



Canada Revenue  
Agency

Agence du revenu  
du Canada

# How to File the T5 Return of Investment Income

Many people who file a T5 information return do not need all of the detailed information we give in our Guide T4015, *T5 Guide – Return of Investment Income*.

If you are filing a T5 information return only to report interest and dividend payments, this pamphlet probably has all the information you need. For a list of some of the topics covered in our guide, see page 14.

This pamphlet uses plain language to explain the most common tax situations. If you need more help, call us at **1-800-959-5525**. If your problem still cannot be resolved through normal channels, you should get in touch with the Problem Resolution Program co-ordinator at your tax services office. The address and telephone numbers are listed in the government section of your telephone book.

## **Electronic mailing lists**

We can notify you immediately about new information on payroll, electronic filing for businesses and more. To subscribe, free of charge, visit our Web site at **[www.cra.gc.ca/lists](http://www.cra.gc.ca/lists)**.

If you have a visual impairment, you can get our publications in braille, large print, or etext (CD or diskette), or on audio cassette or MP3. For details, visit our Web site at **[www.cra.gc.ca/alternate](http://www.cra.gc.ca/alternate)** or call **1-800-959-2221**.

La version française de cette publication est intitulée *Comment remplir la Déclaration des revenus de placements (T5)*.

## What's new?

### Eligible dividends

Under draft legislation released on June 29, 2006, an enhanced gross-up and dividend tax credit will apply for eligible dividends from large corporations. For individual taxpayers, an eligible dividend will benefit from a 45% gross-up and a federal tax credit of 18.9655%. The existing gross-up and tax credit will continue to apply to dividends other than eligible dividends and for dividends from all taxable Canadian corporations paid before 2006. For more information, see the Guide T4015, *T5 Guide – Return of Investment Income* or see the news release from Department of Finance Canada at [www.fin.gc.ca/drleg/ITAdtc06\\_e.html](http://www.fin.gc.ca/drleg/ITAdtc06_e.html).

### Information return

**Boxes 10, 11 and 12** – We changed the name of these boxes. Box 10 is now “Actual amount of dividends other than eligible dividends,” box 11 is “Taxable amount of dividends other than eligible dividends,” and box 12 is “Dividend tax credit for dividends other than eligible dividends.” For more information, see the instructions on page 9.

**New boxes 24, 25, and 26** – We added three new boxes to the T5 slip to show the enhanced gross-up and tax credit for eligible dividends. Box 24 shows the “Actual amount of eligible dividends,” box 25 shows the “Taxable amount of eligible dividends,” and box 26 shows the “Dividend tax credit for eligible dividends.” We added explanations for the three new boxes on the back of the T5 slip. For more information, see the instructions on page 11.

**Box 21 – Report code** – We have changed the report codes to reflect the new codes that slip preparers must use when completing the specific report codes for box 21 on the T5 slip. We no longer accept the old report codes. For more information, see “Box 21 – Report code” on page 10.

### My Business Account

My Business Account, CRA's new online service, provides convenient and secure access to a growing range of personalized business account information and services. In 2007, My Business Account will add access for third parties and a full range of business account options. Visit [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount) to find out more about this exciting addition to our suite of electronic services for business.

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## Is this pamphlet for you?

If you make certain payments to a resident of Canada, or if you receive certain payments as a nominee or agent for a person resident in Canada, you have to file a T5 information return.

Use this pamphlet if you are reporting:

- dividends paid by Canadian corporations; or
- interest from:
  - a fully registered bond or debenture;
  - money loaned to or on deposit with, or property of any kind placed with, a corporation, association, organization, or institution;
  - an account with an investment dealer or broker;
  - an insurance policy or annuity contract (when the interest is paid by an insurer); or
  - an amount owing as compensation for expropriated property.

If the amount you paid is not included in this list, see the Guide T4015, *T5 Guide – Return of Investment Income* for information on how to complete your T5 information return.

If you make certain payments to a non-resident of Canada, you should report the amounts on an NR4 return. For more information, see the Guide T4061, *Non-Resident Withholding Tax Guide*.

## The T5 information return

### Filing requirements

You have to file the T5 information return before March 1 of the year after the calendar year for which you are preparing it. For example, if you are filing a T5 information return for 2006, you have to file it before March 1, 2007.

If you end your business or activity, you have to file a return for the year or part-year no later than 30 days after the date the business or activity ended.

Send the recipients' copies of the T5 slips to their last known address or deliver them in person. You must do this on or before the day you have to file the T5 information return.

If you file your T5 information return late, or if you distribute slips to the recipients late, you are liable for each failure to a penalty of \$25 per day, from a minimum of \$100 to a maximum of \$2,500. For more information on penalties and offences, see the Guide T4015, *T5 Guide – Return of Investment Income*.

## Note

Do not file a blank or nil T5 information return that has no T5 slips. You do not have to file a T5 return for a year during which you did not pay or credit any amounts.

## Filing on magnetic media

You **have to** file your information return on diskette, CD, or DVD using eXtensible Markup Language (XML) format if you (or a representative) file more than 500 information slips for the calendar year (the total number of T3, T4, T4A, T4A NR, T4RSP, T4RIF, T5, T5007, T5008, NR4, T1204, T5018, and other information slips for which we provide computer specifications for magnetic media filing).

When you file on magnetic media, you must keep your financial data on computer.

If you file 500 slips or less, see "Filing by Internet file transfer" below.

If you do not file an information return in an electronic format as required under the *Income Tax Act* and *Income Tax Regulations*, you may be guilty of an offence. In addition to any other penalty, you are liable to a maximum penalty of \$2,500 per slip.

For more information about this method of filing, call us at **1-800-665-5164** or visit our Web site at **[www.cra.gc.ca/magmedia](http://www.cra.gc.ca/magmedia)**.

## Filing by Internet file transfer

As part of our commitment to expand electronic filing services, Internet file transfer (XML) will be available for filers who file 500 slips or less with the following information return types; AGR-1, NR4, T3, T4, T4A, T4A-NR, T1204, T4RIF, T4RSP, T5, T5007, T5008, T5018, T4A(OAS), T4A(P), T4E, SAFER, registered retirement savings plan contribution receipts and T215.

To use this Internet filing service for one of the information return types listed above, you need to have a Canada Revenue Agency account number and an associated Web access code (WAC). If you file multiple return types in one submission (up to a maximum of 500 slips or 610 Kb), use any one account number and its associated WAC to **authenticate** and transfer your file to the CRA electronically. The returns must be in the mandatory eXtensible Markup Language (XML) format and must conform to the CRA's specifications found at **[www.cra.gc.ca/magmedia](http://www.cra.gc.ca/magmedia)**.

For filers who filed information returns electronically (magnetic media and Internet file transfer) last year, we will send you a letter on December 15, 2006, with your account number and associated WAC. If you did not file electronically last year or if you did not receive your letter, you can contact our support staff on or after January 8, 2007, at **1-877-322-7849** to have a WAC issued to you.

For more detailed filing instructions, go to **[www.cra.gc.ca/iref](http://www.cra.gc.ca/iref)**.

## Filing on paper

You can file on paper if you file, for the calendar year, 1 to 500 of the information slips identified in the section called “Filing by Internet file transfer” above.

If you are filing your T5 information return on paper, keep the following in mind when you complete the forms that make up the return:

- Use the current versions of the T5 slip and T5 Summary. You can order all the forms you need from our Web site at [www.cra.gc.ca/orderforms](http://www.cra.gc.ca/orderforms) or by calling 1-800-959-2221.
- Do not tape, tear, or stamp any of the T5 forms.
- For all dollar amounts, use a comma to separate thousands and a period to separate dollars from cents. Do not use dollar signs (\$).

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### Example

2,345.67

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- When no entry is required, leave boxes and areas blank. Do not enter nil, N/A, dashes (–), or zeros in these empty boxes.
  - Do not change the title of any box or area on the forms.
  - Enter an “X” in those boxes that need one. Do not use any other mark (for example, “✓” or “–”).

Report information only in the appropriate box or area provided. If you are not sure where to enter the information, call us at 1-800-959-5525.

## The T5 slip

The T5 slip identifies the various types of investment income that residents of Canada have to report on their income tax and benefit returns. The T5 slip has three individual slips printed on each page or sheet. These are intended to be used for laser or ink jet printers, for typing, or to be filled out by hand.

Before you complete your T5 slips, read the instructions in “Filing on paper” on page 7. If you are filing your T5 information return on magnetic media, do not send us the paper copies of your T5 slips.

### Note

You do **not** have to issue a T5 slip when the total of the amount reported for the year to one recipient is less than \$50.

## How to complete the T5 slip

Enter the information on each T5 slip as described on the next pages.

## Recipient's name and address

Enter the information in the white area provided.

If more than one recipient is entitled to the investment income (for example, interest credited to a joint account), you only need to complete one T5 slip. If there are two recipients, enter both names. For a corporation, enter the name of the corporation.

If the payment is made to an association, organization, or institution, enter that name. Do not enter the name of the secretary-treasurer or any other individual who has signing authority. If the payment is made to the registered holder of an investment (for example, broker or trustee of an RRSP), enter the name of the registered holder, not the name of the individual.

**First line** – Enter the individual's last name first, followed by the usual first name and initials, or enter the name of the recipient corporation, association, organization, or institution.

**Second line** – Enter the second recipient's last name, first name, and initials. If there is only one recipient, leave this line blank.

In all cases, enter the recipient's full mailing address as follows:

**Third, fourth, and fifth lines** – Enter the recipient's full address, including city and province or territory. Enter the recipient's postal code. You can leave some lines blank. For the province or territory, use the two-letter abbreviations from the list on page 15.

## Payer's name and address

Complete this area on each T5 slip. Enter the payer's full name and address.

## Year

Enter the four digits of the calendar year during which the recipient earned the investment income.

**Boxes 10, 11, 12, 24, 25, and 26** – Dividends from Canadian corporations  
Dividends include all payments in cash or kind (including stock dividends) and all amounts deemed to be dividends. For information on deemed dividends, see the Guide T4015, *T5 Guide – Return of Investment Income*.

Dividends from taxable Canadian corporations paid to an individual (other than a trust that is a registered charity) are eligible for a federal dividend tax credit.

If the dividends paid are dividends other than eligible dividends, see the following instructions for boxes 10, 11, and 12.

If the dividends paid are eligible dividends, see the instructions for boxes 24, 25, and 26 on page 11.

For more information about eligible dividends, see the new release from Department of Finance Canada at [www.fin.gc.ca/drleg/ITAdtc06\\_e.html](http://www.fin.gc.ca/drleg/ITAdtc06_e.html).

### **Box 10 – Actual amount of dividends other than eligible dividends**

For dividends paid after 2005, enter the actual amount of dividends other than eligible dividends, or the amount we deem to be dividends other than eligible dividends, paid by a Canadian corporation.

For dividends paid before 2006, enter the actual amount of dividends, or the amount we deem to be dividends, paid by a Canadian corporation.

For recipients who are individuals resident in Canada (other than a trust that is a registered charity), the dividends must be paid by a taxable Canadian corporation.

For information on taxable dividends and deemed dividends paid to an individual by a corporation resident in Canada that is **not** a taxable Canadian corporation, see the Guide T4015, *T5 Guide-Return of Investment Income*.

### **Box 11 – Taxable amount of dividends other than eligible dividends**

Complete box 11 **only** for individuals resident in Canada (other than a trust that is a registered charity). Enter 25% more than the amount you reported in box 10. Do not enter an amount in box 11 if the dividends entered in box 10 are paid to a corporation.

### **Box 12 – Dividend tax credit for dividends other than eligible dividends**

Complete box 12 **only** for individuals resident in Canada (other than a trust that is a registered charity). The amount you enter in box 12 is 13.3333% of the taxable amount you entered in box 11. Do not enter an amount in box 12 if the dividends entered in box 10 are paid to a corporation.

### **Box 13 – Interest from Canadian sources**

Enter the following amounts, as long as you did not previously report them:

- interest on a fully registered bond or debenture;
- interest on money loaned to or on deposit with, or interest on any kind of property placed with, a corporation, association, organization, or institution;
- interest on an account with an investment dealer or broker;
- interest an insurer paid in connection with an insurance policy or annuity contract;
- interest on an amount owing as compensation for property that has been expropriated;
- the interest part of blended payments (for information on blended payments, see the Guide T4015, *T5 Guide – Return of Investment Income*);
- dividends paid or payable by a credit union to a member who has a share in the credit union if the share is not listed on a prescribed stock exchange;
- taxable dividends, other than capital gains dividends, that a mortgage investment corporation paid to any of its shareholders; and

- amounts reported by life insurers that have to be included in a policyholder's income under paragraph 56(1)(j) of the *Income Tax Act*, unless they arise from a policy loan.

**Do not include:**

- interest from a source outside Canada; or
- the accrued income from an annuity described under former paragraph 56(1)(d.1) of the *Income Tax Act*, or accrued income of certain life insurance policies.

If you cannot report the amounts in Canadian currency, see the Guide T4015, *T5 Guide – Return of Investment Income*.

**Box 21 – Report code**

Enter on each slip one of the following codes to indicate whether the slip is:

- "O" original;
- "A" amended (changing the financial data or identification information); or
- "C" cancelled.

When using code "A," or "C," enter a description at the top of the T5 slip (for example, "AMENDED" or "CANCELLED") and include a letter of explanation when you file a copy of the slip with us. For more information, see "How to amend your T5 slips" on page 12.

**Note**

Do not file a T5 information return that contains both original and amended T5 slips. File amended slips on a separate return.

**Box 22 – Recipient identification number**

**If the recipient is an individual** (other than a trust), enter the individual's social insurance number (SIN). For interest you credited to a joint account, enter the SIN of only one of the individuals.

You have to make a reasonable effort to get an individual's SIN. If you do not, you may be liable to a \$100 penalty for each time you do not provide the SIN on a slip. However, when a person tells you that he or she does not have a SIN but is applying for one, make sure you complete and file the return before the filing deadline. If you have not received the SIN by the time you prepare the T5 slip, leave box 22 blank.

**Note**

If you are reporting a payment made in trust to an institution for an individual (for example, a payment of interest made to the trustee of a self-directed RRSP), **do not enter the individual's SIN in box 22.**

**If the recipient is not an individual**, enter the recipient's Business Number, if available.

**Box 23 – Recipient type**

Enter one of the following codes to identify the recipient to whom the investment income was paid:

- “1” for an individual;
- “2” for a joint account (two or more individuals);
- “3” for a corporation;
- “4” for an association, trust (RRSP trustee, fiduciary-trustee, nominee, or estate), club, or partnership; or
- “5” for a government, government enterprise, or international organization.

**Box 24 – Actual amount of eligible dividends**

Enter the actual amount of eligible dividends, or the amount we deem to be eligible dividends. Eligible dividends are paid after 2005 by corporations resident in Canada to individual shareholders resident in Canada.

Among other requirements, to be eligible dividends, taxable dividends must have been designated as such by the corporation paying the taxable dividend.

**Box 25 – Taxable amount of eligible dividends**

Complete box 25 **only** for individuals resident in Canada (other than a trust that is a registered charity). Enter 45% more than the amount you reported in box 24. Do not enter an amount in box 25 if the eligible dividends entered in box 24 are paid to a corporation.

**Box 26 – Dividend tax credit for eligible dividends**

Complete box 26 **only** for individuals resident in Canada (other than a trust that is a registered charity). The amount you enter in box 26 is 18.9655% of the taxable amount you entered in box 25. Do not enter an amount in box 26 if the eligible dividends entered in box 24 are paid to a corporation.

**Distributing the T5 slips**

Send us each T5 slip (three slips printed per sheet), along with the T5 Summary, before March 1 of the year after the calendar year for which the information return is required. Send these forms to:

Ottawa Technology Centre  
P.O. Box 9633, Station T  
Ottawa ON K1G 6H3

Send two copies of the T5 slip to the appropriate recipient before March 1 of the year after the calendar year for which the T5 information return is required.

You can send recipients an electronic copy of their T5 slips. The recipient must have consented in writing or by email to receive the slips electronically.

You do not have to keep a copy of the T5 slips. However, you have to keep the information from which you prepared the slips in an accessible and readable format.

**Note**

When a business or activity ends, you have to send the appropriate copies of the T5 slips to the recipients and to us no later than 30 days after the date the business or activity ended.

## How to amend your T5 slips

If you discover an error in your information return after filing it, you can now make the corrections on paper or in electronic format, as described below.

**Paper submissions** – If you have to change some of the data on a slip, change only the required entries and leave the same amounts in the other boxes. You only have to file the amended slip. Print the word “AMENDED” at the top of the revised slip. Send two copies of the amended slip to the recipient. Send a copy of the slip to your tax centre with a letter explaining the reason for the amendment. Provide your filer identification number on your letter. We list the tax centre addresses on page 15.

**Note**

You do not have to file an amended summary when you send in amended slips.

**Cancelled slips** – If you issued a slip by mistake and you want to cancel it, send us another slip with the same data as on the original slip. Print the word “CANCELLED” at the top of the slip. Send two copies of the cancelled slip to the recipient.

**Duplicate slips** – If you issue a slip to replace one that a client lost or destroyed, print the word “DUPLICATE” at the top of the replacement slip you are sending to the recipient. **Do not send us a copy of the duplicate slip.**

**Note**

If you are a subsidiary office and the original slip was filed by your head office, include the filer identification number used when the original slips were filed.

**Electronic submissions** – Filers who discover errors in information they have already filed can now send revisions to us in electronic format (diskette, CD, or DVD). This means that you can file amendments and cancelled slips electronically. The format used is eXtensible Markup Language (XML). For up-to-date information, visit our Web site at [www.cra.gc.ca/magmedia](http://www.cra.gc.ca/magmedia).

Amendments in electronic format should be sent to:

Electronic Media Processing Unit  
Ottawa Technology Centre  
Canada Revenue Agency  
875 Heron Road  
Ottawa ON K1A 1A2

You can now send amended slips using Internet file transfer. For more information, see [www.cra.gc.ca/iref](http://www.cra.gc.ca/iref).

## The T5 Summary

**B**efore you complete the T5 Summary form, see “Filing on paper” on page 7. If you file your T5 information return on magnetic media, you do not have to send the paper copy of your T5 Summary to us.

### How to complete the T5 Summary

Enter the appropriate year and identification information in the top section of the T5 Summary. Enter financial and contact information in the lower sections.

If you filed a T5 information return for last year, we mailed you a T5 Summary in December with your filer identification number, the name of your organization or business, and your mailing address preprinted on the form. If an independent service bureau or transmitter files your information return, give them this preprinted T5 Summary.

Note the following instructions when you complete the T5 Summary.

#### Filer identification number

If you did not receive a preprinted T5 Summary, enter your filer identification number in the space provided. This number applies only to filers of information returns (including the T5 information return).

If you have not filed a T5 information return in recent years or are unsure of your number, call us at 1-800-959-5525.

It is important that you make every effort to get a filer identification number before filing your T5 return. However, do not delay filing your return, even if you have not received your filer identification number before the due date. File your return on time, and attach a note to it explaining why you have not entered the number.

#### Note

If you are filing for the first time and do not yet have a filer identification number, we will send you a confirmation letter once we receive your first information return. This letter will contain your new filer identification number.

**Is the preprinted address correct?** If we mailed you a preprinted T5 Summary with an incorrect address, enter the correct address in the space provided.

## Filing the T5 Summary

Send the completed T5 Summary, along with the related T5 slips, to:

Ottawa Technology Centre  
P.O. Box 9633, Station T  
Ottawa ON K1G 6H3

You must send these before March 1 of the year after the calendar year to which the T5 information return relates. You may want to keep a working copy of the T5 Summary for your records.

When a business or activity ends, you have to send the T5 Summary and the related T5 slips no later than 30 days after the date the business or activity ended.

## The T5 guide

If you need detailed information to complete your T5 information return, get the Guide T4015, *T5 Guide – Return of Investment Income*. This guide is available on our Web site at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms) or by calling 1-800-959-2221.

In addition to the information in this pamphlet, the guide includes information on the following subjects:

- accrued income – annuities
- accrued interest
- amending forms
- amounts eligible for the resource allowance deduction
- blended payments
- correcting or replacing forms
- deemed dividends
- eligible funeral arrangements
- foreign currency
- indexed debt obligations
- interest on penalties
- investment contracts
- magnetic-media filing
- *Notice of Assessment*
- other income from Canadian sources
- payments made to non-residents of Canada
- payments made to or by nominees or agents
- penalties and offences
- *Privacy Act*
- recipient account codes
- related publications
- royalties from Canadian sources
- social insurance number (SIN)
- transit codes
- trustees
- unclaimed amounts – dividends and interest
- when to file and when not to file a T5 information return

## Provincial and territorial codes

Newfoundland and Labrador .....	NL	Saskatchewan .....	SK
Prince Edward Island .....	PE	Alberta.....	AB
Nova Scotia .....	NS	British Columbia.....	BC
New Brunswick.....	NB	Nunavut.....	NU
Quebec.....	QC	Northwest Territories.....	NT
Ontario .....	ON	Yukon .....	YT
Manitoba .....	MB		

## Addresses of tax centres

Filers served by a tax services office on the left side of the following list should deal with the corresponding tax centre or office on the right.

Bathurst, Halifax, Kingston, Moncton, Newfoundland and Labrador, Peterborough, Saint John, St. Catharines, and Sydney	<b>St. John's Tax Centre</b> 290 Empire Avenue St. John's NL A1B 3Z1
Chicoutimi, Montérégie-Rive-Sud, Outaouais, Québec, Rimouski, and Trois-Rivières	<b>Jonquière Tax Centre</b> 2251 René-Lévesque Boulevard Jonquière QC G7S 5J1
Laval, Montréal, Ottawa, Rouyn-Noranda, Sherbrooke, and Sudbury (Northeastern Ontario* only)	<b>Shawinigan-Sud Tax Centre</b> 4695 – 12th Avenue Shawinigan-Sud QC G9N 7S6
Belleville, Charlottetown, Hamilton, and Kitchener/Waterloo	<b>Summerside Tax Centre</b> 275 Pope Road Summerside PE C1N 6A2
Sudbury (Sudbury/Nickel Belt** only), Toronto Centre, Toronto East, Toronto North, and Toronto West	<b>Sudbury Tax Services Office</b> 1050 Notre-Dame Avenue Sudbury ON P3A 5C1
Calgary, Edmonton, Lethbridge, London, Red Deer, Saskatoon, Thunder Bay, Windsor, and Winnipeg	<b>Winnipeg Tax Centre</b> 66 Stapon Road Winnipeg MB R3C 3M2
Burnaby-Fraser, Northern B.C. and Yukon, Regina, Southern Interior B.C., Vancouver, and Vancouver Island	<b>Surrey Tax Centre</b> 9755 King George Highway Surrey BC V3T 5E1

\* Northeastern Ontario includes all areas outside Sudbury/Nickel Belt (see below) that are served by the Sudbury Tax Services Office.

\*\* The Sudbury/Nickel Belt area includes all postal codes beginning with P3A, P3B, P3C, P3E, P3G, P3L, P3N, P3P, and P3Y, as well as postal codes beginning with P0M and ending with 1A0, 1B0, 1C0, 1E0, 1H0, 1J0, 1K0, 1L0, 1M0, 1N0, 1P0, 1R0, 1S0, 1T0, 1V0, 1W0, 1Y0, 2C0, 2E0, 2M0, 2R0, 2S0, 2X0, 2Y0, 3A0, 3B0, 3C0, 3E0, and 3H0.

## Your opinion counts!

We review our publications each year. If you have any comments or suggestions to help us improve them, we would like to hear from you.

Please send your comments to:

Taxpayer Services Directorate  
Canada Revenue Agency  
750 Heron Road  
Ottawa ON K1A 0L5

Think Recycling!



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