line 326.

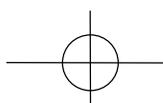
**No amounts claimed by student's spouse** – If no amounts are claimed for the student by the student's spouse, or if the student does not have a spouse, the student can choose which parent or grandparent will claim the tuition and education amounts transfer. Only one person can claim the transfer from the student. However, it does not have to be the same parent or grandparent as the person who claims the student as a dependant.

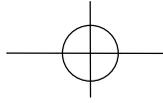
**Receipts** – Do not include the student's Schedule 11, forms, or official tuition fees receipt with your paper return. If you are using EFILE (see page 8) show them to your EFILE service provider. In either case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

## Line 326 – Amounts transferred from your spouse

Your spouse (as defined on page 14) can transfer to you **any** part of the following amounts that he or she qualifies for but does not need to reduce his or her federal income tax to zero:

- the age amount (line 301) if your spouse was 65 or older;
- the pension income amount (line 314);
- the disability amount (line 316); and
- 1999 tuition and education amounts (line 323) as designated by the student. The limit on the total of these amounts that can be transferred is \$5,000 minus the amount your spouse needs, even if there is still an unused part.





**Note**

Your spouse cannot transfer any unused amounts to you if you were separated because of a breakdown in your relationship for a period of 90 days or more that included December 31, 1999.

Use Schedule 2 to calculate your claim. Attach a completed copy to your paper return. In the Identification area on page 1 of your return, be sure to show your marital status and your spouse's name and social insurance number.

**Receipts** – Attach to your paper return your spouse's Form T2201, *Disability Tax Credit Certificate*. If you were (or your spouse was) allowed a disability amount in a previous year for your spouse's condition, and your spouse still met the eligibility requirements in 1999, you can claim the disability amount without sending us another Form T2201. However, you have to send us a new one if the period stated on the certificate ended in 1998 or earlier.

Do not include with your paper return any receipts or forms (other than your own Schedule 2) for your spouse's tuition or education amounts. If you are using EFILE (see page 8) show them to your EFILE service provider. In either case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

**Line 330 – Medical expenses**

You can claim medical expenses you or your spouse paid for **any** of the following persons:

- yourself;
- your spouse;
- your or your spouse's child or grandchild who depended on you for support; and
- your or your spouse's parent, grandparent, brother, sister, uncle, aunt, niece, or nephew who lived in Canada at any time in the year and depended on you for support.

You can claim medical expenses paid in any 12-month period ending in 1999 and not claimed in 1998. Generally, you can claim all amounts paid, even if they were not paid in Canada. Your total expenses have to be more than either \$1,614 or 3% of your net income (line 236) whichever is less.

**Note**

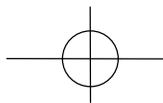
There is a refundable tax credit for working individuals with low incomes and high medical expenses. See line 452 for details.

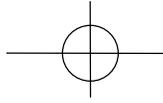
For more information on medical expenses, get Interpretation Bulletin IT-519, *Medical Expense and Disability Tax Credits and Attendant Care Expense Deduction*.

**Allowable medical expenses**

The most common medical expenses you can claim are:

- payments to a doctor, dentist, nurse, or public or licensed private hospital;





- payments for artificial limbs, wheelchairs, crutches, hearing aids, prescription eyeglasses or contact lenses, dentures, pacemakers, prescription drugs, and certain prescription medical devices;
- amounts paid for attendant care, or care in an establishment (see “Options” in the guide called *Information Concerning People with Disabilities*);
- expenses for guide and hearing-ear dogs; and
- premiums paid under the *Quebec Medical Insurance Plan*, and premiums paid to private health services plans (other than those paid by an employer).

Under proposed changes, you can claim amounts paid for the following:

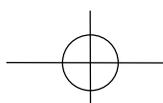
- If you paid fees to a group home in Canada for individuals who qualify for the disability amount (line 316) the part of those fees that relates to the care or supervision of such an individual, if nobody has claimed it as an attendant- or institutional-care medical expense on line 330, a child care expense on line 214, or an attendant care expense (see line 215 in the General package) for that person.
- Therapy provided for a person who qualifies for the disability amount (line 316) by someone who is neither under 18 nor your spouse. This does not include amounts paid to a medical practitioner, such as a qualified therapist, because these amounts are already allowable as medical expenses. The therapy has to be prescribed and supervised by a doctor, a psychologist (in the case of a mental disability), or an occupational therapist (in the case of a physical disability).
- Tutoring that a medical practitioner certifies as necessary because of a person’s learning disability or mental impairment, by someone who is in the business of providing such services to the public.
- “Talking textbooks” prescribed by a medical practitioner for someone who has a perceptual disability and is enrolled in an educational institution in Canada.

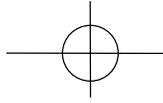
For more examples of allowable medical expenses, call our **T.I.P.S. (Info-Tax)** service. See the T.I.P.S. information with your forms.

**Travel expenses** – If medical treatment is not available locally, you may be able to claim the cost of travelling to get the treatment somewhere else.

You now have an option to simplify the calculation of this amount. For more information, call our **T.I.P.S. (Info-Tax)** service. See the T.I.P.S. information with your forms.

**Reimbursement of an allowable expense** – You cannot claim the part of an expense for which you have been or can be reimbursed. However, you can claim all of the expense if the reimbursement is included in your income, such as a benefit shown on a T4 slip, and you did not deduct the reimbursement anywhere else on your return.





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### Example

Guy was in the hospital while on a business trip to Mexico. He paid \$2,800 in Canadian dollars for allowable medical expenses, which are generally not limited to those paid in Canada. He was reimbursed for \$1,500 of these expenses by his employer's health care plan. This was included on his T4 slip. Therefore, Guy can claim the full \$2,800.

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### How to claim

Calculate your claim as follows:

- Choose the 12-month period ending in 1999 for which you will claim medical expenses. You cannot include any expenses you deducted on your 1998 return.
- Add up your allowable medical expenses for that period, and enter the total on line 330.
- Subtract \$1,614 or 3% of your net income (line 236) whichever is less.
- Compare the result with the amount your spouse would be allowed. It may be better for the spouse with the lower income to claim the allowable medical expenses. You can make whichever claim you prefer.

**Receipts** – Attach your receipts and other documents (other than your health services plan premium receipts) to your paper return. Receipts for attendant care or therapy paid to an individual should show the individual's name and social insurance number. If you are using EFILE (see page 8) show all your receipts to your EFILE service provider. In that case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

For claims where a properly completed and certified Form T2201 is required, also attach it, unless a disability amount was allowed for the person in a previous year and the person still met the eligibility requirements in 1999.

The following example shows how to calculate your claim.

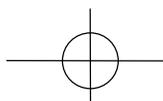
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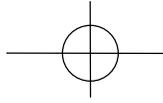
### Example

Carol and her husband have reviewed their medical bills and decided that the 12-month period ending in 1999 for which they will calculate their claim is July 1, 1998, through June 30, 1999. The total of their allowable expenses for that period is \$1,842, which Carol enters on line 330.

Her net income on line 236 of her return is \$32,000. She calculates 3% of that amount as \$960. Because the result is less than \$1,614, she enters \$960 on the line below line 330, and subtracts it from \$1,842. The difference is \$882, which is the amount she enters on line 332.

Carol's husband's net income is \$48,000. When they calculate the amount that he would be allowed if he made the claim instead, they find that he would be allowed only \$402. In this case, they have found that it is better for Carol to claim the expenses.





### Line 335

If the amount on line 335 equals, or is more than, the amount on line 260, and is less than \$29,591, enter "0" on line 420, and complete the rest of your return.

### Line 349 – Donations and gifts

You can claim donations made by either you or your spouse. Enter your claim from the calculation on Schedule 9 and attach it to your paper return. For more information, or if you made any of the following donations, see the pamphlet called *Gifts and Income Tax*:

- gifts of property other than cash;
- gifts to organizations outside Canada; or
- gifts to Canada, a province, or a territory made before February 19, 1997, or agreed to in writing before then if they were made after February 18, 1997.

#### Notes

These gifts do not include contributions to political parties. If you contributed to a federal political party, see lines 409 and 410 in the General guide to find out about claiming a credit. If you contributed to a provincial or territorial political party, see the provincial or territorial forms in the forms book in the General package to find out about claiming a credit.

Gifts to Canada include **monetary** gifts made directly to the federal Debt Servicing and Reduction Account. If you made such a gift, which will be used only to service the public debt, you should have received a tax receipt. To make a gift to this account, which should be made payable to the Receiver General, send it, along with a note asking that we apply it to this account, to: Place du Portage, Phase III, 11 Laurier Street, Hull QC K1A 0S5.

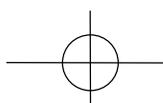
**Receipts** – Attach to your paper return your official receipts, showing either your name or your spouse's name. You do not have to attach receipts for amounts shown in box 46 of your T4 or T4A slips, or in box 36 of your T3 slips. If you are using EFILE (see page 8) show your documents to your EFILE service provider. In that case, or if you are using TELEFILE (see page 9) keep them in case we ask to see them.

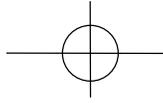
You may have included with a previous return a receipt for a donation you are claiming for 1999. If so, attach a note indicating the return with which you submitted the receipt.

We will not accept as proof of payment cancelled cheques, credit card slips, pledge forms, or stubs. If you need more details, get Interpretation Bulletin IT-110, *Gifts and Official Donation Receipts*.

### Allowable charitable donations and government gifts (line 340)

Add up all of the donations made in 1999 **plus** any donations made in any of the previous five years that have not been claimed before. This includes





unclaimed gifts to Canada, a province, or a territory made after February 18, 1997, other than those agreed to in writing before February 19, 1997.

Generally, you can claim all or part of this amount, up to the limit of 75% of your net income (line 236). For the year a person dies and the year before that, this limit is 100% of the person's net income.

**Tax Tip**

You do not have to claim on your 1999 return the donations you made in 1999. Your credit is 17% of the first \$200 of the donations and gifts you claim, and 29% of the balance. Therefore, it may be more beneficial for you not to claim them for 1999, but to carry them forward and claim them on your return for one of the next five years. Remember to claim them only once.

**Qualified donees**

Generally, you can claim only amounts you gave to Canadian registered charities and other qualified donees. For a list of the types of donees that qualify, get the pamphlet called *Gifts and Income Tax*, or call our **T.I.P.S. (Info-Tax)** service. See the T.I.P.S. information with your forms.

## Federal tax calculation

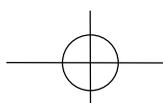
Generally, the federal tax you have to pay is based on your taxable income (line 260). Use Schedule 1 to determine your federal income tax and federal individual surtax. Attach a completed copy to your paper return. For information about calculating your provincial or territorial tax, see line 428.

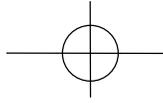
**Line 425 – Federal dividend tax credit**

If you reported dividends on line 120, enter on line 425 of Schedule 1 the total of the dividend tax credits from taxable Canadian corporations shown on your information slips. If you did not receive dividend information slips, this is 13.3333% of the taxable amount of dividends from taxable Canadian corporations (see line 120).

**Line 419 – Federal individual surtax**

You may have to pay a federal individual surtax on your basic federal tax. Use Schedule 1 to calculate your federal individual surtax, if any.





## Refund or Balance owing

### Line 418 – Additional tax on RESP accumulated income payments

You may have received an accumulated income payment from a registered education savings plan (RESP) in 1999. If so, you may have to pay an additional tax on all or part of the amount in box 40 of your T4A slip. Enter the amount from line 10, 13, or 16 (whichever applies) on Form T1172, *Additional Tax on Accumulated Income Payments From RESPs*. Get the *Registered Education Savings Plans (RESPs)* information sheet for more details about tax changes affecting RESPs.

### Line 428 – Provincial or territorial tax

If you **were not** a resident of **Quebec**, use the form included in this package to calculate your provincial or territorial tax. If you lived in Newfoundland, Prince Edward Island, or New Brunswick, use the calculation on Schedule 1. If you lived in Manitoba or Ontario, use Form T1C-TC. Otherwise, use Form T1C.

If you **were** a resident of **Quebec**, this line does not apply to you. You will have to file a Quebec provincial return to calculate your provincial tax.

### Line 437 – Total income tax deducted

Enter the total of the amounts shown in the "Income tax deducted" box from all of your information slips. If you **were** a resident of **Quebec**, do not include on this return any of your Quebec provincial income tax deducted.

If you **were not** a resident of **Quebec**, but you had Quebec provincial income tax withheld from your income, attach to your paper return your provincial information slips. Include on this line the total Quebec income tax withheld.

#### Note

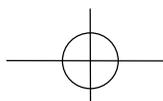
If you paid tax by instalments, claim these payments on line 476.

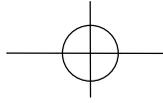
### Line 438 – Tax transfer for residents of Quebec

If you **were** a resident of **Quebec**, you may have earned income, such as employment income, outside Quebec during 1999. In that case, tax may have been deducted for a province or territory other than Quebec, even though you owe your provincial tax to Quebec.

You can transfer, to the Province of Quebec, up to 40% of the income tax shown on information slips issued to you by payers outside Quebec.

Enter on line 438 of your federal return and on line 454 of your Quebec provincial return the amount you want to transfer (up to the maximum). If the taxable income on your provincial return is zero, no transfer is necessary.





### **Line 440** – Refundable Quebec abatement

The Quebec abatement is provided under the federal-provincial fiscal arrangement, in place of direct cost-sharing by the federal government. It reduces your federal income tax, and may even give you a refund.

If you **were** a resident of **Quebec** at the end of 1999, your refundable Quebec abatement is 16.5% of the amount on line 406. If you **were not** a resident of **Quebec**, this line does not apply to you.

### **Line 452** – Refundable medical expense supplement

You may be able to claim a credit of up to \$500 if you have an amount at line 332, and all of the following apply. You:

- were resident in Canada throughout 1999; and
- were 18 or older at the end of 1999.

In addition, the total of your employment income on lines 101 and 104 (other than amounts received from a wage-loss replacement plan) minus the amounts on lines 207 and 212 has to be \$2,500 or more.

You cannot claim this credit if the total of your net income (line 236) and your spouse's net income (if your spouse lived with you at the end of 1999, line 236 of your spouse's return, or the amount that it would be if he or she filed a return) is \$26,745 or more.

To claim this credit, attach a completed Schedule 10 to your paper return. You can claim both this credit and the amount for medical expenses on line 330 for the same expenses.

### **Line 476** – Tax paid by instalments

Enter the total instalment payments you made for your 1999 taxes. In February 2000, we will issue you either Form INNS1, *Instalment Reminder*, or Form INNS2, *Instalment Payment Summary*, that shows your total 1999 instalment payments that we have on record. If you made an instalment payment for your 1999 taxes that does not appear on this reminder or summary, also include that amount on line 476.

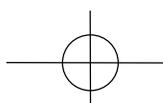
#### **Note**

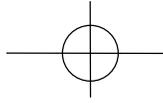
If tax was withheld from your income, claim on line 437 the amounts shown on your information slips.

### **Line 479** – Provincial or territorial tax credits

If you **were not** a resident of **Quebec** or **Saskatchewan**, see Form T1C, which is included with your forms, for details on these credits.

If you **were** a resident of **Quebec** or **Saskatchewan**, this line does not apply to you. Residents of Quebec claim their provincial tax credits on their provincial returns. Residents of Saskatchewan use their provincial tax credits to reduce their provincial taxes payable on line 428.





## Lines 484 and 485 – Refund or Balance owing

If your total payable (line 435) is less than your total credits (line 482) enter the difference on line 484. This amount is your refund. If line 435 is more than line 482, enter the difference on line 485. This amount is your balance owing. If the difference is less than \$2, you do not have to make a payment and you will not receive a refund.

### Note

One person's refund cannot be transferred to pay another person's balance owing.

### Line 484 – Refund

Although you may be entitled to a refund for 1999, we may keep some or all of it to:

- apply against any amount you owe us or are about to owe us;
- apply against certain other outstanding federal, provincial, or territorial government debts, such as student loans, Employment Insurance and social assistance benefit overpayments, Immigration loans, and training allowance overpayments; and
- satisfy a garnishment order under the *Family Orders and Agreements Enforcement Assistance Act*.

### Direct deposit

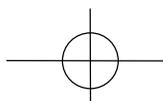


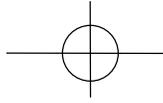
You can have your income tax refund, as well as your GST/HST credit and Canada Child Tax Benefit payments (including any related provincial or territorial payments we administer) deposited directly into your account at a financial institution. If you want your Canada Child Tax Benefit payments deposited into a different account, you will have to send us, either with your paper return or separately, a completed Form T1-DD(1), *Direct Deposit Request – Individuals*.

To **start** direct deposit, or to **change** information you already gave us, complete the Direct Deposit Request on page 4 of your return. You do not have to complete this area if you already have direct deposit service and the information you already gave us has not changed. **Your direct deposit request will stay in effect until you change the information or cancel the service.**

If you are changing the account into which we deposit a payment, **do not close the old account before we deposit the payment into the new account.** If your financial institution advises us that you have a new account, we may deposit your payments into the new account. If we cannot deposit a payment into your account, we will mail a cheque to you at the address we have on file.

If you need help to complete the direct deposit information on page 4 of your return, or to cancel the service for one or more of these payments, contact us.





**Line 485** – Balance owing

Attach to the **front** of your paper return a cheque or money order made out to the Receiver General and enter this amount on line 486. Do **not** mail cash. To help us credit your payment properly, please write your social insurance number on the **back** of your cheque or money order. If you attach a post-dated cheque, it may not show on your *Notice of Assessment*. To find out if you can pay by **telephone or Internet banking**, ask your financial institution.

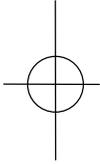
**Note**

If you make a payment with a cheque that your financial institution does not honour (including a cheque on which you put a “stop payment”) we will charge you a fee. Generally, this fee will be \$15 for each returned cheque.

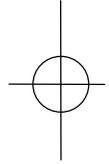
**Making a payment arrangement** – If you cannot pay your balance owing on or before April 30, 2000, you can make a mutually acceptable payment arrangement by contacting your tax services office. We will still charge daily compound interest on any outstanding balance starting May 1, 2000, until you pay it in full.

**Tax Tip**

Even if you cannot pay all of your balance owing right away, you should still file your return on time. Then you will not have to pay a penalty for filing your return after the due date. See “What penalties and interest do we charge?” on page 10 for details.



Visually impaired persons can get information on services available to them, and can order publications in braille or large print, or on audio cassette or computer diskette, by calling **1-800-267-1267** weekdays from 8:15 a.m. to 5:00 p.m. (Eastern Time).



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