



# **General Income Tax and Benefit Guide 2016**

**HOW TO COMPLETE AND FILE YOUR  
2016 TAX RETURN**

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**NOTE:** In this publication, the text inserted between square brackets represents the regular print information.

**Need help with your taxes?**

**Services and products for you**

**See our Get Ready web page**

**[cra.gc.ca/guide-getready](http://cra.gc.ca/guide-getready).**

Here you will find step-by-step instructions on completing your tax return, and links to lots of other helpful information.

**File online with certified software**

**[cra.gc.ca/guide-netfile](http://cra.gc.ca/guide-netfile).**

Do your taxes online – get started with one of the NETFILE-certified software products; some of which are free.

**| See if you qualify for the Community Volunteer Income  
| Tax Program**

**| [cra.gc.ca/guide-volunteer](http://cra.gc.ca/guide-volunteer).**

**| If you have a modest income and a simple tax situation, community  
| volunteers may be able to do your taxes for you.**

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braille, large print, etext, or MP3 for those who have a visual  
impairment. Find more information at **[cra.gc.ca/alternate](http://cra.gc.ca/alternate)** or by  
calling **1-800-959-8281**.

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Some subjects in this guide relate to a numbered line on the return. We provide information about these subjects in the same order that the lines appear on the return or schedules.

To find information on other subjects, see the index on page 361 [75].

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La version française de ce guide est intitulée GUIDE GÉNÉRAL D'IMPÔT ET DE PRESTATIONS – 2016.

**Retired seniors: look for the ▼ symbol**

If you are a retired senior, the ▼ symbol in this guide and in the forms book will help you find information on the **most common** types of pension income, as well as deductions and credits that you may be entitled to.

If you received income or want to claim deductions or credits that are **not identified** with the ▼ symbol, read the information for that type of income, deduction, or credit in this guide and in the forms book.

**Don't get Scammed!**

Did you get a suspicious email, phone call, text message or letter claiming to be from the CRA?

**It might be a scam!**

| The Canada Revenue Agency will **never**:

- | • Use aggressive tone or language
- | • Threaten arrest or send police
- | • Ask for prepaid cards

| Learn how to recognize and protect yourself against scams  
| at [cra.gc.ca/guide-fraudprevention](http://cra.gc.ca/guide-fraudprevention).

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## What's new for 2016?

We list the service enhancements and major changes below, including announced income tax changes that were not law when this guide was published. If they become law as proposed, they will be effective for 2016 or as of the dates given. You will find more information about these changes throughout this guide. The service enhancements and major changes will be outlined in green and will be pointed out with the following: **NEW!**

## **Our services**

**MyBenefits CRA** – This is a new mobile application that lets you securely view your benefit information. See page 51 [15].

**Manage online mail** – View your benefit notices online instead of waiting for a paper version to come by mail. See page 54 [17].

## **Individuals and families**

**Canada child benefit (CCB)** – As of July 2016, the CCB has replaced the Canada child tax benefit (CCTB), the national child benefit supplement (NCBS), and the universal child care benefit (UCCB). See page 45 [14].

**Northern residents deductions** (line 255) – The basic and additional residency amounts used to calculate the northern residency deduction have both increased to \$11 per day. See Form T2222, NORTHERN RESIDENTS DEDUCTIONS.

**Children's arts amount** (line 370) – The maximum eligible fees per child (excluding the supplement for children with disabilities) has

been reduced to \$250. Both will be eliminated for 2017 and later years. See page 237 [50].

**Home accessibility expenses** (line 398) – You can claim a maximum of \$10,000 for eligible expenses you incurred for work done or goods acquired for an eligible dwelling. See page 240 [51].

**Family tax cut** – The family tax cut has been eliminated for 2016 and later years.

**Children's fitness tax credit** (lines 458 and 459) – The maximum eligible fees per child (excluding the supplement for children with disabilities) has been reduced to \$500. Both will be eliminated for 2017 and later tax years. See page 328 [67].

**Eligible educator school supply tax credit** (lines 468 and 469) – If you were an eligible educator, you can claim up to \$1,000 for eligible teaching supplies expenses. See page 331 [67].

## **Interest and investments**

**Tax-free savings account (TFSA)** – The amount that you can contribute to your TFSA every year has been reduced to \$5,500.

**Dividend tax credit (DTC)** – The rate that applies to "other than eligible dividends" has changed for 2016 and later tax years. See pages 104 and 310 [26 and 63].

**Investment tax credit (line 412)** – Eligibility for the mineral exploration tax credit has been extended to flow-through share agreements entered into before April 2017. See page 301 [62].

### **Labour-sponsored funds tax credit**

(lines 413, 414, 411, and 419) – The tax credit for the purchase of shares of provincially or territorially registered labour-sponsored venture capital corporations has been restored to 15% for 2016 and later tax years. The tax credit for the purchase of shares of federally registered labour-sponsored venture capital corporations has decreased to 5% and will be eliminated for 2017 and later tax years. See page 303 [62].



## **Other changes**

**Tax on taxable income** – The tax rates and income levels have changed. See Schedule 1, FEDERAL TAX. As a result of this change the donations and gifts tax credit calculation has changed. See Schedule 9, DONATIONS AND GIFTS.

**Split income of a child under 18** – The tax rate has increased to 33%. See page 79 [22].

**Sale of principal residence** – The sale of a principal residence must now be reported, along with any principal residence designation, on Schedule 3. See Schedule 3, CAPITAL GAINS (OR LOSSES) IN 2016. Under proposed changes, the CRA will be able to accept a late designation in certain circumstances, but a penalty may apply. Go to [cra.gc.ca/gncy/bdgt/2016/qa11-eng.html](http://cra.gc.ca/gncy/bdgt/2016/qa11-eng.html) and select question 7.

**Reassessment period** – Under proposed legislation, for tax years that end after October 2, 2016, the CRA may at any time reassess your income tax return if you fail to report a sale or other disposition of real estate. See the Guide T4037, CAPITAL GAINS.

# Completing your return

This guide gives you information about the income you must report and the deductions and credits you can claim on your 2016 income tax and benefit return.

## Note

Unless otherwise noted, all legislative references are to the INCOME TAX ACT and the INCOME TAX REGULATIONS.

To complete your return:

- Read "Getting started" page 19 [on the next page].
- Determine if you have to file. See "Do you have to file a return?" on page 22 [8].
- Make sure you have the correct forms book and guide. See "Which forms book should you use?" on page 25 [9].
- Make sure you file on time. See "Filing deadlines, penalties and interest" on page 30 [10].

- Read "What's new for 2016?" section on page 11 [5] and other information on pages 38 to 48.
- Follow the instructions in this guide for each line on the return that applies to you.
- Look on the back of your information slips to find instructions on where to report an amount.

## **Note**

If your situation is the same as last year, you may want to use your 2015 income tax and benefit return to help you complete this year's return.

- The **return** has been divided into six steps. Complete each step before going on to the next.
  - **Step 1 – Identification and other information** – Provide information about yourself and your spouse or common-law partner, as well as other information required to process your return.

- **Step 2 – Total income** – To determine your total income at line 150, report your income from all sources.
- **Step 3 – Net income** – To determine your net income at line 236, claim any deductions that apply to you .
- **Step 4 – Taxable income** – To determine your taxable income at line 260, claim any deductions that apply to you.
- **Step 5 – Federal tax and provincial or territorial tax** – To calculate your federal tax, complete Schedule 1, FEDERAL TAX. To calculate your provincial or territorial tax, complete Form 428.

## **Note**

If you resided in Quebec on December 31, 2016, you must file a provincial income tax return for Quebec instead of completing Form 428 to calculate your provincial tax.

- **Step 6 – Refund or balance owing** – To determine your refund or balance owing, calculate your total payable and claim any refundable credits that apply to you.

- If you are **filing electronically** keep all your documents in case we ask to see them later.
- If you are **filing a paper return**, attach only the documents (schedules, information slips, forms, or receipts) requested in the guide to support the credits you claim and deductions you make. Keep all other supporting documents in case we ask to see them later.

## **Getting started**

Gather all the documents you need to complete your return

This includes:

- all information slips that you should have received (such as T3, T4, T4A, and T5 slips);
- all supporting documents for any deductions you make or credits you plan to claim; and
- your most recent notice of assessment or reassessment for carry-forward amounts or other amounts you may need to complete your return.

As you see lines on the return that apply to you, refer to this guide or see the backs of your information slips for more instructions.

You can file electronically or file a **paper return** (see page 40 [12] ). No matter how you file, see "What do you do with your slips, receipts and other supporting documents?" on page 41 [13].

## **What if you are missing information?**

If you have to file a return for 2016, file it **on time** (see page 30 [10] ) even if some slips or receipts are missing. You are responsible for reporting your income from all sources to avoid possible interest and/or penalties that may be charged.

If you know you will not be able to get the missing slip by the due date and if you have registered for My Account, you may be able to view your tax information slips online by going to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**. Otherwise, attach a note to your **paper return** stating the payer's name and address, the type of income involved, and what you are doing to get the slip.

You can use your pay stubs or statements to estimate your income and any related deductions and credits you can claim. **Enter the estimated amounts on the appropriate lines of your return.** Attach a copy of the pay stubs or statements to your **paper return** and keep the original documents. If you are **filing electronically**, keep all your documents in case we ask to see them later.

### **Note**

You should have received most of your slips and receipts by the end of February. However, T3 and T5013 slips do not have to be sent before the end of March.

### **Your tax information at your fingertips**

You can view your tax information slips online through My Account – including T3, T4 and T5 slips!

Register for My Account at **[cra.gc.ca/guide-myaccount](http://cra.gc.ca/guide-myaccount)**.

## Do you have to file a return?

You **must file** a return for 2016 if:

- You have to pay tax for 2016.
- We sent you a request to file a return.
- You and your spouse or common-law partner elected to split pension income for 2016. See lines 115, 116, 129, and 210.
- You received working income tax benefit advance payments in 2016.
- **NEW!** You disposed of capital property in 2016 (for example, if you sold real estate, your principal residence, or shares) or you realized a taxable capital gain (for example, if a mutual fund or trust attributed income to you or you are reporting a capital gains reserve you claimed on your 2015 return).
- You have to repay all or part of your old age security or employment insurance benefits. See line 235.
- You have not repaid all amounts withdrawn from your registered retirement savings plan (RRSP) under the Home Buyers' Plan or the



Lifelong Learning Plan. For more information, go to [cra.gc.ca/hbp](http://cra.gc.ca/hbp) or see Guide RC4112, LIFELONG LEARNING PLAN (LLP).

- You have to contribute to the Canada Pension Plan (CPP). This can apply if for 2016 the total of your net self-employment income and pensionable employment income is more than \$3,500. See line 222.
- You are paying employment insurance premiums on self-employment and other eligible earnings. See lines 317 and 430.

Even if none of these requirements apply, you **should file** a return if:

- You want to claim a refund.
- You want to claim the working income tax benefit for 2016.
- You want to receive the goods and services tax/harmonized sales tax credit (including any related provincial credits). See page 44 [14]. For example, you may be eligible if you turn 19 before April 2018.
- You or your spouse or common-law partner want to begin or continue receiving Canada child benefit payments, including related provincial or territorial benefit payments. See page 45 [14].

- You have incurred a non-capital loss (see line 236) in 2016 that you want to be able to apply in other years.
- You want to carry forward or transfer the unused part of your tuition, education, and textbook amounts. See line 323.
- You want to report income for which you could contribute to an RRSP and/or a pooled registered pension plan (PRPP) to keep your RRSP/PRPP deduction limit (see page 144 [33] ) for future years current.
- You want to carry forward the unused investment tax credit on expenditures you incurred during the current year. See line 412.

## **Deceased persons**

If you are the legal representative (the executor, administrator, or liquidator) of the estate of a person who died in 2016, you may have to file a return for 2016 for that person. For more information about your filing requirements and options and to know what documents are required, see Guide T4011, PREPARING RETURNS FOR DECEASED PERSONS, and Information Sheet RC4111, CANADA REVENUE AGENCY – WHAT TO DO FOLLOWING A DEATH.

## Note

If you received income in 2016 for a person who died in 2015 or earlier, do not file an individual return for 2016 for that income on behalf of that person. Instead, you may have to file a T3 TRUST INCOME TAX AND INFORMATION RETURN for the estate.

## Which forms book should you use?

Generally, you have to use the forms book for the province or territory where you resided on December 31, 2016. However, there are exceptions, such as **residential ties** (see the definition below) in another place. See the next section for the list of exceptions and also the section on this page for "Other publications you may need."

If you resided in Quebec on December 31, 2016, use the forms book for residents of Quebec to calculate your federal tax only. You must also file a provincial income tax return for Quebec.

**Residential ties** – These ties include your home (owned or leased) and personal property, your spouse or common-law partner, and dependants. Other relevant ties may include social ties, driver's

licence, bank accounts and credit cards, and provincial or territorial hospitalization insurance. For more information, see Income Tax Folio S5-F1-C1, DETERMINING AN INDIVIDUAL'S RESIDENCE STATUS.

## Exceptions

In the following situations, use the forms book or tax guide specified:

- A. If on December 31, 2016, you had **residential ties** (see the definition in the previous section) in more than one province or territory, use the forms book for the province or territory where you have your most important residential ties. For example, if you usually reside in Ontario but were going to school in Alberta or Quebec, use the forms book for Ontario.
- B. If you are filing a return for a person who died in 2016, use the forms book for the province or territory where that person resided at the time of death.
- C. If you emigrated from Canada in 2016, use the forms book for the province or territory where you resided on the date you left. Mail

your return to the International and Ottawa Tax Services Office,  
Post Office Box 9769, Station T, Ottawa ON K1G 3Y4 CANADA.

- D. If you resided outside Canada on December 31, 2016, but kept significant **residential ties** (see the definition in the previous section) with Canada, you may be considered a **factual resident** of Canada. Use the forms book for the province or territory where you kept your residential ties.

You also have to complete Form T1248, INFORMATION ABOUT YOUR RESIDENCY STATUS – Schedule D, and attach it to your return. Mail your return to the International and Ottawa Tax Services Office, Post Office Box 9769, Station T, Ottawa ON K1G 3Y4 CANADA. If, under a tax treaty, you are considered to be a resident of another country, this may not apply.

- E. Generally, if you are **not** considered to be a factual resident of Canada (see the previous section), and on December 31, 2016, you resided outside Canada and were a government employee, a member of the Canadian Forces or their overseas school staff, or working under a Canadian International Development Agency

program, you may be considered a **deemed resident** of Canada. Use the tax guide for **non-residents and deemed residents of Canada**. This may also apply to your spouse or common-law partner, dependent children and other family members.

- F. If you stayed in Canada for 183 days or more in 2016, you did not establish significant **residential ties** (see the definition in the previous section) with Canada, and under a tax treaty, you were not considered a resident of another country, you will be considered a **deemed resident** of Canada. Use the tax guide for **non-residents and deemed residents of Canada**.
- G. If throughout 2016 you did not have significant **residential ties** (see the definition in the previous section) with Canada and neither E nor F applies, you may be considered a **non-resident** of Canada for tax purposes. Use the tax guide for **non-residents and deemed residents of Canada**.

However, if you earned income from employment in a province or territory, or earned income from a business with a permanent establishment in a province or territory, use the forms book for

that province or territory. Also complete Form T1248, INFORMATION ABOUT YOUR RESIDENCY STATUS – Schedule D, and attach it to your return.

## **Other publications you may need**

Unless you resided in Canada all year, you also need one or more of the following publications:

- If you were a non-resident and you earned income from employment or you earned income from a business with a permanent establishment in Canada, get Guide T4058, NON-RESIDENTS AND INCOME TAX.
- If you were a non-resident and you received rental income from real or immovable property in Canada, get Guide T4144, INCOME TAX GUIDE FOR ELECTING UNDER SECTION 216.
- If you were a non-resident and you received certain other kinds of income from Canada (including pensions and annuities), get Pamphlet T4145, ELECTING UNDER SECTION 217 OF THE INCOME TAX ACT.

- If you were a newcomer to Canada in 2016, get Pamphlet T4055, NEWCOMERS TO CANADA.
- If you emigrated from Canada during 2016, go to [cra.gc.ca/tx/nnrstdnts/ndvdl/ivng-eng.html](http://cra.gc.ca/tx/nnrstdnts/ndvdl/ivng-eng.html).

## **How to get the tax guide and forms you need**

If you are filing electronically, use your tax preparation software or web application to select the province or territory where you resided on December 31, 2016.

You can get a guide, a forms book for your province or territory, and most of our publications at [cra.gc.ca/forms](http://cra.gc.ca/forms).

## **Filing deadlines, penalties and interest**

### **What date is your return for 2016 due?**

Generally, your return for 2016 has to be filed **on or before April 30, 2017**.



## Note

If you do not file your return on time (see exception to the due date of your return in this section), your goods and services tax/harmonized sales tax (including any related provincial credits), Canada child benefit payments (including related provincial or territorial payments), and old age security benefit payments may be delayed or stopped.

**Self-employed persons** – If you or your spouse or common-law partner carried on a business in 2016 (other than a business whose expenditures are primarily in connection with a tax shelter), your return for 2016 has to be filed **on or before June 15, 2017**. However, if you have a balance owing for 2016, you have to pay it **on or before April 30, 2017**. For more information about how to make your payment, see line 485.

## Exception to the due date of your return

When the due date falls on a Saturday, a Sunday, or a public holiday recognized by the CRA, your return is considered on time if we receive it or if it is postmarked on or before the next business day. For more information, go to [cra.gc.ca/importantdates](http://cra.gc.ca/importantdates).

## **Note**

Since April 30, 2017, is a Sunday, your return will be considered filed on time if we receive it on or it is postmarked on or before May 1, 2017.

## **Deceased persons**

If you are filing for a deceased person the due date may be different. For more information, see Guide T4011, PREPARING RETURNS FOR DECEASED PERSONS.

## **What penalties and interest do we charge?**

### **Late-filing penalty**

If you owe tax for 2016 and do not file your return for 2016 **within the dates** we specify under "What date is your return for 2016 due?" in the previous section, we will charge you a late-filing penalty. The penalty is **5%** of your 2016 balance owing, **plus 1%** of your balance owing for each full month your return is late, to a maximum of **12 months**.

If we charged a late-filing penalty on your return for 2013, 2014, or 2015, your late-filing penalty for 2016 may be **10%** of your 2016 balance owing, **plus 2%** of your 2016 balance owing for each full month your return is late, to a maximum of **20 months**.

### **Tax Tip**

Even if you cannot pay your full balance owing on or before April 30, 2017, you can avoid the late-filing penalty by filing your return on time.

### **Repeated failure to report income penalty**

If you failed to report an amount on your return for 2016 **and** you also failed to report an amount on your return for 2013, 2014, or 2015, you may have to pay a federal and provincial or territorial repeated failure to report income penalty. If you did not report an amount of income of \$500 or more for a tax year, it will be considered a failure to report income.

The federal and provincial or territorial penalties are each equal to the lesser of:

- 10% of the amount you failed to report on your return for 2016; and
- 50% of the difference between the understated tax (and/or overstated credits) related to the amount you failed to report and the amount of tax withheld related to the amount you failed to report.

However, if you voluntarily tell us about an amount you failed to report, we may waive these penalties. For more information, see "What is a voluntary disclosure?" on page 37 [on the next page] or go to **[cra.gc.ca/voluntarydisclosures](http://cra.gc.ca/voluntarydisclosures)**.

### **False statements or omissions penalty**

You may have to pay a penalty if you knowingly or under circumstances amounting to gross negligence have made a false statement or an omission on your 2016 return.

The penalty is equal to the greater of:

- \$100; and

- 50% of the understated tax and/or the overstated credits related to the false statement or omission.

However, if you voluntarily tell us about an amount you failed to report and/or credits you overstated, we may waive this penalty. For more information, see "What is a voluntary disclosure?" on page 37 [on the next page] or go to **[cra.gc.ca/voluntarydisclosures](http://cra.gc.ca/voluntarydisclosures)**.

## **Interest**

If you have a balance owing for 2016, we charge compound daily interest starting May 1, 2017, on **any unpaid amounts owing** for 2016. This includes any balance owing if we reassess your return. In addition, we will charge you interest on the penalties explained in the previous sections, starting the day after your return is due.

## **Cancel or waive penalties or interest**

The CRA administers legislation, commonly called the taxpayer relief provisions, that gives the CRA discretion to cancel or waive penalties or interest when taxpayers are unable to meet their tax obligations due to circumstances beyond their control.

The CRA's discretion to grant relief is limited to any period that ended within 10 calendar years before the year in which a request is made.

For penalties, the CRA will consider your request only if it relates to a tax year or fiscal period ending in any of the 10 calendar years before the year in which you make your request. For example, your request made in 2017 must relate to a penalty for a tax year or fiscal period ending in 2007 or later.

For interest on a balance owing for any tax year or fiscal period, the CRA will consider only the amounts that accrued during the 10 calendar years before the year in which you make your request. For example, your request made in 2017 must relate to interest that accrued in 2007 or later.

To make a request, fill out Form RC4288, REQUEST FOR TAXPAYER RELIEF – CANCEL OR WAIVE PENALTIES OR INTEREST. For more information about relief from penalties or interest and how to submit your request, go to [cra.gc.ca/taxpayerrelief](http://cra.gc.ca/taxpayerrelief).

## **What is a voluntary disclosure?**

Maybe you should have filed a return for a previous year (see "Do you have to file a return?" on page 22 [8] ) but did not, or you filed a return that was not correct. If so, you can voluntarily file or correct that return under the Voluntary Disclosures Program and pay only the tax owing (plus interest) without penalty.

### **Note**

The Voluntary Disclosure Program does not apply to a return for which we have started a review.

For more information and to see if your disclosure qualifies for this program, see Information Circular IC00-1, VOLUNTARY DISCLOSURES PROGRAM. If you want, you can first discuss your situation on a no-name basis.

Indicate clearly on any disclosure you make that you are giving information under the Voluntary Disclosures Program.

# How to file your return

## NETFILE

NETFILE is a secure service that allows you to file your income tax and benefit return electronically using a tax preparation software or a web tax application. For a list of available software and applications, including **free ones**, go to **[cra.gc.ca/netfilessoftware](http://cra.gc.ca/netfilessoftware)**.

Most individuals are eligible to use NETFILE. For more information or to file your return, go to **[cra.gc.ca/netfile](http://cra.gc.ca/netfile)**.

### Notes

Before filing online, your information, including your address, must be up to date. If you have registered with the CRA's My Account or MyCRA service, you can change your address by going to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)** or **[cra.gc.ca/mobileapps](http://cra.gc.ca/mobileapps)**. If not, you must tell the CRA your new address by phone.

Previous-year tax software, starting with the 2013 tax year, can be used to prepare and file a previous-year tax return.



## **EFILE**

EFILE is a secure service that lets authorized service providers, including a discounter, complete and file your return electronically. For more information go to **[cra.gc.ca/efile-individuals](https://cra.gc.ca/efile-individuals)**.

## **Auto-fill my return**

Auto-fill my return is a secure CRA service that lets you or your authorized service provider automatically fill in certain parts of your current year return. The CRA will have most tax information from most tax slips, such as T4, as well as registered retirement savings plan information, and carry forward amounts. To auto-fill your return, you must be registered with My Account and be using a certified software product that offers this option. For more information go to **[cra.gc.ca/auto-fill](https://cra.gc.ca/auto-fill)**.

## Filing a paper return

Mail your return to your tax centre at the address given on the back of your forms book. If you prepare your return or other people's returns, mail or deliver each person's return in a separate envelope. However, if you file returns for more than one year for the same person, put them all in one envelope.

### Note

If you are participating in the AgriStability and AgriInvest programs and you are filing a **paper return**, use the envelope provided in Guide RC4060 or Guide RC4408.

### Let your software do the work

We can automatically fill in much of your tax return with Auto-fill my return, if you file online and are registered for My Account.

For more information, go to [cra.gc.ca/guide-auto-fill](http://cra.gc.ca/guide-auto-fill).

## **Community Volunteer Income Tax Program (CVITP)**

If you need help to prepare your income tax and benefit return and you have a modest income and a simple tax situation, community organization volunteers may be able to prepare your return for you. For more information about the CVITP or to find out how to become a volunteer, go to [cra.gc.ca/volunteer](http://cra.gc.ca/volunteer) or call us at **1-800-959-8281**.

## **What do you do with your slips, receipts and other supporting documents?**

If you are **filing** your return **electronically**, **keep all** related documentation.

If you are **filing a paper return**, **include** one copy of each of your **information slips**. These slips show the amount of income that was paid to you during the year and the deductions that were withheld from that income. Attach your **Schedule 1, FEDERAL TAX** and if you were not a resident of Quebec on December 31, 2016, also attach your provincial or territorial **Form 428** (provincial or territorial tax). Attach **only the supporting** documents that are **requested in the guide** to support a credit or deduction.

If you make a claim without the requested supporting document, we may disallow the credit or deduction you claimed. It could also delay the processing of your return.

**Keep your supporting documents for six years.** Even if you do not have to attach certain supporting documents to your return, or if you are filing your return electronically, keep them in case we select your return for review. We may ask for documents other than official receipts, such as cancelled cheques or bank statements, as proof of any deduction or credit you claimed. Also keep a copy of your return for 2016, the related notice of assessment, and any notice of reassessment. These can help you complete your return for 2017. For more information about your notice of assessment, see page 345 [71].

## **Tax information videos**

We have a number of tax information videos for individuals on topics such as the income tax and benefit return, the Canadian tax system, and tax measures for persons with disabilities. To watch our videos, go to **[cra.gc.ca/videogallery](http://cra.gc.ca/videogallery)**.

**When filing online, don't send receipts unless we ask**

If we need them we'll contact you. In the meantime, keep your supporting tax documents for six years.

## **Can you file a return for a previous year?**

We will consider a request for a refund for a previous tax year return that you are filing late, only if the return is for a tax year ending in any of the 10 calendar years before the year in which you make the request. For example, a request made in 2017 must relate to the 2007 or a later tax year to be considered.

If you are filing a return for a year before 2016, attach receipts for all the deductions or credits you are claiming.

### **Note**

You can prepare and file electronically a previous-year return that you have not filed yet by using previous-year tax software starting with the 2013 tax year. Returns for years before that will have to be done on paper.

## **Benefits for individuals and families**

**Make sure you file your return on time to continue receiving your benefits and credits – you don't want them to be delayed or stopped.**

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

When you file your return, the CRA will determine your eligibility and tell you if you are entitled to receive the GST/HST credit and any related provincial credits.

In the appropriate section on page 5 [1] of your return, indicate your marital status and, if it applies, enter the information about your spouse or common-law partner (including his or her net income, **even if it is zero**). Either you or your spouse or common-law partner may receive the credit, but not both of you. The credit will be paid to the person whose return is assessed first.

For more information, go to [cra.gc.ca/benefits](http://cra.gc.ca/benefits), see Guide RC4210, GST/HST CREDIT, or call us at **1-800-387-1193**. To view your GST/HST credit information, go to [cra.gc.ca/myaccount](http://cra.gc.ca/myaccount). To view the next GST/HST credit payment date, go to [cra.gc.ca/mobileapps](http://cra.gc.ca/mobileapps) and select MyBenefits CRA.

## **Canada child benefit (CCB) and child disability benefit (CDB)**

**NEW!** As of July 2016, the CCB has replaced the Canada child tax benefit (CCTB), the national child benefit supplement (NCBS), and the universal child care benefit (UCCB).

If you are responsible for the care and upbringing of a child who is under 18 years of age, you can apply for the CCB for that child. Apply as soon as possible after the child is born or starts to live with you. We use the information from your CCB application for payments from related provincial or territorial programs.

In addition to the CCB, you can receive the CDB if your child meets the criteria for the disability tax credit and we have approved Form T2201, DISABILITY TAX CREDIT CERTIFICATE, for that child.

To qualify for these benefits, **both you and your spouse or common-law partner, if you have one, must file a return every year**, even if there is no income to report.

For more information, go to **[cra.gc.ca/benefits](http://cra.gc.ca/benefits)**, see Booklet T4114, CANADA CHILD BENEFITS, or call us at **1-800-387-1193**. To view your CCB information, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**. To view the next CCB payment date, go to **[cra.gc.ca/mobileapps](http://cra.gc.ca/mobileapps)** and select MyBenefits CRA.

**When do I get my GST/HST credit payments?**

If you qualify, you will get your payments in January, April, July and October. Use the MyBenefits CRA app or My Account to check your exact payment dates and amounts anytime, from anywhere!

For more information go to **[cra.gc.ca/guide-myaccount](http://cra.gc.ca/guide-myaccount)**.



## **Canada child tax benefit (CCTB)**

If you were responsible for the care and upbringing of a child who was under 18 years of age before July 2016, you may be eligible to receive the CCTB if you have not already received it.

For more information, go to **[cra.gc.ca/benefits](http://cra.gc.ca/benefits)**, see Booklet T4114, CANADA CHILD BENEFITS, or call us at **1-800-387-1193**. To view your CCTB information, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**.

## **Universal child care benefit (UCCB)**

If you were responsible for the care and upbringing of a child who lived with you and was under 18 years of age before July 2016, you may be eligible to receive the UCCB if you have not already received it.

For more information, go to **[cra.gc.ca/uccb](http://cra.gc.ca/uccb)**, see Booklet T4114, CANADA CHILD BENEFITS, or call us at **1-800-387-1193**. To view your UCCB information, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**.

## **Working income tax benefit (WITB)**

The WITB is a refundable tax credit that provides tax relief for eligible working low-income individuals and families.

You can claim this credit on line 453 of your income tax and benefit return. Eligible individuals and families may be able to apply for 2017 advance payments.

For more information, see line 453 in this guide, Form RC201, WORKING INCOME TAX BENEFIT ADVANCE PAYMENTS APPLICATION FOR 2017, or go to [cra.gc.ca/witb](http://cra.gc.ca/witb).

## **Online services**

### **My Account**

Using the CRA's My Account service is a fast, easy, and secure way to access and manage your tax and benefit information online, seven days a week.

To register for My Account, go to **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)**. Registration is a two-step process. You will be asked to enter some personal information and create a user ID and password or use a Sign in Partner. Be sure to have your current and previous year's personal tax returns on hand. To register, a return for one of these two years must have been assessed. After you complete step one, you will have instant access to some of your tax and benefit information. Step two includes the mailing of the CRA security code. We will mail it to the address we have on file for you. The separate mailing of the security code is a measure used to protect you from identity theft and to ensure the security of your personal information. You will have access to the full suite of services available in My Account once you enter your code.

An authorized representative can access most of these online services through Represent a Client at **[cra.gc.ca/representatives](https://cra.gc.ca/representatives)**.

## **MyCRA – Mobile app**

Getting ready to file? Use MyCRA to:

- check your RRSP deduction limit;

- look up a local tax preparer; and
- see what tax filing software the CRA has certified.

Done filing? Use MyCRA to:

- check the status of your tax return; and
- view your notice of assessment.

Use MyCRA throughout the year to:

- view your personalized benefit and credit payment amounts;
- check your TFSA contribution room;
- update your contact details;
- manage your direct deposit and online mail information; and
- request your proof of income (option C).

To get more details on what you can do with MyCRA and to access the CRA's web-based mobile app, go to **[cra.gc.ca/mobileapps](https://cra.gc.ca/mobileapps)**.

**View your benefit and credit information whenever you want!**

MyBenefits CRA app lets you instantly view all your benefit information from your mobile device.

Access MyBenifits CRA app at [cra.gc.ca/guide-mobileapps](http://cra.gc.ca/guide-mobileapps).

**NEW! MyBenefits CRA – get your information on the go!**

You can use MyBenefits CRA mobile app to securely access your benefit information. You can see your personalized benefit amounts and dates, including related provincial and territorial programs, or the status of your application for child benefits.

To get more details on the MyBenefits CRA mobile app, go to [cra.gc.ca/mobileapps](http://cra.gc.ca/mobileapps).

**Handling business taxes online**

By registering for either My Business Account or Represent a Client, you can get access to current account balance information and make changes to tax information online.

To register, go to:

- **[cra.gc.ca/mybusinessaccount](https://cra.gc.ca/mybusinessaccount)**, if you are a business owner; or
- **[cra.gc.ca/representatives](https://cra.gc.ca/representatives)**, if you are an authorized representative or employee.

For more information, go to **[cra.gc.ca/businessonline](https://cra.gc.ca/businessonline)**.

## **Electronic mailing lists**

We can notify you by email when new information on a subject of interest to you is available on our website. To subscribe to our electronic mailing lists, go to **[cra.gc.ca/lists](https://cra.gc.ca/lists)**.

## **Electronic payments**

Make your payment using:

- your financial institution's online or telephone banking services;
- the CRA's My Payment service at **[cra.gc.ca/mypayment](https://cra.gc.ca/mypayment)**; or
- pre-authorized debit at **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)**.

For more information on all payment options, go to [cra.gc.ca/payments](https://cra.gc.ca/payments).

## **Direct deposit**

Direct deposit is a fast, convenient, reliable, and secure way to get your CRA payments directly into your account at a financial institution in Canada. To enrol for direct deposit or to update your banking information, see page 340 [69] or go to [cra.gc.ca/directdeposit](https://cra.gc.ca/directdeposit).

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**Tired of standing in line at the bank?**

Sign up for direct deposit so you can skip the lines and get your refund and benefit payments faster.

For more information, go to [cra.gc.ca/guide-directdeposit](https://cra.gc.ca/guide-directdeposit).

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## **Step 1 – Identification and other information**

**Information about you and your spouse or common-law partner, if you have one (page 5 [1] of your return)**

**Provide information about yourself and your spouse or common-law partner, if you have one, as well as other information needed to process your return.**

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 benefit (CCB) payments you may be entitled to receive.

### **Identify yourself**

Print your name and current mailing address.

### **Provide an email address**

If you would like to get your CRA mail online, read and agree to the terms and conditions below, and enter your email address. You can



also register for online mail using My Account at [cra.gc.ca/myaccount](http://cra.gc.ca/myaccount) and selecting the "Manage online mail" service.

**Terms and conditions** – By providing an email address, you are registering for online mail and authorizing the CRA to send you email notifications when there is mail for you to view in My Account. To access your online mail, you must be registered for My Account. Any notices and correspondence delivered online in My Account will be presumed to have been sent on the date of those email notifications. You understand and agree that your **notice** of assessment and notice of reassessment, and any **other correspondence** eligible for online delivery, will **no longer be mailed**.

For more information, go to My Account and select "Receive online mail" before you access your account.

**Note**

We will send you an email to confirm your registration for online mail.

## **Provide information about your residence**

On the first line, enter the province or territory where you lived or of which you were considered to be a factual resident on December 31, 2016. We need this information to calculate your taxes and credits correctly. For more information, see "Which forms book should you use?" on page 25 [9].

On the second line, enter the province or territory where you live now **if it is different from your mailing address**. We need this information to calculate provincial or territorial credits and benefits you may be entitled to receive.

On the third line, if you were **self-employed** in 2016, enter the province or territory where you had a permanent business establishment.

On the last line, if you **became** or **ceased** to be a resident of Canada **for income tax purposes** during 2016, enter your date of entry or departure.

## **Provide information about yourself**

### **Social insurance number (SIN)**

Your SIN is the number that identifies you for income tax purposes under section 237 of the INCOME TAX ACT and is used for certain federal programs. You must give it to anyone who prepares information slips (such as T3, T4, or T5 slips) for you. Each time you do not give it when you are supposed to, you may have to pay a \$100 penalty. Check your slips. If your SIN is missing or the number on your slips is wrong, tell the slip preparer. You must also give it to us when you ask us for personal tax information.

For more information or to get an application for a SIN, contact Service Canada or visit **[serviccanada.gc.ca](http://serviccanada.gc.ca)**. You can find the addresses and telephone numbers of their offices on their website.

### **Date of birth**

Enter your date of birth.

## **Language of correspondence**

Tick the box for your preferred language of correspondence.

## **Is this return for a deceased person?**

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

## **Indicate your marital status**

Tick the box that applied to your marital status on December 31, 2016. Tick "Married" if you had a spouse, "Living common-law" if you had a common-law partner (see the definitions in the next sections), or one of the other boxes if **neither** of the first two applied.

### **Notes**

You are still considered to have a spouse or common-law partner if you were separated involuntarily (not because of a breakdown in your relationship). An involuntary separation could happen when one spouse or common-law partner is away for work, school, health reasons, or incarcerated.

**Updating your marital status** – For the purposes of the CCB, the GST/HST credit, or working income tax benefit (WITB) only, if your marital status changes during the year you must tell us by the end of the month following the month in which your status changes. However, if you are separated, do not notify us until you have been separated for more than 90 consecutive days. Let us know by going to **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)** or going to **[cra.gc.ca/mobileapps](https://cra.gc.ca/mobileapps)** and selecting MyBenefits CRA, by calling **1-800-387-1193**, or by sending us a completed Form RC65, MARITAL STATUS CHANGE.

## **Spouse**

This applies only to a person to whom you are legally married.

## **Common-law partner**

This applies to a person who is **not your spouse**, with whom you are living in a conjugal relationship, and to whom at least **one** of the following situations applies. He or she:

- a) has been living with you in a conjugal relationship, and this current relationship has lasted at least 12 continuous months;

## Note

In this definition, 12 continuous months includes any period you were separated for less than 90 days because of a breakdown in the relationship.

- b) is the parent of your child by birth or adoption; or
- c) has custody and control of your child (or had custody and control immediately before the child turned 19 years of age) and your child is wholly dependent on that person for support.

## Provide information about your spouse or common-law partner

You must provide us with the following information, if applicable:

- your spouse's or common-law partner's **social insurance number**;
- your spouse's or common-law partner's **first name**;
- **your spouse's or common-law partner's net income** – enter the amount from line 236 of your spouse's or common-law partner's return, or the amount it would be if he or she filed a return. Enter this amount **even if it is zero**. We use this information to calculate the GST/HST credit and other credits and benefits;

## Note

Even though you show this amount on your return, your spouse or common-law partner may still have to file a return for 2016. See page 22 [8].

- **your spouse's or common-law partner's universal child care benefit (UCCB)** – enter the amount from line 117 of your spouse's or common-law partner's return, or the amount it would be if he or she filed a return. Although this amount is included in your spouse's or common-law partner's net income, we will subtract this amount to calculate credits and benefits;
- **your spouse's or common-law partner's UCCB repayment** – enter the amount from line 213 of your spouse's or common-law partner's return, or the amount it would be if he or she filed a return. Although this amount is deducted in the calculation of your spouse's or common-law partner's net income, we will add this amount to calculate credits and benefits; and
- **your spouse or common-law partner was self-employed in 2016** – tick the box if your spouse or common-law partner was self-employed. If your spouse or common-law partner carried on a

business in 2016 (other than a business whose expenditures are primarily in connection with a tax shelter), your return for 2016 has to be filed **on or before June 15, 2017**.

**Change in your marital status?**

Did you know that your marital status can directly impact your benefit and credit payments? Let us know of any changes to make sure you receive the right amount.

It's easy – just use the MyBenefits CRA app or My Account to update your marital status.

For more information, go to [cra.gc.ca/guide-maritalstatus](http://cra.gc.ca/guide-maritalstatus).

**Residency information for tax administration agreements  
(page 6 [1] of your return)**

The Government of Canada has concluded personal income tax administration agreements to share the field of personal income tax with the following aboriginal governments:



- Nisga'a Lisims Government (in **British Columbia**);
  - Nunatsiavut Government (in **Newfoundland and Labrador**);
  - Tâîchô Government (in the **Northwest Territories**);
- and
- eleven self-governing Yukon First Nations.

### **Note**

At the time of printing this guide, a potential tax administration agreement was also under discussion with the **Délîné Got'îné** Government of the Northwest Territories. This agreement may be implemented between the Government of Canada and the **Délîné Got'îné** Government on or before December 31, 2016.

Tax administration agreements provide for the co-ordination of aboriginal government personal income tax laws with the federal INCOME TAX ACT. The Government of Yukon, has also concluded personal income tax administration agreements to co-ordinate the Yukon INCOME TAX ACT with the personal income tax laws of the eleven self-governing Yukon First Nations.

If you were a resident of British Columbia, Newfoundland and Labrador, the Northwest Territories, or Yukon, on December 31, 2016, complete the section "Residency information for tax administration agreements" on page 6 [1] of your return as follows:

For residents of **British Columbia** – All individuals, including non-Nisga'a citizens, who reside on Nisga'a Lands, have to identify themselves by ticking "Yes." All individuals, including Nisga'a citizens, who do not reside on Nisga'a Lands, should tick "No."

For residents of **Newfoundland and Labrador** – All individuals, including individuals other than Inuit, who reside within the Inuit communities of Rigolet, Nain, Hopedale, Makkovik, Postville or on Labrador Inuit Lands have to identify themselves by ticking "Yes." All individuals, including Inuit, who do not reside within Labrador Inuit Lands or within an Inuit community should tick "No."

For residents of the **Northwest Territories** – All individuals, including non-**Tâìchô** Citizens, who reside within the **Tâìchô** communities of Behchokò (Rae-Edzo), Whatì (Lac La Martre), Gamètì (Rae Lakes), or Wekweètì (Snare Lake) or on **Tâìchô** lands have to identify

themselves by ticking "Yes." All individuals, including **Tâichô** Citizens, who do not reside within a **Tâichô** community or on **Tâichô** lands should tick "No." All individuals, including non-**Délîné First Nation (DFN)** citizens, who reside on **Délîné Settlement Lands** or in the **Community of Délîné** have to identify themselves by ticking "Yes." All individuals, including **Délîné First Nation (DFN)** citizens, who do not reside on **Délîné Settlement Lands** or in the **community of Délîné** should tick "No."

For residents of **Yukon** – All individuals who reside on the Settlement Land of a self-governing Yukon First Nation, including those who are not Citizens of a self-governing Yukon First Nation, have to identify themselves as residents of the Settlement Land of the particular self-governing Yukon First Nation. In Yukon, the Canada Revenue Agency also uses the "Residency information for tax administration agreements" information to administer tax administration and co-ordination agreements entered into between the eleven self-governing Yukon First Nations and the Government of Yukon.

For more information on how to complete this section on page 6 [1] of your return see Form YT432, YUKON FIRST NATIONS TAX.

The Canada Revenue Agency will use the information from this section of page 6 [1] of your return to administer each tax administration agreement.

## **Elections Canada (page 7 [1] of your return)**

**Ticking** the "Yes" boxes in the Elections Canada section is an **easy way to keep your voter registration up to date**, if you are qualified to vote.

Elections Canada will use the information you provide to update the National Register of Electors (the Register), the data-base of Canadian citizens qualified to vote in federal elections and referendums. Elections Canada uses the information in the Register to prepare voters lists for federal elections and referendums, and to communicate with voters. Other uses of the information, permitted under the CANADA ELECTIONS ACT, include providing voter information to provincial and territorial election agencies for uses permitted under their respective legislations, and providing voter information (not including birth dates) to members of Parliament, registered political parties and candidates at election time.

Only persons who have **Canadian citizenship** and are 18 years of age or older are eligible to vote. Generally, you are a Canadian citizen either by birth or if you have obtained Canadian citizenship through the formal process of becoming a Canadian citizen (naturalization). If you are unsure about your Canadian citizenship status, refer to the Immigration, Refugees, and Citizenship Canada website [cic.gc.ca/english/citizenship/rules](http://cic.gc.ca/english/citizenship/rules).

### **How to complete this section**

These questions are optional. Whether you answer them or leave them blank will not affect your right to vote. The CRA does not use this information for the purpose of processing your return.

If you **have Canadian citizenship**, and **authorize** the CRA to share your name, address, date of birth, and Canadian citizenship status with Elections Canada, tick "Yes" **to both questions**. If you **do not authorize** the CRA to share your information with Elections Canada, tick "No" to question B.

If you **do not have Canadian citizenship**, tick "No" to question A and leave question B blank.

## **If you tick "Yes" to both questions**

- The CRA will share only your name, address, date of birth, and Canadian citizenship status with Elections Canada.
- If you are already in the Register, Elections Canada will update your information as required.
- If you are not yet in the Register, Elections Canada will accept this as your request to be added. They may contact you if they need more information before adding you.

Your authorization stays in effect until you file your next tax return. Until then:

- If you move and provide the CRA with your new address, the CRA will share it with Elections Canada (CRA updates Elections Canada monthly).
- If during the year you change your mind about the CRA sharing your information with Elections Canada, call the CRA at **1-800-959-8281** to remove your authorization. This will not remove you from the Register. To be removed from the Register, see "Removal from the Register" on the next page.

**If you tick "No" to one or both questions or do not make a choice**

- The CRA will not give any of your information to Elections Canada.
- **You will not lose your right to vote.**
- Elections Canada **will not remove** your information from the Register if it is already there.
- If there is an election or referendum and you are not already registered with Elections Canada, you will have to register before you vote.

**Removal from the Register**

You can contact Elections Canada to have your information removed from the Register, or to ask that your information not be shared with provincial/territorial electoral agencies that use it to produce their voters' lists.

**Deceased persons**

Do not complete this section for a deceased person. If you are completing a return for a deceased person who consented to provide

information to Elections Canada on his or her last return, the CRA will notify Elections Canada to remove the deceased person's name from the Register.

### **Contact Elections Canada**

For more information visit **elections.ca** or call **1-800-463-6868**. Teletypewriter users can call **1-800-361-8935**.

### **Specified foreign property (page 8 [2] of your return)**

Answer the question on page 8 [2] of your return if you own or hold specified foreign property.

For information on the property you are required to report, see Form T1135, FOREIGN INCOME VERIFICATION STATEMENT.

#### **Note**

Specified foreign property **does not** include:

- property in your registered retirement savings plan (RRSP), pooled registered pension plan (PRPP), registered retirement



income fund (RRIF), registered pension plan (RPP), or tax-free savings account (TFSA);

- foreign investments held in Canadian mutual funds;
- property you used or held exclusively in the course of carrying on your active business; or
- your personal-use property.

Tick "Yes" if the total cost of all the specified foreign property you own or hold was more than CAN\$100,000 in 2016 and complete and file Form T1135.

The completed Form T1135 must be filed either electronically or attached to your **paper return**. Even if you do not have to file a return, you must file Form T1135 on or before your filing due date. See "What date is your return for 2016 due?" on page 30 [10] or Form T1135 for more information about filing. You can get this form by going to **[cra.gc.ca/forms](http://cra.gc.ca/forms)** or by contacting us.

## **Note**

The reassessment period for your return is three years after the day your notice of assessment is sent to you. This reassessment period is extended from three years to six years if:

- you did not report income from a specified foreign property on your return; and
- you did not file Form T1135 on time, or you did not identify specified foreign property, or you identified it incorrectly, on Form T1135.

## **Other foreign property**

### **Shares of a non-resident corporation**

If you (either alone or with related persons) held 10% or more of the shares of a non-resident corporation, you may have to complete and file Form T1134, INFORMATION RETURN RELATING TO CONTROLLED AND NOT-CONTROLLED FOREIGN AFFILIATES. For more information, see Form T1134.

## **Loans and transfers to non-resident trusts**

If in 2016 or a previous year you loaned or transferred funds or property to a non-resident trust, you may have to complete and file Form T1141, INFORMATION RETURN IN RESPECT OF CONTRIBUTIONS TO NON-RESIDENT TRUST, ARRANGEMENTS OR ENTITIES. For more information, see Form T1141.

## **Beneficiaries of non-resident trusts**

If in 2016 you received funds or property from, or were indebted to, a non-resident trust under which you were a beneficiary, 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, see Form T1142.

## **Step 2 – Total income**

### **Calculation of total income (page 9 [2] of your return)**

**You have to report as income most amounts you received in 2016. As a resident of Canada, you have to report your income from all sources, inside and outside of Canada.**

### **Amounts that are not taxed**

You do not have to report certain amounts as income, including the following:

- any GST/HST credit, CCB, or CCTB payments, including those from related provincial or territorial programs;
- child assistance payments and the supplement for handicapped children paid by the province of Quebec;
- compensation received from a province or territory if you were a victim of a criminal act or a motor vehicle accident;
- most lottery winnings;

- most gifts and inheritances;
- amounts paid by Canada or an ally (if the amount is not taxable in that country) for disability or death due to war service;
- most amounts received from a life insurance policy following someone's death;
- most payments of the type commonly referred to as strike pay you received from your union, even if you perform picketing duties as a requirement of membership;
- Elementary and secondary school scholarships and bursaries;
- Post-secondary school scholarships, fellowships, and bursaries are not taxable if you received them in 2016 for your enrollment in a program that entitles you to claim the full-time education amount in 2015 or 2016, or if you will be considered a full-time qualifying student for 2017; and

### **Note**

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

- most amounts received from a tax-free savings account (TFSA). For more information, go to [cra.gc.ca/tfsa](http://cra.gc.ca/tfsa) or see Guide RC4466, TAX-FREE SAVINGS ACCOUNT (TFSA), GUIDE FOR INDIVIDUALS.

## **Report foreign income and other foreign amounts**

Report foreign income and other foreign amounts (such as expenses and foreign taxes paid) in Canadian dollars. Use the Bank of Canada exchange rate in effect on the day you received the income or paid the expense. If the amount was paid at various times in the year, visit [bankofcanada.ca](http://bankofcanada.ca) or contact us for an average annual rate.

### **Tax Tip**

If you paid foreign taxes on foreign income you received, do not reduce the amount you report by the amount of tax the foreign country withheld. Instead, you may be able to claim a foreign tax credit when you calculate your federal and provincial or territorial taxes. For more information, see Form T2209, FEDERAL FOREIGN TAX CREDITS, and Form T2036, PROVINCIAL OR TERRITORIAL FOREIGN TAX CREDIT.

## **Retroactive lump-sum payments**

If you received a lump-sum payment of eligible income in 2016, parts of which were for previous years after 1977, you must report the whole payment on the appropriate line of your return for 2016.

We will **not reassess** the returns for previous years to include this income. However, you can ask us to tax the parts for previous years as if you received them in those years. We can apply this calculation to the parts that relate to years throughout which you were resident in Canada if the total of those parts is \$3,000 or more (not including interest) and the result is better for you.

Eligible income includes:

- employment income and damages for loss of employment received by order or judgment of a competent tribunal, as an arbitration award, or under a lawsuit settlement agreement;
- periodic pension benefits, which do not include Canada Pension Plan or Quebec Pension Plan benefits (see line 114);
- wage-loss replacement plan benefits;
- support payments for a spouse, common-law partner, or child;

- employment or unemployment insurance benefits; and
- Canadian Forces members and veterans income replacement benefits.

To ask us to apply this calculation, attach to your **paper return** all completed copies of Form T1198, STATEMENT OF QUALIFYING RETROACTIVE LUMP-SUM PAYMENT, you have received. We will tell you the results on your notice of assessment or notice of reassessment.

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

You may have to report income, such as dividends (line 120) or interest (line 121), from property (including money and any replacement property) you loaned or transferred to your spouse or common-law partner, child, or other relative. You may also have to report capital gains (line 127) or losses from property you loaned or transferred to your spouse or common-law partner.

For more information, see interpretation bulletins IT-510, TRANSFERS AND LOANS OF PROPERTY MADE AFTER MAY 22, 1985 TO A RELATED MINOR, and IT-511, INTERSPOUSAL AND CERTAIN OTHER TRANSFERS AND LOANS OF PROPERTY.



## **Split income of a child under 18**

**NEW!** Certain income of a child who was born in 1999 or later is not subject to the rules discussed under "Loans and transfers of property" in the previous section. A special tax of 33% applies to the following amounts received directly or through a trust (other than a mutual fund trust) or partnership:

- shareholder benefits relating to shares not listed on a designated stock exchange; and
- dividends from shares (not including those in a mutual fund corporation or listed on a designated stock exchange).

### **Note**

A child under 18 years of age may be subject to the tax on split income for dividends on shares of a corporation. Any taxable capital gain from the disposition of those shares to a person who does not deal at arm's length with the child will be deemed to be a dividend. This deemed dividend is subject to the tax on split income and is considered to be an "other than eligible dividend" for the purposes of the dividend tax credit.

The above also applies to income from a trust (other than a mutual fund trust) or partnership for providing property or services to (or in support of) a business operated by:

- someone related to the child at any time in the year;
- a corporation that has a specified shareholder who is related to the child at any time in the year; or
- a professional corporation that has a shareholder who is related to the child at any time in the year.

The special tax also applies to the income of a child from a partnership or trust (other than a mutual fund trust), that is derived from a business or rental property of a partnership or trust if a person who was related to the child at any time in the year:

- is actively engaged on a regular basis in the activity of the partnership or trust of earning that income; or
- in the case where the income is from a partnership, has an interest in the partnership directly or indirectly through other partnerships.

The special tax does not apply if:

- the income is from property the child inherits from a parent;
- the income is from property the child inherits from anyone else and, during the year, he or she is enrolled full-time in a post-secondary institution or is eligible for the disability tax credit (see line 316);
- the child was a non-resident of Canada at any time in the year; or
- neither of the child's parents was a resident of Canada at any time in the year.

### **How to report this income**

The child must report the income on the appropriate lines of his or her return and can claim a deduction on line 232. The special tax is included in the calculation of his or her federal and provincial or territorial taxes. To calculate this tax, complete Form T1206, TAX ON SPLIT INCOME. Attach the form to the child's **paper return**.

## **Tax shelters**

To claim deductions, losses, or credits from tax shelter investments, attach to your **paper return** any applicable T5003 slips, a completed Form T5004, CLAIM FOR TAX SHELTER LOSS OR DEDUCTION, or T5013 slips. Your form must show the tax shelter identification number.

### **Tax Tip**

For information about how to protect yourself against tax schemes, go to **[cra.gc.ca/alert](http://cra.gc.ca/alert)**.

## **Line 101 – Employment income**

Report 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. For more information, see "What if you are missing information?" on page 20 [7].

If you have employment expenses, see line 229 for more information.

## **Notes**

If you report employment income on line 101, you can claim the Canada employment amount on line 363 of Schedule 1.

If you received a housing allowance and/or an amount for eligible utilities as a member of the clergy and they are shown in box 14 of your T4 slips, subtract the amount shown in box 30 of your T4 slips from the amount shown in box 14 and report the difference on line 101. Report the amount shown in box 30 of your T4 slips on line 104.

If you have employment income from another country, report it on line 104 of your return.

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

You may be able to make Canada Pension Plan (CPP) contributions on certain employment income for which no contribution was made (for example, tips not shown on your T4 slips) or extra contributions on T4 income if you had more than one employer in the year. For more information, see "Making additional CPP contributions" under line 308.

## **Tax Tip**

Your contributions to the CPP or Quebec Pension Plan (box 16 or 17 of your T4 slips and any amount on line 421) determine the benefit amount you will receive under either of these plans. If there are no contributions shown in box 16 or 17 of your T4 slips or if you have any questions about your contribution amount, contact your employer.

## **Emergency services volunteers**

In 2016 you may have received a payment from a government, a municipality, or another public authority for your work as a volunteer ambulance technician, a firefighter, or a search, rescue, or other type of emergency worker. The T4 slips issued by this authority will generally show only the taxable part of the payment, which is the part that is more than \$1,000.

The exempt part of a payment is shown in box 87 of your T4 slips.

As an emergency services volunteer, you may qualify for the volunteer firefighters' amount (VFA) or the search and rescue volunteers' amount (SRVA). See lines 362 and 395.

If you are eligible for the \$1,000 exemption and either the VFA or the SRVA, you **must choose which one** you would like to claim.

If you choose to claim the exemption, report only the amounts shown in box 14 of your T4 slips on line 101.

If the authority employed you (other than as a volunteer) for the same or similar duties or if you choose to claim the VFA or the SRVA, the full payment is taxable. You must add the amounts shown in boxes 87 and 14 of your T4 slips and report the result on line 101.

### **Security option benefits**

Report taxable benefits you received in (or carried forward to) 2016 on certain security options you exercised. If you report any taxable benefits, see line 249 for more information.

For eligible securities under option agreements exercised **up to and including** 4 p.m., Eastern time, on March 4, 2010, that were not granted by a Canadian controlled private corporation (CCPC), an income deferral of the taxable benefit may have been allowable

subject to an annual limit of \$100,000 on the fair market value of the eligible securities.

If you exercised an option for eligible securities **after** 4 p.m., Eastern time, on March 4, 2010, that was not granted by a CCPC, the election to defer the benefit is no longer available for those securities.

Your notice of assessment or notice of reassessment will show the remaining balance of your deferred amounts. For more information, see Guide T4037, CAPITAL GAINS, or contact us.

### **Commissions (box 42)**

Report on **line 102** the total commissions shown in box 42 of all your T4 slips you received as an employee. This amount is already included in your income on line 101, so **do not add it again** when you calculate your total income on line 150. If you have commission expenses, see line 229 for more information.

If you are a self-employed commission salesperson, see Guide T4002, BUSINESS AND PROFESSIONAL INCOME, to find out how to report your commission income and claim your expenses.



## **Wage-loss replacement plan income**

If you received payments from a wage-loss replacement plan shown in box 14 of your T4 slips, you may not have to report the full amount on your return. Report the amount you received minus the contributions you made to the plan if you did not use them on a previous year's return. Report on **line 103** your total contributions to your wage-loss replacement plan shown in the supporting documents from your employer or insurance company. Keep your supporting documents in case we ask to see them later. For more information, see Interpretation Bulletin IT-428, WAGE LOSS REPLACEMENT PLANS.

## **Line 104 – Other employment income**

Report on this line the **total** of the following amounts:

- **Employment income not reported on a T4 slip** – Report amounts such as tips and occasional earnings.

### **Notes**

If you report employment income on line 104, you can claim the Canada employment amount on line 363 of Schedule 1.

Fees for services shown in box 048 of your T4A slips must be reported on the applicable self-employment line of your return (lines 135 to 143).

- **Net research grants** – Subtract your expenses from the grant you received and report the net amount on this line. Your expenses cannot exceed the amount of your grant. Attach to your **paper return** a list of your expenses. For more information, see Guide P105, STUDENTS AND INCOME TAX.
- **Clergy's housing allowance and/or an amount for eligible utilities** – Report the amount shown in box 30 of your T4 slips. You may be entitled to claim a deduction on line 231.

### **Note**

If the housing allowance and/or an amount for eligible utilities is shown in box 14 of your T4 slips, subtract the amount shown in box 30 of your T4 slips from the amount shown in box 14 and report the difference on line 101.

**Foreign employment income** – Report your earnings in Canadian dollars. See "Report foreign income and other foreign amounts" on

page 76 [21]. If the amount on your United States W-2 slip has been reduced by contributions to a "401(k), 457 or 403(b) plan, US MEDICARE and FEDERAL INSURANCE CONTRIBUTIONS ACT (FICA)," you must add these contributions to your foreign employment income on line 104 of your Canadian return. These contributions may be deductible. See line 207.

- **Income-maintenance insurance plans (wage-loss replacement plans)** – This income is shown in box 107 of your T4A slips. You may not have to report the full amount on your return. Report the amount you received, minus contributions you made to the plan after 1967, if you did not use them on a previous year's return. For more information, see Interpretation Bulletin IT-428, WAGE LOSS REPLACEMENT PLANS.
- **Veterans' benefits** – Report the amount shown in box 127 of your T4A slip.
- **Certain GST/HST and Quebec sales tax (QST) rebates** – If you are an **employee** who paid and deducted employment expenses in 2015 or earlier and you received a GST/HST or QST rebate in 2016 for those expenses, report on line 104 the rebate you received.

However, a rebate on which you can claim capital cost allowance is treated differently. For more information, see Guide T4044, EMPLOYMENT EXPENSES or go to [cra.gc.ca/tx/bsnss/tpcs/gst-tps/rbts/mPLY-eng.html](http://cra.gc.ca/tx/bsnss/tpcs/gst-tps/rbts/mPLY-eng.html).

- **Royalties** – Report these amounts on this line if you received them for a work or invention of yours. Report other royalties (other than those included on line 135) on line 121.
- **Amounts you received under a supplementary unemployment benefit plan (a guaranteed annual wage plan)** – Report the amount shown in box 152 of your T4A slips.
- **Taxable benefit for premiums paid to cover you under a group term life-insurance plan** – Report the amount shown in box 119 of your T4A slips.
- **Employees profit-sharing plan (EPSP)** – Report the amount shown in box 35 of your T4PS slips.

## Note

If you are a specified employee and contributions your employer made to an EPSP are allocated to you, you may have to pay tax on the amount that is considered an excess amount. See line 418. If this tax applies to you, you may be eligible to claim a deduction for the excess contribution on line 229.

- **Medical premium benefits** – Report the amount shown in box 118 of your T4A slips.
- **Wage Earner Protection Program** – Report the amount shown in box 132 of your T4A slips.

### ▼ Line 113 – Old age security (OAS) pension

Report the amount shown in box 18 of your T4A(OAS) slip.

If you have not received your T4A(OAS) slip, visit **[serviccanada.gc.ca](http://serviccanada.gc.ca)** or call **1-800-277-9914**. To view your T4A(OAS) slip information, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**.

## Notes

You may have to repay OAS benefits (see line 235) if the result of the following calculation is more than \$73,756:

- the amount from line 234; **minus**
- the amounts reported on lines 117 and 125; **plus**
- the amount deducted on line 213 and/or the amount for a repayment of registered disability savings plan income included on line 232.

The amount recovered from your gross OAS pension because of an overpayment you received in a previous period is shown in **box 20** of your T4A(OAS) slip. You can claim a deduction on line 232 for the amounts repaid.

If at any time in 2016 you were a non-resident of Canada receiving an OAS pension, you may also have to complete Form T1136, OLD AGE SECURITY RETURN OF INCOME. For more information, see Guide T4155, OLD AGE SECURITY RETURN OF INCOME GUIDE FOR NON-RESIDENTS, or contact us. To get Form T1136 and Guide T4155, go to **[cra.gc.ca/forms](http://cra.gc.ca/forms)**.

## ▼ Line 114 – CPP or QPP benefits

Report 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 shown in boxes 14 to 18. If your T4A(P) slip has an amount shown in box 16, 17, or 18, read the following sections that apply to you.

If you have not received your T4A(P) slip, visit **[servicecanada.gc.ca](http://servicecanada.gc.ca)** or call **1-800-277-9914**. To view your T4A(P) slip information, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**.

**Lump-sum benefits** – If you received a lump-sum CPP or QPP payment in 2016, parts of which were for previous years, you have to report the whole payment on line 114 of your return for 2016. We will **not reassess** the returns for the previous years to include this income. However, if the total of the parts that relate to previous years is \$300 or more, we will calculate the tax payable on those parts as if you received them in those years **only** if the result is better for you. If you received a letter from Service Canada showing amounts that apply to previous years, attach it to your **paper return**. We will tell you the results on your notice of assessment or notice of reassessment.

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

Report on **line 152**, located below and to the left of line 114, your CPP or QPP disability benefits shown in 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)**

Report 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)**

Do not report this amount if you are filing for a deceased person. If you received this amount and you are a beneficiary of the deceased person's estate, report it on line 114 of your own return unless a T3 TRUST INCOME TAX AND INFORMATION RETURN is being filed for the **estate**. For more information, see Guide T4011, PREPARING RETURNS FOR DECEASED PERSONS.



## ▼ **Line 115 – Other pensions and superannuation**

Report on line 115 any other pensions and superannuation you received, such as amounts shown in box 016 of your T4A slips and box 31 of your T3 slips.

Report on line 130 any amount shown in box 018 of your T4A slips or box 22 of your T3 slips.

You may also have to report on line 115 other amounts you received. Read the following sections that apply to you.

### **Annuity, pooled registered pension plan (PRPP), and registered retirement income fund (RRIF), including life income fund, payments**

Report the amount shown in box 024, 133, or 194 of your T4A slips, box 16 or 20 of your T4RIF slips, or box 19 of your T5 slips as follows:

- If you were 65 years of age or older on December 31, 2016, report it on line 115.

- Regardless of your age, if you received it on the death of your spouse or common-law partner, report it on line 115 even if the amount is transferred to an RRSP.
- Otherwise, report on line 130 the amount shown in box 024, 133, or 194 of your T4A slips or box 16 or 20 of your T4RIF slips. Report on line 121 the amount shown in box 19 of your T5 slips.

### **Note**

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

### **Specified Pension Plan (SPP)**

Report the SPP payments shown in box 016 of your T4A slip.

SPP payments are eligible for the pension income amount. See line 314.

### **Note**

Currently, the Saskatchewan Pension Plan is the only arrangement prescribed to be a specified pension plan. For more information about the Saskatchewan Pension Plan, visit **saskpension.com**.

## Tax Tips

If you have to report your pension, annuity, PRPP, and RRIF payments on line 115, you may be able to claim the pension income amount. See line 314.

You may also be able to make a joint election with your spouse or common-law partner to split your pension, annuity, PRPP, and RRIF (including life income fund) payments you reported on line 115 if **both** of the following apply:

- you were both residents of Canada on December 31, 2016 (or were residents of Canada on the date of death); **and**
- you and your spouse or common-law partner were not, because of a breakdown in your marriage or common-law relationship, living separate and apart from each other at the end of the year and for a period of 90 days beginning in the year.

To make this election, you and your spouse or common-law partner **must** complete Form T1032, JOINT ELECTION TO SPLIT PENSION INCOME.

## **Note**

If you elected to split your pension, superannuation, annuity, PRPP, RRIF (including life income fund), and SPP payments with your spouse or common-law partner, you (the transferring spouse or common-law partner) must still report the full amount on line 115, but you can claim a deduction for the elected split-pension amount. See line 210.

## **Pensions from a foreign country**

Report in Canadian dollars your **gross** foreign pension income received in 2016. See "Report foreign income and other foreign amounts" on page 76 [21]. Attach a note to your **paper return** identifying the type of pension you received and the country it came from. In some cases, amounts you receive may not be considered pension income and you may have to report them elsewhere on your return.

## **United States individual retirement arrangement (IRA) –**

If during 2016 you received amounts from an IRA or converted an IRA 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 in Canada because of a tax treaty. If you do not know if any part of your foreign pension is tax-free, contact us.

**United States Social Security** – Report on line 115 the full amount, in Canadian dollars, of your U.S. Social Security benefits and any U.S. Medicare premiums paid on your behalf. You can claim a deduction for part of this income. See line 256.

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

## **▼ Line 116 – Elected split-pension amount**

If you and your spouse or common-law partner have made a joint election to split your spouse's or common-law partner's eligible pension income by completing Form T1032, JOINT ELECTION TO SPLIT PENSION INCOME, you (the receiving spouse or common-law partner) must enter on this line the elected split-pension amount from line G of Form T1032.

File Form T1032 by your filing due date for the year (see "What date is your return for 2016 due?" on page 30 [10] ). This form **must** be attached to **both** your and your spouse's or common-law partner's **paper returns**. The information provided on the forms **must** be the **same**. If you are filing electronically, keep your election form in case we ask to see it later.

### **Notes**

Only one joint election can be made for a tax year. If both you and your spouse or common-law partner have eligible pension income, you will have to decide if you are splitting your pension income or your spouse's or common-law partner's pension income.

Under certain circumstances, we may allow you to make a late or amended election or revoke an original election. For more information, contact us.

## **Line 117 – Universal child care benefit (UCCB)**

**If you had a spouse or common-law partner** on December 31, 2016, the one of you with the **lower** net income must report the UCCB. Report on line 117 the amount shown in box 10 of the RC62 slip.

**If you were a single parent** on December 31, 2016, you can choose one of the following options:

- Include **all** UCCB amounts you received in 2016 in the income of the dependant for whom the amount for an eligible dependant (line 305 of Schedule 1) is being claimed. If there is **no** claim for the amount for an eligible dependant, you can choose to include all UCCB amounts in the income of a child for whom you received the UCCB. If you choose this option, **enter on line 185**, located below and to the left of line 117, the amount shown in box 10 of the RC62 slip. Do not report the amount on line 117.
- Include **all** UCCB amounts you received in 2016 in your own income. If you choose this option, report on line 117 the amount shown in box 10 of the RC62 slip. Do not enter the amount on line 185.

## Note

The UCCB income you report will **not** be included in the calculation of your GST/HST credit, Canada child benefit (CCB) payments and any related provincial or territorial credits and benefits, the social benefits repayment (line 235), the refundable medical expense supplement (line 452), or the working income tax benefit (WITB) (line 453).

In 2016, you or your spouse or common-law partner may have repaid an amount included in your or your spouse's or common-law partner's income for a previous year. If this applies to you, see line 213.

**Lump-sum benefits** – If you received the UCCB in 2016 as a lump-sum, parts of which were for a previous year, you must report the full payment in 2016. Read the instructions above on how to report this income.

We will **not reassess** the returns for the previous years to include this income. However, if you have to report on line 117 a UCCB lump-sum payment you received in 2016 and the total of the parts that relate to previous years is \$300 or more, we will calculate the tax payable on



those parts as if you received them in those years **only** if the result is better for you. Box 10 of the RC62 slip will show the breakdown of the payment as it applies to each year. We will tell you the results on your notice of assessment or notice of reassessment.

### **Note**

This special calculation will not apply if you designated the lump-sum payment benefit to a dependant and entered the amount on line 185.

### **Line 119 – Employment insurance and other benefits**

Report the amount shown in box 14 of your T4E slip, **minus** any amount shown in box 18 (if applicable). If you have already repaid excess benefits you received directly to the payer of your benefits, you may be able to claim a deduction. See line 232.

## Note

You may have to repay some of the benefits you received (see line 235) if the result of the following calculation is more than \$63,500:

- the amount from line 234; **minus**
- the amounts reported on lines 117 and 125; **plus**
- the amount deducted on line 213 and/or the amount for a repayment of registered disability savings plan income included on line 232.

### ▼ **Line 120 – Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations**

There are two types of dividends, eligible dividends and "other than eligible dividends," you may have **received** from taxable Canadian corporations.

If you need more information about the type of dividends you received, contact the payer of your dividends.

## How to report this income

Complete Part I of Schedule 4.

Enter on **line 180** the taxable amount of "**other than eligible dividends**," as shown in box 11 of T5 slips, box 25 of T4PS slips, box 32 of T3 slips, and box 130 of T5013 slips.

Report on **line 120** the taxable amount of **all** dividends from taxable Canadian corporations, as shown in boxes 11 and 25 of T5 slips, boxes 25 and 31 of T4PS slips, boxes 32 and 50 of T3 slips, and boxes 130 and 133 of T5013 slips.

**NEW!** If you did not receive an information slip, you must calculate the taxable amount of "**other than eligible dividends**" by multiplying the actual amount of "other than eligible dividends" you received by **117%**. Report the result on **line 180**.

You must also calculate the taxable amount of **eligible dividends** by multiplying the actual amount of eligible dividends you received by **138%**. Report the combined total of eligible dividends and "other than eligible dividends" on **line 120**.

Dividends received from taxable Canadian corporations qualify for the dividend tax credit, which can reduce the amount of tax you pay. You can claim this credit when you calculate your federal and provincial or territorial taxes. Read the instructions for line 425.

**Report on line 121 any foreign dividends you received.**

### **Notes**

Special rules apply for income from property (including shares) one family member lends or transfers to another. For more information, see "Loans and transfers of property" on page 78 [22].

For children born in 1999 or later who report certain dividends, see "Split income of a child under 18" on page 79 [22].

### **Tax Tip**

In some cases, it may be better for you to report **all** the taxable dividends your spouse or common-law partner 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 spouse or common-law partner amount (line 303 of Schedule 1).

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 or common-law partner's income when you calculate claims such as the spouse or common-law partner amount on line 303 or amounts transferred from your spouse or common-law partner on Schedule 2.

### ▼ **Line 121 – Interest and other investment income**

The amounts you report for the year depend on the type of investment and when you made it. Report on line 121 amounts you received, **minus** any part of those amounts you reported in previous years. Also report amounts credited to you but that you did not receive (such as amounts that were reinvested).

The amounts to report include those shown in boxes 13, 14, 15, and 30 of T5 slips, box 25 of T3 slips, and boxes 128 and 135 of T5013 slips. You also have to report the interest on any tax refund you received in 2016, which is shown on your notice of assessment or notice of reassessment.

If you received foreign interest or dividend income, report it in Canadian dollars. For more information, see "Report foreign income and other foreign amounts" on page 76 [21].

If you own an interest in a foreign investment entity or an interest in a foreign insurance policy, you may have to report investment income. For more information, contact us.

If, as a shareholder in a foreign corporation, you received certain shares in another foreign corporation, you may not have to report any amount in income for receiving those shares. For more information, contact us.

## **Notes**

Special rules apply for income from property (including money) one family member lends or transfers to another. For more information, see "Loans and transfers of property" on page 78 [22].

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 benefit payments into a bank account or

trust in your child's name, the interest earned on those payments is your child's income.

For children born in 1999 or later who report certain investment income, see "Split income of a child under 18" on page 79 [22].

### **How to report this income**

List your investments in Part II of Schedule 4. Generally, you report **your share** of interest from a **joint investment** based on how much you contributed to it.

#### **Example**

Sally and Roger received a T5 slip from their joint bank account showing the \$400 interest they earned in 2016. Sally had deposited \$4,000 and Roger had deposited \$1,000 into the account.

Roger reports \$80 interest, calculated as follows:

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

\$5,000 (total)

Sally reports \$320 interest, calculated as follows:

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

## **Bank accounts**

Report interest paid or credited to you in 2016, 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 information about Canada savings bonds, see the next section.

The 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, 2015, report on your return for 2016 the interest



that accumulated to the end of June 2016, even if you do not receive a T5 slip. Report the interest from July 2016 to June 2017 on your 2017 return.

### **Note**

If your investment agreement specifies a different interest rate each year, report the amount shown on your T5 slips, 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 made **in 1989 or earlier**, use **Info-Tax**, one of our **Tax Information Phone Services** (see page 353 [73] ), or see Interpretation Bulletin IT-396, INTEREST INCOME.

### **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. For both kinds of bonds, report the amount shown on the T5 slips.

## **Treasury bills**

If you disposed of a treasury bill at maturity in 2016, you have to report as interest the difference between the price you paid and the proceeds of disposition shown on your T5008 slips or account statement.

If you disposed of a treasury bill before maturity in 2016, you may also have to report a capital gain or loss. For more information, see Guide T4037, 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. 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.

## **Line 122 – Net partnership income: limited or non-active partners only**

Report on line 122 your share of the net income or loss from a partnership if the partnership did not include a rental or farming operation and you were **either**:

- a limited partner; or
- not actively involved in the partnership and not otherwise involved in a business or profession similar to that carried on by the partnership.

Report your net rental income or loss from a partnership on line 126.  
Report your net farming income or loss from a partnership on line 141.

If none of the above applies to you, report your share of the partnership's net income or loss on the applicable self-employment line of your return (lines 135 to 143).

### **Notes**

If the partnership has a loss, the amount you can claim could be limited. For more information, contact us.

For children born in 1999 or later who report certain limited or non-active partnership income, see "Split income of a child under 18" on page 79 [22].

If you have a tax shelter, see "Tax shelters" on page 82 [22].

- If all or part of the income was earned in a province or territory other than your province or territory of residence, or if it was earned outside Canada, complete and attach to your return Form T2203, PROVINCIAL AND TERRITORIAL TAXES FOR 2016 – MULTIPLE JURISDICTIONS.
- Attach to your **paper return** a T5013 slip. If you did not receive one, attach a copy of the partnership's financial statement. See lines 135 to 143.

### **Note**

You may have to make Canada Pension Plan contributions on the net income you report on line 122. See line 222.

## **Line 125 – Registered disability savings plan (RDSP) income**

If you have received income from an RDSP in 2016, report the amount shown in box 131 of your T4A slips. For more information, go to [cra.gc.ca/rdsp](http://cra.gc.ca/rdsp), see Information Sheet RC4460, REGISTERED DISABILITY SAVINGS PLAN, or contact us.

### **Note**

The RDSP income you report will **not** be included in the calculation of your GST/HST credit, your Canada child benefit payments (including those from related provincial or territorial programs), the social benefits repayment (line 235), the refundable medical expense supplement (line 452), or the working income tax benefit (line 453).

## **Line 126 – Rental income**

Report your gross rental income on line 160 and your net rental income or loss on line 126. If you have a loss, show the amount in brackets. If you were a member of a partnership, also report any amount shown in boxes 107 and 110 of your T5013 slips or any amount the partnership allocated to you in its financial statements.

You must include with your **paper return** a statement or Form T776, STATEMENT OF REAL ESTATE RENTALS, showing your rental income and expenses for the year. If it applies, also include your T5013 slips or a copy of the partnership's financial statement.

For more information, see Guide T4036, RENTAL INCOME.

If you have a tax shelter, see "Tax shelters" on page 82 [22].

### **Line 127 – Taxable capital gains**

**NEW!** You may have a capital gain or loss when you dispose of property, such as when you sell real estate, which may include your principal residence, or shares (including those in mutual funds). Generally, if the total of your gains for the year is more than the total of your losses, you have to report 50% of the difference as income. However, if the total of your losses for the year is more than the total of your gains, you cannot deduct the difference on your return for the year. See the next section, "How to report these gains."

If you sold a principal residence in the year, complete the "Principal residence" section on page 13 [2] of Schedule 3.

If you have a capital gain or loss from selling or redeeming your mutual fund units or shares, get Information Sheet RC4169, TAX TREATMENT OF MUTUAL FUNDS FOR INDIVIDUALS, for more information.

If you realized a capital gain as a result of a mortgage foreclosure or conditional sales repossession, this gain is **not included** in income when we calculate your GST/HST credit, your Canada child benefit payments, your child disability benefit payments, the social benefits repayment (line 235), the age amount (line 301 of Schedule 1), the refundable medical expenses supplement (line 452), the working income tax benefit (line 453), the Prince Edward Island, Nova Scotia, New Brunswick, or Newfoundland and Labrador tax reductions. If this applies to you, contact us.

When you donate capital property to a registered charity or other qualified donees, we consider you to have disposed of the property at its fair market value. As a result, you may have to report a capital gain or loss for that property. There are special rules for donations of certain property. For more information, see Guide T4037, CAPITAL GAINS, and Pamphlet P113, GIFTS AND INCOME TAX.

For donations of publicly traded securities, the inclusion rate of zero also applies to any capital gain realized on the exchange of shares of the capital stock of a corporation for those publicly traded securities that were donated. This treatment has certain conditions. If the exchanged securities are partnership interests, a special calculation is required to determine the capital gain to be reported. For more information about exchangeable securities, see Pamphlet P113, GIFTS AND INCOME TAX.

Donations of certain flow-through share properties may result in a deemed capital gain subject to an inclusion rate of 50%. For more information, see Pamphlet P113, GIFTS AND INCOME TAX.

### **How to report these gains**

Complete Schedule 3 and attach it to your **paper return**. Generally, if all your gains or losses are shown on T4PS, T5, or T5013 slips, report the total of amounts on line 174 of Schedule 3. If they are shown on T3 slips, report the total of amounts on line 176. Also attach these documents to your **paper return**. If your securities transactions are shown on an account statement or a T5008 slip, use the information



on these documents to help you complete Schedule 3. For more information about these and other capital dispositions, see Guide T4037, CAPITAL GAINS.

If the result on line 199 of Schedule 3 is positive (gain), report the amount on line 127 of your return. If the result is negative (loss), do **not** report the amount on line 127 of your return. We will register it in our system. Keep track of this loss, which you can use to reduce your taxable capital gains of other years. For more information, read the following notes.

### **Notes**

You may have incurred a net capital loss in 2016 you would like to apply against taxable capital gains you reported on your 2013, 2014, or 2015 return. For more information and to carry back the loss, get Form T1A, REQUEST FOR LOSS CARRYBACK, and Guide T4037, CAPITAL GAINS. Attach a completed Form T1A to your **paper return** (or send one to us separately). Do not file an amended return for the year or years to which you apply the loss.

If you are preparing a return for a person who died in 2016, see Guide T4011, PREPARING RETURNS FOR DECEASED PERSONS, for more information about special rules that apply to claiming these losses.

### **Tax Tip**

You may be able to claim a deduction for your capital gains. See line 254.

### **Line 128 – Support payments received**

Report on **line 156** the total of **all** taxable and non-taxable support payments you received for yourself and/or for a child (or, if you are the payer, the payments that were repaid to you under a court order) in 2016. Report on **line 128** only the **taxable** amount.

### **Note**

Most child support payments received according to a written agreement or court order dated **after** April 1997 are **not** taxable. For more information, see Guide P102, SUPPORT PAYMENTS.

## **Tax Tips**

You may be able to claim a deduction on line 256 for the part of the payments you received from a resident of another country that is tax-free in Canada because of a tax treaty. If you do not know if any part of the payment is tax-free, contact us.

You may be able to claim a deduction on line 220 for support payments you repaid under a court order. For more information, see Guide P102, SUPPORT PAYMENTS.

### **▼ Line 129 – RRSP income**

Report the total of amounts shown in boxes 16, 18, 28, and 34 of all your T4RSP slips. Also report amounts shown in boxes 20, 22, and 26, unless your spouse or common-law partner made a contribution to your Registered Retirement Savings Plan (RRSP). For more information, see "RRSPs for spouse or common-law partner" in the next section.

## **Notes**

If you report a refund of RRSP premiums shown in box 28 of your T4RSP slips and you rolled over an amount to a registered disability savings plan (RDSP), you may be able to claim a deduction (see line 232). For more information about RDSPs, go to [cra.gc.ca/rdsp](http://cra.gc.ca/rdsp) or see Guide T4040, RRSPs AND OTHER REGISTERED PLANS FOR RETIREMENT.

Regardless of your age, if you received income shown on a T4RSP slip on the death of your spouse or common-law partner, report it on line 129 even if the amount is transferred to an RRSP.

## **Tax Tips**

If unused RRSP contributions you made after 1990 were refunded to you or your spouse or common-law partner in 2016, you may be able to claim a deduction on line 232. See line 232.

RRSP annuity payments you report on line 129 (shown in box 16 of your T4RSP slips) qualify for the pension income amount if you were 65 years of age or older on December 31, 2016, or if you received the payments on the death of your spouse or common-law partner. See line 314.

You may also be able to make a joint election with your spouse or common-law partner to split your RRSP annuity payments you reported on line 129 if you meet **all** the following conditions:

- you were 65 years of age or older on December 31, 2016, **or** you received the payments on the death of your spouse or common-law partner;
- you were both residents of Canada on December 31, 2016 (or were residents of Canada on the date of death); **and**
- you and your spouse or common-law partner were not, because of a breakdown in your marriage or common-law relationship, living separate and apart from each other at the end of the year and for a period of 90 days commencing in the year.

To make this election, you and your spouse or common-law partner **must** complete Form T1032, JOINT ELECTION TO SPLIT PENSION INCOME.

### **Note**

If you elected to split your RRSP annuity payments with your spouse or common-law partner, you (the transferring spouse or common-law

partner) must still report the full amount on line 129, but you can claim a deduction for the elected split-pension amount. See line 210.

## **RRSPs for spouse or common-law partner**

Your spouse or common-law partner may have to report some or all of the RRSP income shown in boxes 20, 22, and 26 of your T4RSP slips if he or she contributed to **any** of your RRSPs in 2014, 2015, or 2016. In that case, your T4RSP slips should have "Yes" ticked in box 24 and your spouse's or common-law partner's social insurance number shown in box 36.

To calculate the amount from an RRSP for a spouse or common-law partner that each of you has to report, complete Form T2205, AMOUNTS FROM A SPOUSAL OR COMMON-LAW PARTNER RRSP, RRIF, OR SPP TO INCLUDE IN INCOME. Both you and your spouse or common-law partner should include this form with your **paper returns**. However, only the person shown as the annuitant (recipient) on the T4RSP slips can claim the income tax deducted (box 30) and should attach the slips to his or her **paper return**.

## **Note**

If you and your spouse or common-law partner 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 information, see Guide T4040, RRSPs AND OTHER REGISTERED PLANS FOR RETIREMENT.

## **Repayments under the Home Buyers' Plan (HBP) and the Lifelong Learning Plan (LLP)**

If in previous years you withdrew funds from your RRSP under the HBP or the LLP, you may have to make a repayment for 2016. The minimum repayment is shown on your notice of assessment or notice of reassessment for 2015. To make a repayment, you have to contribute to your RRSP, Specified Pension Plan (SPP), or a PRPP **from January 1, 2016, to March 1, 2017**, and designate your contribution as a repayment on line 6 or 7 of Schedule 7 (see page 153 [35] ). **Do not send your repayment to us.**

If you repay less than the minimum amount for 2016, you have to report the difference on line 129 of your return.

### **Example**

Kevin withdrew funds under the HBP in 2011. His minimum required repayment for 2016 was \$800. The only RRSP contribution he made from January 1, 2016, to March 1, 2017, was \$500 on June 18, 2016. He designated it on line 6 of Schedule 7 as a repayment under the HBP and included \$300 in his income on line 129 (\$800 minimum required repayment minus \$500 repaid and designated).

For more information, including the rules that apply when the person who made the withdrawal dies, turns 71 years of age, or becomes a non-resident, go to [cra.gc.ca/hbp](http://cra.gc.ca/hbp) or see Guide RC4112, LIFELONG LEARNING PLAN (LLP).

To view your HBP or LLP information, go to [cra.gc.ca/myaccount](http://cra.gc.ca/myaccount).



## ▼ Line 130 – Other income

Use this line to report taxable income that **has not been or should not be reported anywhere else** on the return. To find out if an amount is taxable, contact us. In the space to the left of line 130, specify the type of income you are reporting. If you have more than one type of income, attach a note to your **paper return** giving the details.

### **Note**

Special rules apply for income from property one family member lends or transfers to another. For more information, see "Loans and transfers of property" on page 78 [22].

## **Scholarships, fellowships, bursaries, and artists' project grants**

Elementary and secondary school scholarships and bursaries are not taxable.

Post-secondary school scholarships, fellowships, and bursaries are not taxable if you received them in 2016 for your enrolment in a program that entitles you to claim the full-time education amount

in 2015 or 2016 or if you will be considered a full-time qualifying student for 2017.

Effective January 1, 2017, the education tax credit is eliminated and the new term "qualifying student" is introduced to ensure that the scholarship exemption is unaffected. In most cases, you are eligible for the education amount or you are a qualifying student in a year if you received a T2202A, TL11A, TL11B, or TL11C and the institution has completed either column B or C. For more information, see Guide P105, STUDENTS AND INCOME TAX.

If you are not eligible for the full-time or part-time education amount for 2015 or 2016, and will not be considered a qualifying student for 2017, report on line 130 the part of the post-secondary scholarships, fellowships, and bursaries you received in the year that is more than \$500.

## **Notes**

Post-secondary programs consisting mainly of research are eligible for the scholarship exemption and the education amount **only** if they lead to a college or CEGEP diploma or a bachelor, masters, or

doctoral (or equivalent) degree. Post-doctoral fellowships are taxable.

If you have received a scholarship, fellowship, or bursary related to a part-time program for which you can claim the part-time education amount for that program for 2015 or 2016, or if you will be a part-time qualifying student for 2017, the scholarship exemption is equal to the tuition paid plus the costs of program-related materials.

You may also be able to claim up to an additional \$500 as a scholarship exemption.

For more information, go to **[cra.gc.ca/students](http://cra.gc.ca/students)** or see Guide P105, STUDENTS AND INCOME TAX.

If you received an artists' project grant, see Guide P105 for more information.

Report prizes and awards you received as a benefit from your employment or in connection with a business. However, this type of income is not eligible for the \$500 tax-free amount. If you received a research grant, see line 104.

For more information, see Guide P105.

## **Apprenticeship incentive grant and apprenticeship completion grant**

If you received an apprenticeship incentive or completion grant in 2016, report the amount shown in box 130 of your T4A slip on line 130.

For more information, visit **servicecanada.gc.ca**, see Guide P105, or call **1-866-742-3644**.

### **▼ Lump-sum payments**

Report lump-sum payments **from pensions and deferred profit-sharing plans** (box 018 of your T4A slips and box 22 of your T3 slips) you received when leaving a plan.

If in 2016 you received a lump-sum payment that included amounts you earned in previous years, you have to report the whole payment on line 130 of your return for 2016. However, you can ask us to apply a reduced tax rate to the part relating to amounts you earned

before 1972 by attaching a note to your **paper return**. We will tell you the results on your notice of assessment or notice of reassessment.

### ▼ **Retiring allowances**

Report the amount shown in boxes 66 and 67 of your T4 slips and any retiring allowance shown in box 26 of your T3 slips.

#### **Note**

You may be able to deduct legal fees you paid to get a retiring allowance. See line 232.

#### **Tax Tip**

You may be able to transfer part or all of your retiring allowances to your RRSP. See line 15, "Transfers" on page 156 [36].

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

A death benefit is an amount you receive after a person's death for their employment service. It is shown in box 106 of your T4A slips or box 26 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 the full death benefit in one year, the total tax-free amount for all years cannot exceed \$10,000.

To find out what to report if anyone else also received a death benefit for the same person, use **Info-Tax**, one of our **Tax Information Phone Services** (see page 353 [73] ), or see Interpretation Bulletin IT-508, DEATH BENEFITS.

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

### **Other kinds of income**

Also report the following income on line 130:

- ▼ amounts distributed from a retirement compensation arrangement shown on your T4A-RCA slips (for more information, see the backs of your slips);

- training allowances or any other amount shown in box 028 of your T4A slips (other than amounts already noted for this line and lines 104, 115, and 125);
- payments from a trust shown in box 26 of your T3 slips;
- payments from a registered education savings plan shown in box 040 (see line 418) or 042 of your T4A slips;
- ▼ certain annuity payments (see line 115);
- certain payments from a tax-free savings account (TFSA) shown in box 134 of your T4A slips;
- designated benefits from a registered retirement income fund shown in box 22 of your T4RIF slips, or the registered pension plan amount shown in box 018 of your T4A slips if you rolled over an amount to a registered disability savings plan (RDSP). See line 232 for information about the corresponding deduction. For more information about RDSPs, go to **[cra.gc.ca/rdsp](http://cra.gc.ca/rdsp)** or see Guide T4040, RRSPS AND OTHER REGISTERED PLANS FOR RETIREMENT;
- amounts (grants) paid to you as a result of taking time away from work to cope with the death or disappearance of your child because

of an offence or probable offence under the CRIMINAL CODE (shown in box 136 of your T4A slip); and

- ▼ PRPP income shown in box 194 of your T4A slips if you were under 65 years of age and you did not receive this income on the death of your spouse or common-law partner.

### **Lines 135 to 143 – Self-employment income**

Report **on the appropriate lines** your gross and net income or loss from self-employment. If you have a loss, show it in brackets. Include with your paper return a statement showing your income and expenses.

You have to file Form T1139, RECONCILIATION OF 2016 BUSINESS INCOME FOR TAX PURPOSES, with your return for 2016 to keep a year-end that does not finish on December 31, 2016. Even if you filed Form T1139 with your return for 2015, you may have to complete the version of this form for 2016. For more information, see Guide RC4015, RECONCILIATION OF BUSINESS INCOME FOR TAX PURPOSES.



## Notes

You may have to make Canada Pension Plan contributions on your self-employment earnings. See line 222.

You may be able to enter into an agreement with the Canada Employment Insurance Commission through Service Canada to participate in the employment insurance (EI) program for access to EI special benefits. For more information, contact Service Canada or visit **[serviccanada.gc.ca](http://serviccanada.gc.ca)**.

For children born in 1999 or later who report certain self-employment income, see "Split income of a child under 18" on page 79 [22].

The following guides contain more information and forms you may need to help you calculate your self-employment income:

- T4002, Business and Professional Income (Form T2125, Statement of Business or Professional Activities);
- T4003, Farming and Fishing Income (Form T2042, Statement of Farming Activities, and Form T2121, Statement of Fishing Activities);

- RC4060, Farming Income and the AgriStability and AgriInvest Programs Guide – Joint Forms and Guide (Form T1163, Statement A – AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Individuals, and Form T1164, Statement B – AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Additional Farming Operations); and
- RC4408, Farming Income and the AgriStability and AgriInvest Programs Harmonized Guide (Form T1273, Statement A – Harmonized AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Individuals, and Form T1274, Statement B – Harmonized AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Additional Farming Operations).

## **Notes**

If you are participating in the AgriStability and AgriInvest programs and you are filing a **paper return**, use the envelope provided in Guide RC4060 or RC4408.

If you use your home for daycare, see Pamphlet P134, USING YOUR HOME FOR DAYCARE, for more information.

If you were a limited or non-active partner, report your net income or losses from rental operations on line 126 and your net farming income or losses on line 141. Report other net income or other losses on line 122.

If you were an active partner and you received a T5013 slip, report on your return the amount from boxes 118, 121, 123, 125, and 127. Report your share of the partnership's net income or loss shown in boxes 101, 103, 116, 120, 122, 124, and 126 on the applicable line of your return. Attach the T5013 slip to your **paper return**. If you did not receive this slip, follow the instructions on the applicable self-employment form and report your share of the partnership's net income or loss on the applicable self-employment line of your return. Attach the applicable self-employment form or a copy of the partnership's financial statement to your **paper return**.

For more information, call our **business enquiries** line at **1-800-959-5525**.

If you have a tax shelter, see "Tax shelters" on page 82 [22].

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

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

### **Note**

In 2016 you may have repaid salary or wages originally paid to you by your employer in a previous year, in anticipation of workers' compensation benefits you would receive. This amount is shown in box 77 of your T4 slips. You may be able to claim a deduction on line 229. For more information, contact us.

## **▼ Line 145 – Social assistance payments**

Report the amount shown in box 11 of your T5007 slip or the federal part of your Quebec RELEVÉ 5 slip, unless you lived with your spouse or common-law partner when the payments were made. The spouse or common-law partner with the higher net income on line 236 (not including these payments or the deductions on line 214 or line 235) must report all the payments, even if that person's name is not shown on the slip. If this amount is the same for both of you, the person

named on the T5007 slip (or the **prestataire** on the federal part of the RELEVÉ 5 slip) must report the payments.

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

### **Notes**

You do not have to report certain social assistance payments you or your spouse or common-law partner received for being a foster parent or for caring for a disabled adult who lived with you. However, if the payments are for caring for your spouse or common-law partner or any person related to either of you, whoever has the higher net income must report those payments. For more information, contact us.

If you repay an amount that was shown on a T5007 slip or a RELEVÉ 5 slip in a previous year, the return for that year may be adjusted based on the amended slip provided. For more information, see "How to change a return" on page 348 [71].

If you are a registered Indian or a person entitled to be registered under the INDIAN ACT, and live on a reserve, do not report social

assistance payments received from your band council. We do not include such payments in your net family income when we calculate your GST/HST credit or Canada child benefit payments.

### ▼ **Line 146 – Net federal supplements**

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

If your net income before adjustments on line 234 of your return is \$73,756 or less, claim a deduction on line 250 for the net federal supplements you entered on line 146. If the amount on line 234 of your return is more than \$73,756, see line 250.

## **Step 3 – Net income**

### **Calculation of net income (page 13 [3] of your return)**

To determine your net income at line 236, claim any deductions that apply to you.

## **Line 205 – Pooled registered pension plan (PRPP) employer contributions**

See page 158 [36].

## **Line 206 – Pension adjustment**

Report on line 206 the total of all amounts shown in box 52 of your T4 slips or box 034 of your T4A slips. Generally, this total represents the value of the benefits you earned in 2016 under a registered pension plan or a deferred profit-sharing plan.

Do not report the pension adjustment (PA) amount as income, and do not deduct it on your return. Report the amount on line 206. We will use it to calculate your RRSP/PRPP deduction limit for 2017, which we will show on your latest notice of assessment, notice of reassessment, or T1028 statement, YOUR RRSP/PRPP INFORMATION FOR 2016. You can also view your RRSP/PRPP deduction limit at [cra.gc.ca/myaccount](http://cra.gc.ca/myaccount) or go to [cra.gc.ca/mobileapps](http://cra.gc.ca/mobileapps) and select MyCRA.

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

## Notes

If you live in Canada and participated in a foreign pension plan in 2016, you may have to report an amount on this line. For more information, contact us.

If you contributed to a foreign employer-sponsored pension plan or to a social security arrangement (other than a United States (U.S.) arrangement), see Form RC269, EMPLOYEE CONTRIBUTIONS TO A FOREIGN PENSION PLAN OR SOCIAL SECURITY ARRANGEMENT FOR 2016 – NON-UNITED STATES PLANS OR ARRANGEMENTS.

If you were a U.S. resident working in Canada and contributed to a U.S. employer-sponsored retirement plan, see Form RC267, EMPLOYEE CONTRIBUTIONS TO A UNITED STATES RETIREMENT PLAN FOR 2016 – TEMPORARY ASSIGNMENTS.

If you were a commuter from Canada and contributed to a U.S. retirement plan, see Form RC268, EMPLOYEE CONTRIBUTIONS TO A UNITED STATES RETIREMENT PLAN FOR 2016 – CROSS-BORDER COMMUTERS.

You can get these forms by going to **[cra.gc.ca/forms](http://cra.gc.ca/forms)** or by contacting us.



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

Generally, you can deduct the total of all amounts shown in box 20 of your T4 slips, in box 032 of your T4A slips, or on your union or RPP receipts. Go to [cra.gc.ca/rrsp](http://cra.gc.ca/rrsp), see Guide T4040, RRSPs AND OTHER REGISTERED PLANS FOR RETIREMENT, or contact us to find out how much you can deduct if **any** of the following apply:

- the total is more than \$3,500 **and** your information slips show a past-service amount for service before 1990;
- you contributed in a previous year and could not deduct part of the contributions; or
- you made contributions to a pension plan in a foreign country.

### **Notes**

If you contributed to a foreign employer-sponsored pension plan or to a social security arrangement (other than a United States (U.S.) arrangement), see Form RC269, EMPLOYEE CONTRIBUTIONS TO A FOREIGN PENSION PLAN OR SOCIAL SECURITY ARRANGEMENT FOR 2016 – NON-UNITED STATES PLANS OR ARRANGEMENTS.

If you were a U.S. resident working in Canada and contributed to a U.S. employer-sponsored retirement plan, see Form RC267, EMPLOYEE CONTRIBUTIONS TO A UNITED STATES RETIREMENT PLAN FOR 2016 – TEMPORARY ASSIGNMENTS.

If you were a commuter from Canada and contributed to a U.S. retirement plan, see Form RC268, EMPLOYEE CONTRIBUTIONS TO A UNITED STATES RETIREMENT PLAN FOR 2016 – CROSS-BORDER COMMUTERS.

You can get these forms by going to [cra.gc.ca/forms](http://cra.gc.ca/forms) or by contacting us.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your T4 and T4A slips but do not send your other documents. Keep them in case we ask to see them later.

### **Line 208 – RRSP/PRPP deduction**

This section gives general information about registered retirement savings plans (RRSPs) and pooled registered pension plans (PRPPs).

If you need more information after reading this section, go to **[cra.gc.ca/rrsp](https://cra.gc.ca/rrsp)** or see Guide T4040, RRSPs AND OTHER REGISTERED PLANS FOR RETIREMENT.

Specified Pension Plan (SPP) contributions generally have the same rules as RRSP contributions.

### **Note**

Currently, the Saskatchewan Pension Plan is the only arrangement prescribed to be a specified pension plan. For more information about the Saskatchewan Pension Plan, visit **[saskpension.com](https://saskpension.com)**.

The PRPP is a retirement savings option for individuals, including those who are self-employed. For more information, go to **[cra.gc.ca/prpp](https://cra.gc.ca/prpp)**.

To find out if you have to complete Schedule 7, read the information at the top of the schedule. For more information about completing Schedule 7, see "How to complete Schedule 7" on this page. To view your RRSP/PRPP information, go to **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)**.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your completed Schedule 7 (if applicable). Also send your official receipts for all amounts you contributed from March 1, 2016, to March 1, 2017, including those you are not deducting on your return for 2016 and those you are designating as Home Buyers' Plan (HBP) or Lifelong Learning Plan (LLP) repayments. For more information about HBP and LLP repayments, see lines 6 and 7 on page 153 [on the next page].

If you contributed to your spouse's or common-law partner's RRSP, the receipt must show your name as the contributor and your spouse's or common-law partner's name as the annuitant (recipient).

### **Maximum contributions you can deduct**

The maximum you can deduct on line 208 is the **lesser** of:

- the unused RRSP/PRPP contributions identified as amount (B) of "Your 2016 RRSP/PRPP Deduction Limit Statement" shown on your latest notice of assessment, notice of reassessment, T1028 statement, YOUR RRSP/PRPP INFORMATION FOR 2016, or on My

Account, **plus** the total of your RRSP/PRPP contributions made from March 1, 2016, to March 1, 2017, (not including amounts you designate as HBP or LLP repayments – see lines 6 and 7 on page 153 [on the next page] ); and

- your RRSP/PRPP deduction limit for 2016, **minus** your employer PRPP contribution from line 205 (see lines 11 to 14 on page 155 [on the next page] ), **plus** amounts you transfer to your RRSP/PRPP on or before March 1, 2017 (see line 15 on page 156 [36] ).

## Notes

After the end of the year you turn 71 years of age, you or your spouse or common-law partner cannot contribute to an RRSP/PRPP under which you are the annuitant (recipient). However, you can still contribute to your spouse's or common-law partner's RRSP until the end of the year he or she turns 71 years of age, and you can deduct those contributions if you still have an unused RRSP deduction limit.

If you contribute more to an RRSP/PRPP than you can deduct, you may have to pay a tax of 1% per month. To pay this tax you must file a T1-OVP, 2016 INDIVIDUAL TAX RETURN FOR RRSP, SPP AND PRPP EXCESS CONTRIBUTIONS, for each applicable tax year. For more

information, go to [cra.gc.ca/rrsp](http://cra.gc.ca/rrsp) or see "Tax on RRSP excess contributions" in Guide T4040, RRSPs AND OTHER REGISTERED PLANS FOR RETIREMENT.

**Need to know your RRSP or TFSA contribution limits?**

Use My Account at [cra.gc.ca/guide-myaccount](http://cra.gc.ca/guide-myaccount) to check your contribution limits at your convenience. On the go? Try the MyCRA mobile app.

Find out more at [cra.gc.ca/guide-mobileapps](http://cra.gc.ca/guide-mobileapps).

**How to complete Schedule 7**

You may not have to complete Schedule 7. To find out, read the information at the top of the schedule.

**Line 1 – Unused RRSP/PRPP contributions**

These are contributions you made to your own RRSP or to an RRSP for your spouse or common-law partner after 1990 but did not deduct on line 208 of any previous return or designate as an HBP or an LLP

repayment and any PRPP contribution you made before March 1, 2016, that you have not deducted. The total of unused contributions is identified as amount (B) of "Your 2016 RRSP/PRPP Deduction Limit Statement" shown on your latest notice of assessment, notice of reassessment, or T1028 statement, YOUR RRSP/PRPP INFORMATION FOR 2016, if you showed them on a previous year's Schedule 7.

If you do not have your notice of assessment, notice of reassessment, or T1028 statement, you can find out if you have unused RRSP/PRPP contributions by using **RRSP/PRPP deduction limit**, one of our **Tax Information Phone Services** (see page 353 [73] ), or by going to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)** or **[cra.gc.ca/mobileapps](http://cra.gc.ca/mobileapps)** and selecting MyCRA.

## **Notes**

If you have unused RRSP/PRPP contributions you made from March 3, 2015, to February 29, 2016, you should have filed a completed Schedule 7 with your 2015 return. If you did not, send your receipts and a completed copy of a 2015 Schedule 7 to your tax centre, **but do not include them with your return for 2016.**

For more information, see "How to change a return" on page 348 [71].

If you have unused contributions you made from January 1, 1991, to March 2, 2015, but did not show on a Schedule 7 for 2014 or earlier, contact us.

### **Lines 2 and 3 – Total RRSP/PRPP contributions**

This total includes amounts you:

- contributed to your own RRSP, or PRPP or to a RRSP for your spouse or common-law partner from March 1, 2016, to March 1, 2017;
- contributed to your own SPP or the SPP for your spouse or common-law partner from March 1, 2016, to March 1, 2017;
- transferred to your own RRSP/PRPP (see line 15 on page 156 [on the next page] ); and
- designated as HBP or LLP repayments (see lines 6 and 7 on page 153 [on this page] ).



Include on these lines **all** contributions you made from January 1, 2017, to March 1, 2017, even if you are **not deducting** or **designating** them on your return for 2016. Otherwise, we may reduce or disallow your claim for these contributions on your return for a future year.

### **Tax Tip**

If you have made deductible RRSP/PRPP contributions for 2016 (other than transfers) from March 1, 2016, to March 1, 2017, you do not have to claim the full amount on line 208 of your 2016 return. Depending on your federal and provincial or territorial rates of tax for 2016, and your expected rates of tax for future years, it may be more beneficial for you to claim, if applicable, only part of your contributions on line 14 of Schedule 7 and on line 208 of your 2016 return. The contributions you do not claim for 2016 will then be available for you to carry forward and claim for future years when your federal and provincial or territorial rates of tax are higher.

In all cases, you **must** record the total RRSP/PRPP contributions you made from March 1, 2016, to March 1, 2017, on lines 2 and 3 of your 2016 Schedule 7.

Do **not** include the following amounts:

- any unused RRSP/PRPP contributions you made after February 29, 2016, refunded to you or your spouse or common-law partner in 2016. Report the refund on line 129 of your return for 2016. You may be able to claim a deduction on line 232;
- part or all of the contributions you made to your RRSP or an RRSP for your spouse or common-law partner less than 90 days before either of you withdrew funds from that RRSP under the HBP or the LLP. For more information, go to [cra.gc.ca/hbp](http://cra.gc.ca/hbp) or see Guide RC4112, LIFELONG LEARNING PLAN (LLP);

### **Note**

You cannot withdraw funds from a SPP or a PRPP under the LLP or the HBP.

- your employer's contributions to your PRPP (see line 205);
- any payment directly transferred to your RRSP/PRPP if you did not receive an information slip for it or if it is shown in box 35 of your T4RSP or T4RIF slips;

- the part of an RRSP withdrawal you recontributed to your RRSP and deducted on line 232. 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); or
- the excess part of a direct transfer of a lump-sum payment from your RPP to an RRSP, a PRPP or a registered retirement income fund (RRIF) you withdrew and are including on line 129 or 130 of your return for 2016 and deducting on line 232.

### **Lines 6 and 7 – Repayments under the HBP and the LLP**

If you withdrew funds from your RRSP under the HBP before 2015, you have to make a repayment for 2016. If you withdrew funds from your RRSP under the LLP before 2015, you may have to make a repayment for 2016. In either case, your 2016 minimum required repayment is shown on your latest notice of assessment, notice of reassessment, T1028 statement, YOUR RRSP/PRPP INFORMATION FOR 2016, or at [cra.gc.ca/myaccount](http://cra.gc.ca/myaccount) or go to [cra.gc.ca/mobileapps](http://cra.gc.ca/mobileapps) and select MyCRA.

## Note

You cannot withdraw funds from a SPP or a PRPP under the LLP or the HBP. However, a SPP or PRPP contribution can be designated as a LLP or a HBP repayment.

To make a repayment for 2016, you must designate a contribution to your own RRSP and/or PRPP from January 1, 2016, to March 1, 2017, as a repayment on line 6 or 7 of Schedule 7. Do not include an amount you deducted or designated as a repayment on your 2015 return or that was refunded to you. **Do not send your repayment to us.** You **cannot deduct** any RRSP/PRPP contribution you **designate as an HBP or an LLP repayment** on Schedule 7.

## Note

If you repay less than the minimum amount for 2016, report the difference on line 129 of your return.

## **Lines 11 to 14 – RRSP/PRPP contributions you are deducting for 2016**

Your RRSP/PRPP deduction limit for 2016 is shown on line A of your latest notice of assessment, notice of reassessment, T1028 statement, YOUR RRSP/PRPP INFORMATION FOR 2016 (if we sent you one), **minus** any employer contributions made in 2016 to your PRPP (see line 205). You can carry forward indefinitely any unused part of your RRSP/PRPP deduction limit accumulated after 1990.

If you do not have your notice of assessment, notice of reassessment, or T1028 statement, you can find your limit for 2016 by using **RRSP/PRPP deduction limit**, one of our **Tax Information Phone Services** (see page 353 [73] ), by going to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**, or **[cra.gc.ca/mobileapps](http://cra.gc.ca/mobileapps)** and selecting MyCRA, or by contacting us.

To calculate your RRSP/PRPP deduction limit for 2016, get Guide T4040, 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. To keep your RRSP deduction limit current, you have to file a return for each year.

## **Line 15 – Transfers**

You may have reported income on line 115, 129, or 130 of your return for 2016. If you contributed certain types of this income to your own RRSP/PRPP on or before March 1, 2017, you can deduct this contribution, called a **transfer**, in addition to any RRSP/PRPP contribution you make based on your "RRSP/PRPP deduction limit for 2016."

For example, if you received a retiring allowance in 2016, report it on line 130 of your return. You can contribute to your RRSP/PRPP up to the eligible part of that income (box 66 of your T4 slips or box 47 of your T3 slips) and deduct it as a transfer. Include the amounts you transfer on lines 2 or 3 and 15 of Schedule 7.

For more information about amounts you can transfer, see Guide T4040, RRSPs AND OTHER REGISTERED PLANS FOR RETIREMENT.

## **Lines 19 to 22 – 2016 withdrawals under the HBP and the LLP**

Report on line 19 the total of your Home Buyers' Plan (HBP) withdrawals for 2016 from box 27 of your T4RSP slips. Tick the box at line 20 if the address of the home you acquired with these withdrawals is the same as the address on page [1] of your return.

Report on line 21 the total of your Lifelong Learning Plan (LLP) withdrawals for 2016 from box 25 of your T4RSP slips. Tick the box at line 22 to designate your spouse or common-law partner as the student for whom the funds were withdrawn. If you do not tick 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.

### **Note**

You cannot withdraw funds from a SPP or a PRPP under the LLP or the HBP.

See Guide RC4112, LIFELONG LEARNING PLAN (LLP), and go to [\*\*cra.gc.ca/hbp\*\*](http://cra.gc.ca/hbp) for more information about:

- when you have to make your repayments; and

- the rules that apply when the person who made the withdrawal dies, turns 71 years of age, or becomes a non-resident.

### **Line 23 – Contributions to an amateur athlete trust (AAT)**

Report on line 23 qualifying performance income (generally endorsement income, prize money, or income from public appearances received by an amateur athlete) contributed in 2016 to an AAT since this income qualifies as earned income in calculating the RRSP contribution limit of the trust's beneficiary.

### **Line 205 – Pooled registered pension plan (PRPP) employer contributions**

Report the total of all amounts shown in the designated "employer contribution amount" box of your PRPP receipts.

Do not report this amount as income, and do not deduct it on your return. We will use it to calculate your RRSP/PRPP deduction limit and to determine the over-contribution tax (if applicable). See line 208.



If you have any questions about your employer's contributions to your PRPP, contact your employer.

### ▼ **Line 210 – Deduction for elected split-pension amount**

If you and your spouse or common-law partner have made a joint election to split **your** eligible pension income by completing Form T1032, JOINT ELECTION TO SPLIT PENSION INCOME, you (the transferring spouse or common-law partner) can claim on this line the elected split-pension amount from line G of Form T1032.

Form T1032 **must** be attached to **both** your and your spouse's or common-law partner's paper returns and filed by your filing due date for the year (see "What date is your return for 2016 due?" on page 30 [10] ). The information provided on the forms **must** be the **same**. If you are filing electronically, keep your election form in case we ask to see it later.

#### **Notes**

Only one joint election can be made for a tax year. If both you and your spouse or common-law partner have eligible pension income,

decide if you are splitting your pension income or your spouse's or common-law partner's pension income.

Under certain circumstances, we may allow you to make a late or amended election or revoke an original election. For more information, contact us.

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

Claim the total of the following amounts **related to your employment** that you paid (or that were paid for you and reported as income) in the year:

- annual dues for membership in a trade union or an association of public servants;
- professional board dues required under provincial or territorial law;
- professional or malpractice liability insurance premiums or professional membership dues required to keep a professional status recognized by law; and
- parity or advisory committee (or similar body) dues required under provincial or territorial law.

Annual membership dues do not include initiation fees, licences, 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, see 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 slips, or on your receipts, includes any GST/HST you paid.

### **Tax Tip**

You may be eligible for a rebate of any GST/HST you paid as part of your dues. See line 457.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your T4 slips but do not send your other documents. Keep them in case we ask to see them later.

## **Line 213 – Universal child care benefit (UCCB) repayment**

The person who reported the UCCB income in the previous year can claim the related 2016 repayment amount on line 213. The UCCB repayment amount is shown in box 12 of the RC62 slip. To view your UCCB information, go to [cra.gc.ca/myaccount](http://cra.gc.ca/myaccount).

## **Line 214 – Child care expenses**

You or your spouse or common-law partner may have paid for someone to look after your child so one of you could earn income, go to school, or conduct research in 2016. The expenses are deductible only if at some time in 2016 the child was under 16 years of age or had an impairment in physical or mental functions. Generally, only the spouse or common-law partner with the lower net income (**even if it is zero**) can claim these expenses.

### **Note**

If you paid an amount that would qualify to be claimed as child care expenses and the children's fitness tax credit (line 459 of the return) or the children's arts amount (line 370 of Schedule 1), you **must** first claim this amount as child care expenses. Any unused part can be

claimed for the children's fitness tax credit or the children's arts amount if the requirements are met.

For more information and to make your claim, get Form T778, CHILD CARE EXPENSES DEDUCTION FOR 2016.

### **Tax Tips**

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

If your child needs special attendant care or care in an establishment, see Guide RC4065, MEDICAL EXPENSES, for more information about different amounts you may be able to claim.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your completed Form T778 but do not send your other documents. Keep them in case we ask to see them later.

## **Line 215 – Disability supports deduction**

Claim expenses you paid for personal attendant care and other disability supports expenses allowing you to go to school or earn certain income. This includes income from employment or self-employment and a grant you received for conducting research.

### **Note**

Only the person with the impairment can claim expenses for the disability supports deduction.

For a complete list of allowable expenses, see Guide RC4064, **DISABILITY-RELATED INFORMATION**. You can claim these expenses on this line only if you or someone else did not claim them as medical expenses on line 330 or 331 of Schedule 1.

To calculate your claim, complete Form T929, **DISABILITY SUPPORTS DEDUCTION**. For more information, see Guide RC4064, **DISABILITY-RELATED INFORMATION**, or use **Info-Tax**, one of our **Tax Information Phone Services** (see page 353 [73] ).

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later.

### **Line 217 – Business investment loss**

A business investment loss is a special type of capital loss and can occur, for example, when you dispose of shares or certain debts of a small business corporation. For more information and to find out how to complete lines 217 and 228 (to the left of line 217), see Guide T4037, CAPITAL GAINS.

If you have a tax shelter, see "Tax shelters" on page 82 [22].

### **Line 219 – Moving expenses**

Generally, you can claim moving expenses you paid in 2016 if **both** of the following apply:

- You moved to work or to run a business, or you moved to study courses as a full-time student enrolled in a post-secondary program at a university, a college, or another educational institution.

- You moved at least 40 kilometres closer to your new work or school.

## Notes

If you moved before 2016 but could not claim all your expenses on your return for that year or later, you may be able to claim the remaining expenses on your return for 2016.

In addition, if you pay expenses after the year of your move, you may be able to claim them on your return for the year you pay them. You can carry forward unused amounts until you have enough income to claim them.

Your deduction is limited to the net eligible income you earned at the new location. Also, you **cannot** deduct moving expenses against certain non-taxable scholarship, fellowship, bursary, prize, and research grant income. See page 127 [30].

For more information and to calculate how much you can deduct, get Form T1-M, MOVING EXPENSES DEDUCTION, by going to **[cra.gc.ca/forms](http://cra.gc.ca/forms)** or by calling **1-800-959-8281**. If you move, give us your new address **as soon as possible**. You can change your



address by going to **cra.gc.ca/myaccount** or **cra.gc.ca/mobileapps** and selecting MyCRA.

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later.

### **Line 220 – Support payments made**

Report on **line 230** the **total** of all deductible **and** non-deductible support payments for a spouse or common-law partner, or for a child, you made (or, if you are the payee, that you repaid under a court order) in 2016. Claim on **line 220** only the **deductible** amount.

#### **Note**

Most child support payments made according to a written agreement or court order dated **after** April 1997 are **not** deductible. For more information, see Guide P102, SUPPORT PAYMENTS.

To avoid your claim being delayed or disallowed, register your written agreement or court order (including any amendments) with us by

completing and sending us Form T1158, REGISTRATION OF FAMILY SUPPORT PAYMENTS.

**Supporting documents** – If you are filing electronically or filing a **paper return**, do not send any documents. Keep them in case we ask to see them later.

▼ **Line 221 – Carrying charges and interest expenses**

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);
- fees for certain investment advice (see Interpretation Bulletin IT-238, FEES PAID TO INVESTMENT COUNSEL) or for recording investment income;
- fees to have someone complete your return, but only if you have income from a business or property, accounting is a usual part of the operations of your business or property, and you did not use

the amounts claimed to reduce the business or property income you reported (see Interpretation Bulletin IT-99, LEGAL AND ACCOUNTING FEES);

- most interest you pay on money you borrow for investment purposes, but generally only if you use 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 more information, contact us; and
- legal fees you incurred relating to support payments that your current or former spouse or common-law partner, or the natural parent of your child, will have to pay to you. Legal fees you incurred to try to make child support payments non-taxable must be deducted on line 232. For more information, see Guide P102, SUPPORT PAYMENTS.

You **cannot** claim on line 221 any of the following amounts:

- the interest you paid on money you borrowed to contribute to a registered retirement savings plan, a pooled registered pension plan, a specified pension plan, a registered education savings

plan, a registered disability savings plan, or a tax-free savings account (TFSA);

- safety deposit box charges;
- the interest part of your student loan repayments (although you may be able to claim a credit on line 319 of Schedule 1 for this amount);
- subscription fees paid for financial newspapers, magazines, or newsletters;
- brokerage fees or commissions you paid when you bought or sold securities. Instead, use these costs when you calculate your capital gain or capital loss. For more information, see Guide T4037, CAPITAL GAINS, and Interpretation Bulletin IT-238, FEES PAID TO INVESTMENT COUNSEL; and
- legal fees you paid to get a separation or divorce or to establish custody of or visitation arrangements for a child.

**Policy loan interest** – To claim interest paid during 2016 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 the date your return is due.

**Refund interest** – If we paid you interest on an income tax refund, report the interest in the year you receive it at line 121. If we then reassessed your return and you repaid any of the refund interest in 2016, you can claim the amount you repaid, up to the amount you had reported as income.

**Carrying charges for foreign income** – If you have carrying charges for Canadian and foreign investment income, identify them separately on Schedule 4, according to the percentage that applies to each investment.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your Schedule 4 with Part III completed but do not send your Form T2210 or any other documents. Keep them in case we ask to see them later.

If you have a tax shelter, see "Tax shelters" on page 82 [22].

### **Line 222 – Deduction for CPP or QPP contributions on self-employment and other earnings**

Claim the amount from line 24 of **Schedule 8** (line 23 of **Schedule 8** for Quebec) or from line 33 of Part 3 or line 32 of Part 4 of **Form RC381**, INTER-PROVINCIAL CALCULATION FOR CPP AND QPP CONTRIBUTIONS AND OVERPAYMENTS FOR 2016, whichever applies.

You can claim contributions you:

- have to make on self-employment and limited or non-active partnership income;
- choose to make on certain employment income (see "Making additional CPP contributions" under line 308); and
- choose to make on your provincial income tax return for Quebec on certain employment income (see your Quebec provincial guide).

The CPP or QPP contributions you have to make, or choose to make, will depend on how much you have already contributed to the CPP or QPP as an employee, as shown in boxes 16 and 17 of your T4 slips.

## **Note**

Do not calculate CPP contributions for earnings identified as box 81 shown on the T4 slips you received from a placement agency.

## **Making additional CPP contributions**

You may be able to make CPP contributions on certain employment income for which no contribution was made (for example, tips not shown on a T4 slip) or additional contributions on T4 income if you had more than one employer in the year and the total CPP contributions on all T4 slips are less than the required amount. For more information, see "Making additional CPP contributions" under line 308.

## **How to calculate your contributions**

Complete Schedule 8 or Form RC381, whichever applies, to determine the CPP or QPP payable on your self-employment income or on income for which you can make more contributions.

Because CPP and QPP rates are different, read the following instructions and choose the one that applies to your situation.

If you **were a resident of a province other than Quebec on December 31, 2016**, and contributed **only** to the CPP, or if you **were a resident of Quebec on December 31, 2016**, and contributed **only** to the QPP, complete Schedule 8 to calculate your CPP or QPP contributions and attach it to your **paper return**. If you were a member of a partnership, include on Schedule 8 only **your share** of the net profit. You cannot use self-employment or partnership losses to reduce the CPP or QPP contributions you paid on your employment earnings.

If you contributed to the QPP in 2016 but **resided outside Quebec on December 31, 2016**, or if you contributed to the CPP in 2016 but **resided in Quebec on December 31, 2016**, complete Form RC381 to calculate your CPP or QPP contributions and attach it to your **paper return**. If you were a member of a partnership, include on Form RC381 only **your share** of the net profit. You cannot use self-employment or partnership losses to reduce the CPP or QPP contributions you paid on your employment earnings.

If you **were not** a resident of **Quebec on December 31, 2016**, enter on line 222 and on line 310 of Schedule 1, in dollars and cents, the



amount from Schedule 8 or Form RC381, whichever applies. Enter on line 421 of your return the amount from Schedule 8 or Form RC381, whichever applies.

If you **were** a resident of **Quebec on December 31, 2016**, enter on line 222 and on line 310 of Schedule 1, in dollars and cents, the amount from Schedule 8 or Form RC381, whichever applies. Line 421 does not apply to you.

Your CPP or QPP contribution must be prorated in certain situations, such as if in 2016:

- you were a CPP participant and turned 18 or 70 years of age or received a CPP disability pension;
- you were a QPP participant and turned 18 years of age or received a QPP disability pension;
- you were a CPP working beneficiary (see line 308) and elected to stop paying CPP contributions or revoked an election made in a previous year; or
- you are filing a return for a person who died in 2016.

## **Note**

If you started receiving CPP retirement benefits in 2016, your basic exemption may be prorated by the CRA.

## **Request for refund of CPP contributions**

Under the CANADA PENSION PLAN, all requests for a refund of CPP over-contributions must be made within four years after the end of the year for which the request is being made. See line 448.

## **Line 223 – Deduction for provincial parental insurance plan (PPIP) premiums on self-employment income**

If you were a resident of **Quebec** on December 31, 2016, you have to pay PPIP premiums if one of the following conditions applies:

- your net self-employment income on lines 135 to 143 of your return is \$2,000 or more; or
- the total of your employment income (including employment income from outside Canada) **and** your net self-employment income is \$2,000 or more.

Complete Schedule 10 to calculate your PPIP premiums and attach it to your **paper return**. On this line, you can claim 43.68% of the total of your PPIP premiums. Claim on this line, in dollars and cents, the amount from line 9 of Schedule 10, and claim the same amount on your provincial income tax return for Quebec, if applicable.

### **Line 224 – Exploration and development expenses**

If you invested in petroleum, natural gas, or mining ventures in 2016 but did not participate actively, claim your exploration and development expenses on this line. If you participated actively, follow the instructions for line 135.

### **How to claim this deduction**

Complete Form T1229, STATEMENT OF RESOURCE EXPENSES AND DEPLETION ALLOWANCE, using the information the principals of the venture give you, such as T5, T101, or T5013 slips. Read the instructions on the backs of these slips.

Claim your **exploration and development expenses** (including renounced resource expenses) on line 224. Claim your **depletion allowances** on line 232.

If you have any questions about these expenses, call our **business enquiries** line at **1-800-959-5525**.

If you have a tax shelter, see "Tax shelters" on page 82 [22].

**Supporting documents** – Attach Form T1229 and your T5, T101, and T5013 slips to your **paper return**. If you do not have these slips, attach a statement identifying you as a participant in the venture. The statement has to show your allocation (the number of units you own, the percentage assigned to you, or the ratio of your units to those of the whole partnership) and give the name and address of the fund.

### **Line 229 – Other employment expenses**

You can claim certain expenses (including any GST/HST) you paid to earn employment income if the following **two** conditions apply:

- Your employment contract required you to pay them.

- You did not receive an allowance for the expenses or the allowance you received is reported as income.

### **Note**

Most employees **cannot** claim employment expenses. You cannot deduct the cost of travel to and from work or other expenses, such as clothing.

**Repayment of salary or wages** – You can claim salary or wages you reported as income for 2016 or a previous year if you repaid them in 2016. This includes amounts you repaid for a period when you were entitled to receive wage-loss replacement benefits or workers' compensation benefits. However, you cannot claim more than the income you received when you did not perform the duties of your employment.

**Legal fees** – You can claim legal fees you paid to collect or establish a right to salary or wages. It is not necessary for you to be successful; however, the amount sought must be for salary or wages owed. You must reduce your claim by any amount awarded to you for those fees or any reimbursement you received for your legal expenses.

You can claim legal fees you paid to collect or establish a right to collect other amounts that must be reported in employment income even if they are not directly paid by your employer.

**Employees profit-sharing plan (EPSP)** – You may be eligible to claim as a deduction the excess EPSP amount contributed on your behalf to an EPSP. For more information and to calculate your deduction, complete Form RC359, TAX ON EXCESS EMPLOYEES PROFIT SHARING PLAN AMOUNTS.

Complete Form T777, STATEMENT OF EMPLOYMENT EXPENSES, to give us details of your deductions and calculations for your expenses (except those related to an EPSP). Guide T4044, EMPLOYMENT EXPENSES, contains Form T777 and other forms you will need. The guide also explains the conditions that apply when you claim these expenses.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your completed Form T777 and/or Form RC359 but do not send your other documents. Keep them in case we ask to see them later.

## **Tax Tip**

You may be eligible for a rebate of any GST/HST you paid as part of your expenses. See line 457.

## **Line 231 – Clergy residence deduction**

If you are a member of the clergy, use this line to claim a deduction for your residence. Your employer has to certify that you qualify for this deduction. Complete Form T1223, CLERGY RESIDENCE DEDUCTION, to find out what you can claim. For more information, see Information Bulletin IT-141, CLERGY RESIDENCE DEDUCTION.

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later.

## **▼ Line 232 – Other deductions**

Claim on this line allowable amounts not deducted elsewhere on your return. For clarification of your request, specify the deduction you are claiming in the space to the left of line 232. If you have more than one

amount, or to explain your deduction more fully, attach a note to your **paper return**.

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later.

### **Note**

Children born in 1999 or later can claim a deduction for certain income they report. For more information, see "Split income of a child under 18" on page 79 [22].

If you have a tax shelter, see "Tax shelters" on page 82 [22].

### **Income amounts repaid**

If in 2016 you repaid amounts you received and reported as income (other than salary or wages) for 2016 or a previous year, you can claim most of these amounts on line 232 of your return for 2016. However, if you repaid, under a court order, support payments you reported on line 128, claim the repayment on line 220.



If in 2016 you repaid an amount you received from a registered disability savings plan and declared it as income in 2016 or a previous year, you can claim the amount on line 232. For more information, go to [cra.gc.ca/rdsp](http://cra.gc.ca/rdsp), see Information Sheet RC4460, REGISTERED DISABILITY SAVINGS PLAN, or contact us.

In 2016, you may have had an amount recovered from your gross old age security (OAS) pension (shown in **box 20** of your T4A(OAS) slip) because of an overpayment you received in a previous period. If so, you can claim a deduction on line 232 for the amounts repaid.

### **Notes**

▼ If you had an OAS repayment for 2015, tax may have been withheld from your OAS benefits for 2016. The amount deducted is shown in box 22 of your T4A(OAS) slip for 2016. Do not claim it on line 232. Claim it on line 437. To calculate your 2016 OAS repayment, see line 235 and complete the chart for line 235 on the federal worksheet in the forms book.

If you repaid employment income, see "Repayment of salary or wages" under line 229. If you repaid income tax refund interest, see "Refund interest" under line 221.

**Employment insurance (EI) benefits** – You may have received more benefits than you should have and already paid them back to the payer of your benefits. For example:

- The payer of your benefits may have reduced your EI benefits after discovering the mistake. Your T4E slip will show only the net amount you received, so you cannot claim a deduction.
- If you repaid excess benefits you received directly to the payer of your benefits, box 30 of your T4E slip will show the amount you repaid. Include this amount on line 232. This is not the same as repaying a social benefit as explained under line 235.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your documents showing the amounts you repaid.

## Legal fees

You can claim your expenses in any of the following situations:

- You paid fees (including any related accounting fees) for advice or assistance to respond to us when we reviewed your income, deductions, or credits for a year or to object to or appeal an assessment or decision under the INCOME TAX ACT, the EMPLOYMENT INSURANCE ACT, the CANADA PENSION PLAN, or the QUEBEC PENSION PLAN.
- ▼ You paid fees to collect (or establish a right to) a retiring allowance or pension benefit. However, you can claim only up to the retiring allowance or pension income you received in the year, **minus** any part of these amounts transferred to a registered retirement savings plan or registered pension plan. You can carry forward, for up to seven years, legal fees you cannot claim in the year.
- You paid fees to collect (or establish a right to) salary or wages. It is not necessary for you to be successful; however, the amount sought must be for salary or wages owed. You must reduce your claim by any amount awarded to you for those fees or any

reimbursement you received for your legal expenses. (These fees **must** be claimed on line 229.)

- You can claim legal fees you paid to collect (or establish a right to) other amounts that must be reported in employment income even if they are not directly paid by your employer. (These fees **must** be claimed on line 229.)
- You incurred certain fees to try to make child support payments non-taxable. Fees relating to support payments that your current or former spouse or common-law partner, or the natural parent of your child, paid to you **must** be claimed on line 221. You **cannot** claim legal fees you incurred to get a separation or divorce or to establish custody of or visitation arrangements for a child. For more information, see Guide P102, SUPPORT PAYMENTS.

You must **reduce** your claim by any award or reimbursements you received for these expenses. If you are awarded the cost of your deductible legal fees in a future year, report that amount in your income for that year.

For more information about other legal fees you may deduct, see Interpretation Bulletin IT-99, LEGAL AND ACCOUNTING FEES.

## Other deductible amounts

The following are examples of other amounts you can claim:

- depletion allowances (attach to your **paper return** a completed Form T1229, STATEMENT OF RESOURCE EXPENSES AND DEPLETION ALLOWANCE);
- certain unused RRSP contributions you made after 1990 which were refunded to you or your spouse or common-law partner in 2016 and certain unused PRPP contributions you made to your PRPP after 2012 which were refunded to you in 2016 (attach to your **paper return** an approved Form T3012A, TAX DEDUCTION WAIVER ON THE REFUND OF YOUR UNUSED RRSP, PRPP OR SPP CONTRIBUTIONS FROM YOUR RRSP, or Form T746, CALCULATING YOUR DEDUCTION FOR REFUND OF UNUSED RRSP, PRPP, AND SPP CONTRIBUTIONS);
- the excess part of a direct transfer of a lump-sum payment from your RPP to an RRSP or registered retirement income fund (RRIF) you withdrew and are including on line 129 or 130 of your return for 2016. You can use Form T1043, DEDUCTION FOR EXCESS REGISTERED PENSION PLAN TRANSFERS YOU WITHDREW FROM AN RRSP OR RRIF, to calculate the deductible amount; and

- designated benefits from a RRIF shown in box 22 of your T4RIF slips, a refund of RRSP premiums shown in box 28 of your T4RSP slips, or the RPP or PRPP amount shown in box 018 of your T4A slips if you rolled over an amount to a registered disability savings plan (RDSP). Attach Form RC4625, ROLLOVER TO A REGISTERED DISABILITY SAVINGS PLAN (RDSP) UNDER PARAGRAPH 60(M), or a letter from the RDSP issuer to your return. For more information about RDSPs, go to [cra.gc.ca/rdsp](http://cra.gc.ca/rdsp) or see Guide T4040, RRSPs AND OTHER REGISTERED PLANS FOR RETIREMENT.

## ▼ Line 235 – Social benefits repayment

### Employment insurance (EI) benefits

You have to repay part of the EI benefits (line 119) you received in 2016 if **all** the following conditions are met:

- there is an amount shown in box 15 of your T4E slip;
- the rate shown in box 7 is **30%**; **and**
- the result of the following calculation is more than \$63,500:

- the amount from line 234; **minus**
- the amounts on lines 117 and 125; **plus**
- the amounts deducted on line 213 and/or the amount for a repayment of registered disability savings plan income included on line 232.

Complete the chart on your T4E slip to calculate the EI benefits you have to repay. If you also have to repay old age security (OAS) benefits you received (see the next section), enter the EI benefits you have to repay on lines 7 and 20 of the chart for line 235 on the federal worksheet in the forms book.

### ▼ **Old age security (OAS) benefits**

You may have to repay all or a part of your OAS pension (line 113) or net federal supplements (line 146) if the result of the following calculation is more than \$73,756:

- the amount from line 234; **minus**
- the amounts reported on lines 117 and 125; **plus**

- the amounts deducted on line 213 and/or the amount for a repayment of registered disability savings plan income included on line 232.

Complete the chart for line 235 on the federal worksheet in the forms book to calculate your repayment, even if tax was withheld by Service Canada.

### **Notes**

If you had an OAS repayment for 2015, tax may have been withheld from your OAS pension for 2016. The amount deducted is shown in box 22 of your T4A(OAS) slip for 2016. Claim it on line 437.

Similarly, if you have an OAS repayment for 2016, tax may be withheld starting with your July 2017 OAS payment.

If your net income exceeded the threshold for 2016 and your net income for 2017 is expected to be **substantially lower**, you can request a waiver from the CRA to have Service Canada reduce your income tax withheld at source beginning July 2017. The request must be made in writing. Send us a completed Form T1213 (OAS), REQUEST TO REDUCE OLD AGE SECURITY RECOVERY TAX AT SOURCE.



For more information, contact us.

## **Line 236 – Net income**

We use this amount for calculations such as the Canada child benefit, the GST/HST credit, and other tax credits.

### **Notes**

If it applies, report your spouse's or common-law partner's net income in the "Information about your spouse or common-law partner" area on page 5 [1] of your return. Report this amount **even if it is zero**.

If the amount you calculate for line 236 is negative, you may have a non-capital loss. To find out, use Form T1A, REQUEST FOR LOSS CARRYBACK. If you have a loss for 2016, you may want to carry it back to your 2013, 2014, or 2015 return. To do this, attach a completed Form T1A to your **paper return** (or send one to us separately). Do not file an amended return for the year or years to which you apply the loss.

## **Step 4 – Taxable income**

### **Calculation of taxable income (page 16 [3] of your return)**

To determine your taxable income at line 260, claim any deductions that apply to you.

#### **Line 244 – Canadian Forces personnel and police deduction**

Claim the total of the amounts shown in box 43 of your T4 slips.

#### **Line 248 – Employee home relocation loan deduction**

Claim the total of the amounts shown in box 37 of your T4 slips.

#### **Line 249 – Security options deductions**

Claim the total of the amounts shown in boxes 39 and 41 of your T4 slips. In addition, if you disposed of securities for which you had previously deferred the taxable benefit (see "Security option benefits" on page 85 [23] ), claim 50% of the amount from line 4 of Form T1212, STATEMENT OF DEFERRED SECURITY OPTIONS BENEFITS.

You may be able to claim a deduction for donating securities you acquired through your employer's security options plan. For more information, see "Gifts of securities acquired under a security option plan" in Pamphlet P113, GIFTS AND INCOME TAX.

### ▼ **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 reported on lines 144, 145, and 146.

#### **Note**

If you reported net federal supplements on line 146, you **may not** be entitled to claim the whole amount from line 147. Complete the calculation below.

- the amount from line 234; **minus**
- the amounts on lines 117 and 125; **plus**
- the amounts deducted on line 213 and/or the amount for a repayment of registered disability savings plan income included on line 232.

If the result is greater than \$73,756, contact us to find out how much you can deduct.

### **Line 251 – Limited partnership losses of other years**

If you had limited partnership losses in previous years which you have not already claimed, you may be able to claim part of these losses this year. For more information, contact us.

You can carry forward limited partnership losses indefinitely. You cannot use the amount shown in box 108 of your T5013 slips for 2016 on your return for 2016.

**Supporting documents** – If you claim these losses, attach to your **paper return** a statement showing a breakdown of your total losses, the year of each loss, and the amounts claimed in previous years.

### **Line 252 – Non-capital losses of other years**

For 2016, claim the unapplied non-capital losses you reported on your 2006 to 2015 returns you would like to apply. For non-capital losses incurred in tax years after 2005 the loss carry-forward period is 20 years.

Also claim any unapplied farming and fishing losses you reported on your 2006 to 2015 returns that you want to apply in 2016. Your available losses are shown on your notice of assessment or notice of reassessment for 2015.

There are restrictions on the amount of certain farm losses you can claim each year. If you have a farming or fishing business, see Guide T4003, FARMING AND FISHING INCOME, Guide RC4060, FARMING INCOME AND THE AGRISTABILITY AND AGRINVEST PROGRAMS GUIDE – JOINT FORMS AND GUIDE, or Guide RC4408, FARMING INCOME AND THE AGRISTABILITY AND AGRINVEST PROGRAMS HARMONIZED GUIDE, for more information.

If you need more information about losses, see Interpretation Bulletin IT-232, LOSSES – THEIR DEDUCTIBILITY IN THE LOSS YEAR OR IN OTHER YEARS.

### **Line 253 – Net capital losses of other years**

Within certain limits, you can claim your net capital losses of previous years which you have not already claimed. Your available losses are shown on your notice of assessment or notice of reassessment

for 2015. You will probably have to adjust any losses you incurred after 1987 and before 2001. For more information, see Guide T4037, CAPITAL GAINS.

### **Line 254 – Capital gains deduction**

You may be able to claim a capital gains deduction for gains realized on the disposition of qualified small business corporation shares, qualified farm or fishing property. For more information, see Guide T4037, CAPITAL GAINS.

### **Line 255 – Northern residents deductions**

**NEW!** For 2016 and later years, the basic and the additional residency amounts have both increased to \$11 per day. For more information and to make your claim, use Form T2222, NORTHERN RESIDENTS DEDUCTIONS. Residents of the Northwest Territories, Nunavut, and Yukon will find this form in the forms book. You can also get a copy by going to [cra.gc.ca/forms](http://cra.gc.ca/forms). For a list of the areas that qualify, go to [cra.gc.ca/northernresidents](http://cra.gc.ca/northernresidents).

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your completed Form T2222 but do not send your other documents. Keep them in case we ask to see them later.

### ▼ **Line 256 – Additional deductions**

In the space to the left of line 256, specify the deduction you are claiming. If you have more than one amount, or to explain your deduction more fully, attach a note to your **paper return**.

### **Exempt foreign income**

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

Under the Canada–United States tax treaty, you can claim on line 256 a deduction equal to 15% of the U.S. Social Security benefits, including U.S. Medicare premiums, which you reported as income on line 115.

If you have been a resident of Canada and have received U.S. Social Security benefits continuously during the period starting before January 1, 1996, and ending in 2016, you can claim a deduction equal to 50% of the U.S. Social Security benefits received in 2016.

This 50% deduction also applies to you if you are receiving benefits related to a deceased person and you meet **all** the following conditions:

- The deceased person was your spouse or common-law partner immediately before their death.
- The deceased person had, continuously during a period starting before 1996 and ending immediately before their death, been a resident of Canada and received benefits to which paragraph 5 of Article XVIII of the Canada-United States tax treaty applied.
- You have, continuously during a period starting at the person's time of death and ending in 2016, been a resident of Canada and received such benefits.



## **Vow of perpetual poverty**

If you have taken a vow of perpetual poverty as a member of a religious order, you can claim the earned income and pension benefits you have given to the order. For more information, see Interpretation Bulletin IT-86, VOW OF PERPETUAL POVERTY.

**Supporting documents** – Keep all supporting documents in case we ask to see them later.

## **Adult basic education tuition assistance**

Adult basic education (ABE) is primary or secondary level education, or certain other forms of training.

If you reported income assistance to cover all or part of the tuition fees for your ABE, you can claim a deduction for the total of:

- the amount shown in box 21 of your T4E slip; and
  - the amount shown in box 196 of your T4A slip that is more than the scholarship exemption you can claim for this tuition assistance.
- For more information about scholarship exemption, see Income Tax

## Folio S1-F2-C3, SCHOLARSHIPS, RESEARCH GRANTS AND OTHER EDUCATION ASSISTANCE.

### **Note**

If you received taxable tuition assistance for post-secondary level courses or courses that provide or improve skills in an occupation and the educational institution has been certified by Employment and Social Development Canada as reported in box 20 of the T4E slip or in box 105 of the T4A slip, these amounts cannot be claimed on line 256. Instead, you may be eligible for the tuition, education, and textbook amounts. See line 323.

### **Employees of prescribed international organizations**

If in 2016 you were employed by a prescribed international organization, such as the United Nations, you can claim a deduction for the net employment income you report from that organization. Net employment income is your employment income **minus** the related employment expenses you are claiming. If you do not know if your employer is a prescribed international organization, contact your employer.

## **Step 5 – Federal tax and provincial or territorial tax**

### **Calculation of federal tax (Schedule 1)**

To calculate your federal tax, follow the instructions in this section to complete Schedule 1, FEDERAL TAX, in your forms book.

### **Minimum tax**

Minimum tax limits the tax advantage you can receive in a year from certain incentives. You have to pay minimum tax if it is more than the federal tax you calculate in the usual manner. When calculating your taxable income for this tax, which does not apply to a person who died in 2016, you are allowed a basic exemption of \$40,000.

To find out if you have to pay this tax, add the amounts shown in B later in this section and 60% of the amount on line 127 of your return. If the total is \$40,000 or less, you probably do not have to pay minimum tax. If the total is more than \$40,000, you may have to pay it.

Use Form T691, ALTERNATIVE MINIMUM TAX, to find out if you have to pay minimum tax. You also have to complete Form 428 to calculate additional provincial or territorial tax for minimum tax purposes.

Here is a list of the most common situations where you may have to pay minimum tax:

- A. You reported a taxable capital gain on line 127 of your return.
- B. You claimed **any** of the following on your return:
  - a loss (including your share of a partnership loss) resulting from, or increased by, claiming capital cost allowance on rental properties;
  - a loss from a limited partnership that is a tax shelter;
  - most carrying charges (line 221) on certain investments;
  - a loss from resource properties resulting from, or increased by, claiming a depletion allowance, exploration expenses, development expenses, or Canadian oil and gas property expenses;
  - a deduction on line 248 for an employee home relocation loan; or
  - a deduction on line 249 for security options.

C. You claimed **any** of the following tax credits on Schedule 1:

- a federal political contribution tax credit on lines 409 and 410;
- an investment tax credit on line 412;
- a labour-sponsored funds tax credit on lines 414 and 419; or
- a federal dividend tax credit on line 425.

### **Example**

Paul claimed a \$50,000 deduction in 2016 for carrying charges. Because this deduction is more than \$40,000, Paul may have to pay minimum tax. To find out, he should complete Form T691, ALTERNATIVE MINIMUM TAX.

### **Tax Tip**

You may be able to claim a credit against your taxes for 2016 if you paid minimum tax on any of your returns for 2009 to 2015. See line 427.

## **Step 1 of Schedule 1 – Federal non-refundable tax credits**

These credits reduce your federal tax owing. However, if the total of these credits is more than your federal tax owing, you will not get a refund for the difference.

### **Newcomers to Canada and emigrants**

If you **became** or **ceased** to be a resident of Canada **for income tax purposes** during 2016, enter the date of your move in the "Information about your residence" area on page 3 [1] of your return. You may have to reduce your claim for the amounts on lines 300, 301, 303, 305, 367, 306, 315, 316, 318, 324, and 326. For more information, see Pamphlet T4055, NEWCOMERS TO CANADA, or go to [cra.gc.ca/tx/nnrstdnts/ndvdlis/lvng-eng.html](http://cra.gc.ca/tx/nnrstdnts/ndvdlis/lvng-eng.html).

### **Amounts for non-resident dependants**

You may be able to claim an amount for certain dependants who live outside Canada if they depended on you for support.

If the dependants already have enough income or assistance for a reasonable standard of living in the country where they live, we do not consider them to depend on you for support. Gifts are not support.

**Supporting documents** – If you are filing electronically, keep all your documents (proof of your payment of support) in case we ask to see them later. If you are filing a **paper return**, attach your documents. Proof of payment must show your name, the amount and the date of the payment, and the dependant's name and address. If you sent the funds to a guardian, the guardian's name and address must also show on the proof of payment.

### **Family caregiver amount (FCA)**

If you have a dependant with an impairment in physical or mental functions, you may be eligible to claim an amount on line 367 or an additional \$2,121 for one or more of the following amounts:

- **spouse or common-law partner amount** (line 303);
- **amount for an eligible dependant** (line 305); and
- **caregiver amount** (line 315).

## **Note**

The maximum amount for infirm dependants age 18 or older (line 306) includes the additional \$2,121 for the FCA.

The dependant with the impairment must be:

- a person 18 years of age or older and dependent on you because of an impairment in physical or mental functions; or
- a child under 18 years of age, with an impairment in physical or mental functions. The impairment must be prolonged and indefinite and the child must be dependent on you for assistance in attending to personal needs and care when compared to children of the same age.

The CRA may ask for a signed statement from a medical practitioner showing when the impairment began and what the duration of the impairment is expected to be. For children under 18 years of age, the statement should also show that the child, because of impairment in physical or mental functions, is, and will continue to be, dependent on others for an indefinite duration. This dependence means they need much more assistance for their personal needs and care compared to



children of the same age. You do not need a signed statement from a medical practitioner if the CRA already has an approved Form T2201, DISABILITY TAX CREDIT CERTIFICATE, for a specified period.

You may be able to claim the FCA for more than one eligible dependant.

▼ **Line 300 – Basic personal amount**

Claim \$11,474.

▼ **Line 301 – Age amount**

Claim this amount if you were 65 years of age or older on December 31, 2016, and your net income (line 236 of your return) is less than \$83,427.

If your net income was:

- \$35,927 or less, claim \$7,125 on line 301; or
- more than \$35,927 but less than \$83,427, complete the chart for line 301 on the federal worksheet in the forms book to calculate your claim.

## **Tax Tip**

You may be able to transfer all or part of your age amount to your spouse or common-law partner or to claim all or part of his or her age amount. See line 326.

### ▼ **Line 303 – Spouse or common-law partner amount**

Claim this amount if **at any time in the year** you supported your spouse or common-law partner and his or her net income (line 236 of his or her return, or the amount it would be if he or she filed a return) was less than \$11,474 (\$13,595 if he or she is eligible for the family caregiver amount – see "Family caregiver amount (FCA)" on page 205 [on this page] ). Complete the appropriate part of Schedule 5 to calculate your claim and attach a copy to your return.

In certain situations, your spouse's or common-law partner's net income **must** be stated even if your marital status has changed. See "Net income of spouse or common-law partner" in the next section. Both of you cannot claim this amount for each other for the same year.

If you had to make support payments to your current or former spouse or common-law partner and you were separated for only **part of 2016** because of a breakdown in your relationship, you have a choice. You can claim the deductible support amounts paid in the year to your spouse or common-law partner on line 220 **or** an amount on line 303 for your spouse or common-law partner, whichever is better for you. If you reconciled with your spouse or common-law partner before the end of 2016, you can claim an amount on line 303 and any allowable amounts on line 326.

### **Net income of spouse or common-law partner**

This is the amount on line 236 of your spouse's or common-law partner's return, or the amount it would be if he or she filed a return.

If you were living with your spouse or common-law partner on December 31, 2016, use his or her net income for the whole year. This applies even if you got married or got back together with your spouse in 2016 or you became a common-law partner or started to live with your common-law partner again.

If you separated in 2016 because of a breakdown in your relationship and were not back together on December 31, 2016, reduce your claim only by your spouse's or common-law partner's net income before the separation. In all cases, enter in the "Information about your spouse or common-law partner" area on page 5 [1] of your return the amount you use to calculate your claim, **even if it is zero.**

### **Tax Tip**

If you cannot claim the amount on line 303 (or you have to reduce your claim) because of dividends your spouse or common-law partner received from taxable Canadian corporations, you may be able to reduce your tax if you report all of your spouse's or common-law partner's dividends. See line 120.

### **Line 305 – Amount for an eligible dependant**

If you have claimed an amount for the year on line 303, you cannot claim this amount. If you have not claimed an amount for the year on line 303, you may be able to claim this amount for one other person if **at any time in the year** you met **all** the following conditions at once:

- You did not have a spouse or common-law partner or, if you did, you were not living with, supporting, or being supported by that person.
- You supported a dependant in 2016.
- You lived with the dependant (in most cases in Canada) in a home you maintained. You cannot claim this amount for a person who was only visiting you.

In addition, at the time you met the above conditions, the dependant must also have been either:

- your parent or grandparent by blood, marriage, common-law partnership, or adoption; or
- your child, grandchild, brother, or sister by blood, marriage, common-law partnership, or adoption **and** under 18 years of age or had an impairment in physical or mental functions.

## **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 amount.

For the purposes of this claim, your child is not required to have lived in Canada but still must have lived with you. This would be possible, for example, if you were a **deemed resident** (as defined under E and F on pages 27 and 28 [9] ) living in another country with your child.

**Even if all the preceding conditions have been met, you cannot claim this amount if **any** of the following applies:**

- You or someone else is claiming a spouse or common-law partner amount (line 303) for this dependant.
- The person for whom you want to claim this amount is your common-law partner. However, you may be able to claim the amount on line 303.
- Someone else in your household is making this claim. Each household is allowed only one claim for this amount, even if there is more than one dependant in the household.

- The claim is for a child for whom you had to make support payments for 2016. However, if you were separated from your spouse or common-law partner for only **part of 2016** because of a breakdown in your relationship, you may be able to claim an amount for that child on line 305 (plus any allowable amounts on lines 315 and 318) if you do not claim any support amounts paid to your spouse or common-law partner on line 220. You can claim whichever is better for you.

### **Note**

If you **and** another person had to make support payments for the child for 2016 and, as a result, **no one** would be entitled to claim the amount for an eligible dependant for the child, you can claim this amount if you and the other person(s) paying support agree you will be the one making the claim. If you cannot agree who will claim this amount for the child, neither of you can make the claim. For more information, see Guide P102, SUPPORT PAYMENTS.

## **How to claim this amount**

You can claim this amount if your dependant's net income (line 236 of his or her return, or the amount it would be if he or she filed a return) was less than \$11,474 (\$13,595 if he or she is eligible for the family caregiver amount – see previous page). Complete the appropriate part of Schedule 5 to calculate your claim and give certain details about your dependant. Attach a copy of this schedule to your **paper return**.

### **Notes**

**If you were a single parent** on December 31, 2016, and you choose to include all universal child care benefit (UCCB) amounts you received in 2016 in the income of your dependant, include this amount in the calculation of his or her net income.

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

If you and another person can both claim this amount for the same dependant (such as shared custody of a child) but cannot agree who will claim the amount, neither of you can make the claim.



## **Lines 352 and 367 – Family caregiver amount for infirm children under 18 years of age**

You can claim an amount for each of your or your spouse's or common-law partner's children who:

- are under 18 years of age at the end of the year;
- lived with **both** of you throughout the year; and
- have an impairment in physical or mental functions. For more information, see "Family caregiver amount (FCA)" on page 205 [45].

The full amount can be claimed in the year of the child's birth, death, or adoption.

### **Notes**

If you are making this claim for more than one child, either you or your spouse or common-law partner may claim the credit for all the eligible children or you can each claim separate children but **each child can only be claimed once**.

If you have shared custody of the child throughout the year, the parent who claims the amount for an eligible dependant (see line 305) for that child can make the claim on line 367. If you have shared custody of the child throughout the year but cannot agree who will claim the amount, neither of you can make this claim.

If the child **did not live** with both parents throughout the year, the parent or the spouse or common-law partner who claims the amount for an eligible dependant (see line 305) for that child can make the claim.

If you **and** another person had to make support payments for the child in 2016 and, as a result, **no one** would be entitled to claim this amount or the amount for an eligible dependant for the child, you can claim this amount if you and the other person(s) paying support agree you will be the one making the claim. If you cannot agree who will claim this amount for the child, no one can make the claim for that child.

## How to claim this amount

Enter the number of children for whom you are **claiming** the family caregiver amount on line 352 (beside and to the left of line 367). Claim the result of the calculation on line 367.

### Tax Tip

You may be able to transfer all or part of this amount to your spouse or common-law partner or to claim all or part of his or her amount. See line 326.

## Line 306 – Amount for infirm dependants age 18 or older

You can claim an amount up to a maximum of \$6,788 which includes the \$2,121 family caregiver amount (see page 205 [45] ) for each of your or your spouse's or common-law partner's dependent children or grandchildren only if that person had **an impairment in physical or mental functions** and was **born in 1998 or earlier**.

You can also claim an amount for more than one person if each one meets **all** the following conditions. The person must have been:

- your or your spouse's or common-law partner's parent, grandparent, brother, sister, aunt, uncle, niece, or nephew;
- born in 1998 or earlier and had an impairment in physical or mental functions;
- dependent on you, **or** on you and others, for support; and
- a resident of Canada at any time in the year. You cannot claim this amount for a person who was only visiting you.

## **Notes**

A parent includes someone on whom you were completely dependent and who had custody and control of you when you were under 19 years of age.

A child can include someone older than you who has become completely dependent on you for support and over whom you have custody and control.

If **anyone (including you)** can claim an amount on line 305 or on line 315 for the dependant being claimed, you cannot claim an amount on line 306 for that dependant.

You can claim an amount only if the dependant's net income (line 236 of his or her return, or the amount it would be if he or she filed a return) is less than \$13,595 (this includes the \$2,121 family caregiver amount).

If you had to make support payments for a child, you cannot claim an amount on line 306 for that child. However, if you were separated from your spouse or common-law partner for only **part of 2016** because of a breakdown in your relationship, you may be able to claim an amount for that child on line 306 if you do not claim any support amounts paid to your spouse or common-law partner on line 220. You can claim whichever is better for you.

### **How to claim this amount**

For each of your dependants, calculate his or her net income (line 236 of his or her return, or the amount it would be if he or she filed a return). Complete the appropriate part of Schedule 5 to calculate your claim and give certain details about each of your dependants. Attach a copy of this schedule to your **paper return**.

The CRA may ask for a signed statement from a medical practitioner showing the nature of the impairment, when the impairment began, what the duration of the impairment is expected to be, and that because of an impairment in physical or mental functions, the person is, and will continue to be, dependent on others.

**Claims made by more than one person** – If you and another person support the same dependant, you can split the claim for that dependant. However, the total amount of your claim and the other person's claim cannot exceed the maximum amount allowed for that dependant.

### **Line 308 – CPP or QPP contributions through employment**

Claim, in dollars and cents, the total of the Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) contributions shown in boxes 16 and 17 of your T4 slips.

If you **were a resident of a province other than Quebec on December 31, 2016**, and contributed only to the CPP, do not claim more than \$2,544.30 on line 308. If you contributed more, claim the

overpayment on line 448 of your return. We will refund this overpayment to you or use it to reduce your balance owing.

If you **were a resident of Quebec on December 31, 2016**, and contributed only to the QPP, do not claim more than \$2,737.05 on line 308. If you contributed more, claim the overpayment on your provincial income tax return for Quebec.

If you contributed to the QPP in 2016 but **resided outside Quebec on December 31, 2016**, or if you contributed to the CPP in 2016 but **resided in Quebec on December 31, 2016**, complete Form RC381, INTER-PROVINCIAL CALCULATION FOR CPP AND QPP CONTRIBUTIONS AND OVERPAYMENTS FOR 2016, to calculate your claim at line 308 and your overpayment, if any. Attach to your **paper return** your RELEVÉ 1 slip.

## **Notes**

Even if you contributed \$2,544.30 or less to the CPP or \$2,737.05 or less to the QPP, you may have an overpayment because your claim must be prorated in certain situations, such as if in 2016:

- you were a CPP participant and turned 18 or 70 years of age or received a CPP disability pension;

- you were a QPP participant and turned 18 years of age or received a QPP disability pension;
- you were a CPP working beneficiary and elected to stop paying CPP contributions or revoked an election made in a previous year; or
- you are filing a return for a person who died in 2016.

If you started receiving CPP retirement benefits in 2016, your basic exemption may be prorated by the CRA.

If one of these situations applies to you, complete Schedule 8 or Form RC381, whichever applies.

If you contributed to a foreign employer-sponsored pension plan or to a social security arrangement (other than a United States Arrangement), see Form RC269, EMPLOYEE CONTRIBUTIONS TO A FOREIGN PENSION PLAN OR SOCIAL SECURITY ARRANGEMENT FOR 2016 – NON-UNITED STATES PLANS OR ARRANGEMENTS. You can get this form by going to [cra.gc.ca/forms](http://cra.gc.ca/forms) or by contacting us.



## **CPP working beneficiaries**

If you are **60 to 70 years of age** and employed or self-employed and you are receiving a CPP or QPP retirement pension, you **must** make contributions to the CPP or the QPP.

**However**, if you are at least **65 years of age but under 70**, you can **elect** to stop contributing to the CPP or revoke a prior-year election:

- if you are **employed**. You must complete Form CPT30, ELECTION TO STOP CONTRIBUTING TO THE CANADA PENSION PLAN, OR REVOCATION OF A PRIOR ELECTION.
- if you are **self-employed**. You must complete the applicable part of Schedule 8 or Form RC381, whichever applies.
- if you are employed **and** self-employed and you completed and submitted Form CPT30 when you became employed in 2016 but your intent was to elect in 2016 to stop paying CPP contributions or revoke an election made in a previous year on your self-employment income before you became employed, complete Schedule 8 or Form RC381, whichever applies.

## **Note**

If you did not complete and submit Form CPT30 for 2016 when you became employed, you cannot elect to stop paying CPP contributions or revoke an election made in a prior year on your self-employment earnings for 2016 on Schedule 8 or Form RC381.

## **Request for refund of CPP contributions**

Under the CANADA PENSION PLAN, you must ask for a refund of CPP over-contributions within four years after the end of the year for which the request is being made. See line 448.

## **Making additional CPP contributions**

You may not have contributed to the CPP for certain income you earned through employment or you may have contributed less than required. This can happen if **any** of the following apply:

- You had more than one employer in 2016.
- You had income, such as tips, from which your employer did not have to withhold contributions.

- You were in a type of employment not covered under CPP rules, such as casual employment.

Generally, if the total of your CPP and QPP contributions through employment, as shown in boxes 16 and 17 of your T4 slips, is less than \$2,544.30, you can contribute 9.9% on any part of the income on which you have not already made contributions. The maximum income for 2016 on which you can contribute to the CPP is \$54,900.

To calculate and make additional CPP contributions for 2016, complete Form CPT20, ELECTION TO PAY CANADA PENSION PLAN CONTRIBUTIONS, and Schedule 8 or Form RC381, INTER-PROVINCIAL CALCULATION FOR CPP AND QPP CONTRIBUTIONS AND OVERPAYMENTS FOR 2016, whichever applies, and claim the appropriate amounts on lines 222 and 310. Form CPT20 lists the eligible employment income on which you can make additional CPP contributions. If you **were not a resident of Quebec on December 31, 2016** and contributed **only** to the CPP, or if you **were a resident of Quebec on December 31, 2016** and contributed **only** to the QPP, you must complete Schedule 8 to calculate your claim. Otherwise, complete Form RC381 to calculate your claim.

**Supporting documents** – Attach a copy of Form CPT20 and Schedule 8 or Form RC381, whichever applies, to your **paper return**, or send Form CPT20 to the CRA separately on or before June 15, 2018.

**Tax-exempt employment income earned by a registered Indian or person entitled to be registered under the Indian Act** – If you are a registered Indian, or person entitled to be registered under the INDIAN ACT, with tax-exempt employment income and there is no amount shown in box 16 or 17 of your T4 slips, you may also be able to contribute to the CPP on this income. For more benefit and tax information for aboriginal peoples go to **[cra.gc.ca/aboriginalpeoples](http://cra.gc.ca/aboriginalpeoples)**.

**Line 310 – CPP or QPP contributions on self-employment and other earnings**

Claim, in dollars and cents, the same amount you claimed on line 222 of your return.

## **Line 312 – Employment insurance premiums through employment**

If you **were not** a resident of **Quebec on December 31, 2016**, claim, in dollars and cents, the total of the amounts shown in box 18 of all your T4 slips. If you contributed to a provincial parental insurance plan (PPIP) in 2016, also include the total of the amounts shown in box 55 of all your T4 slips on this line. Do not claim more than \$955.04. Attach to your **paper return** the RELEVÉ 1 slip your employer sent you.

If you contributed more than \$955.04, claim, in dollars and cents, the excess contribution on line 450 of your return. We will refund this overpayment to you or use it to reduce your balance owing.

If you **were** a resident of **Quebec on December 31, 2016**, and worked **only** in Quebec during the year, claim, in dollars and cents, the total of the amounts shown in box 18 of all your T4 slips. Do not claim more than \$772.16. If you contributed more than \$772.16, claim, in dollars and cents, the excess contribution on line 450 of your return. We will refund this overpayment to you or use it to reduce your balance owing.

If during the year you were a resident of Quebec, you worked **outside Quebec**, and your employment income is \$2,000 or more, you **must** complete Schedule 10 and attach it to your paper return. Claim on this line, in dollars and cents, the lesser of your EI premiums from line 22 and line 23 of Schedule 10.

### **Insurable earnings**

This is the total of all earnings on which you pay EI premiums. These amounts are shown in box 24 of your T4 slips for 2016 (or box 14 if box 24 is blank).

You may have an overpayment of your premiums even if the total is \$955.04 or less (if you were **not** a resident of Quebec), or \$772.16 or less if you were a resident of Quebec. This can happen when your insurable earnings are less than the total of all amounts shown in box 14 of all your T4 slips. You can calculate your overpayment using Form T2204, EMPLOYEE OVERPAYMENT OF 2016 EMPLOYMENT INSURANCE PREMIUMS. If you were a resident of Quebec and had to complete Schedule 10 because you worked outside Quebec, do **not** use Form T2204. Calculate the overpayment by completing Part C of Schedule 10.

If your insurable earnings are \$2,000 or less, we will refund all your premiums to you or use them to reduce your balance owing. In this case, do not enter any premiums on this line. Instead, enter the total on line 450 of your return.

You may also have an overpayment if your insurable earnings are more than \$2,000 and less than \$2,038 if you resided outside Quebec on December 31, 2016, or if your insurable earnings are more than \$2,000 and less than \$2,030 if you were a resident of Quebec on December 31, 2016. Calculate your overpayment using Form T2204.

### **Request for refund of EI contributions**

Under the EMPLOYMENT INSURANCE ACT, you must ask for a refund of EI overpayment within three years after the end of the year for which the request is being made.

### **Line 317 – Employment insurance premiums on self-employment and other eligible earnings**

If you were self-employed, you can choose to pay EI premiums to be eligible to receive EI special benefits.

For more information, contact Service Canada or visit **servicecanada.gc.ca**.

If you have entered into an agreement with the Canada Employment Insurance Commission through Service Canada to participate in the EI program for access to EI special benefits, you must complete Schedule 13, EMPLOYMENT INSURANCE PREMIUMS ON SELF-EMPLOYMENT AND OTHER ELIGIBLE EARNINGS, to calculate your premiums payable. Claim the amount from line 10 of your Schedule 13 on line 317 of your Schedule 1 and on line 430 of your return.

**Line 375 – Provincial parental insurance plan (PPIP)  
premiums paid**

If you **were** a resident of **Quebec on December 31, 2016**, and worked in Quebec during the year, claim, in dollars and cents, the total of the amounts shown in box 55 of your T4 slips. The maximum you can claim is \$391.82. Claim any overpayment on your provincial income tax return for Quebec.



If your PPIP insurable earnings are less than \$2,000, do **not** claim any PPIP premiums on this line. Instead, claim this amount as an overpayment on your provincial income tax return for Quebec.

### **Line 376 – PPIP premiums payable on employment income**

If you **were** a resident of **Quebec on December 31, 2016**, claim, in dollars and cents, the amount from line 19 of Schedule 10 if the following two conditions apply:

- Your employment income (including employment income from outside Canada) is \$2,000 or more.
- One of your T4 slips has a province of employment **other than** Quebec in box 10.

The maximum amount you can claim is \$391.82.

### **Line 378 – PPIP premiums payable on self-employment income**

If you **were** a resident of **Quebec on December 31, 2016**, claim, in dollars and cents, the amount from line 12 of Schedule 10.

The maximum amount you can claim is \$391.82.

**Line 362 – Volunteer firefighters' amount (VFA) and  
Line 395 – Search and rescue volunteers' amount (SRVA)**

You can claim \$3,000 for the VFA or the SRVA (**but not both**) if you meet the following conditions:

- you were a volunteer firefighter or a search and rescue volunteer during the year; and
- you completed at least 200 hours of eligible volunteer firefighting services or eligible search and rescue volunteer services in the year.

**Note**

The hours volunteered for both search and rescue and firefighter activities can be combined to claim either the VFA or the SRVA. **You cannot claim both.**

However, if you provided services to the same organization, **other than as a volunteer**, for the same or similar duties, you cannot

include any hours related to that organization in determining if you have met the 200-hour threshold.

Eligible volunteer firefighting services with a fire department include:

- responding to and being on call for firefighting and related emergency calls as a firefighter;
- attending meetings held by the fire department; and
- participating in required training related to preventing or suppressing fire.

Eligible search and rescue volunteer services with an eligible search and rescue organization include:

- responding to and being on call for search and rescue and related emergency calls as a search and rescue volunteer;
- attending meetings held by the organization; and
- participating in required training related to search and rescue services.

An eligible organization is a search and rescue organization that is a member of the Search and Rescue Volunteer Association of Canada, the Civil Air Search and Rescue Association, or the Canadian Coast Guard Auxiliary, or whose status as a search and rescue organization is recognized by a provincial, municipal, or public authority. Your search and rescue organization can tell you if it is eligible.

### **Tax Tip**

As a volunteer firefighter or search and rescue volunteer, you may be eligible to claim a \$1,000 exemption instead of the VFA or the SRVA. For more information, see "Emergency services volunteers" on page 84 [23].

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later. We may ask you to provide certification from the fire department or the search and rescue organization to confirm the number of hours of eligible volunteer firefighting or search and rescue volunteer services you performed.

## **Line 363 – Canada employment amount**

Claim the **lesser** of:

- \$1,161; and
- the total of the employment income you reported on lines 101 and 104 of your return.

## **▼ Line 364 – Public transit amount**

You can claim the cost of monthly public transit passes or passes of longer duration such as an annual pass for travel on public transit for 2016. These passes must allow unlimited travel on local buses, streetcars, subways, commuter trains or buses, or local ferries within Canada.

You can also claim the cost of short-term passes if **each pass** entitles you to unlimited travel for at least 5 consecutive days and you buy enough of these passes for unlimited travel for at least 20 days in any 28-day period.

You can claim the cost of electronic payment cards when you use them to make at least 32 one-way trips over a maximum of 31 consecutive days.

### **Note**

The amount claimed is based on the eligible portion of the cost related to the use of commuter public transit services in 2016.

Only you or your spouse or common-law partner can claim the cost of transit passes (if these amounts have not already been claimed) for:

- yourself;
- your spouse or common-law partner; and
- your or your spouse's or common-law partner's children who were under 19 years of age on December 31, 2016.

**Reimbursement of an eligible expense** – You can claim only the part of the amount for which you have not been or will not be reimbursed. However, you can claim the full amount if the reimbursement is reported as income (such as a benefit shown on a T4 slip) and you did not deduct the reimbursement anywhere else on your return.

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later.

### **Line 370 – Children's arts amount**

**NEW!** You can claim up to a maximum of \$250 per child, for eligible fees **paid in 2016** relating to the cost of registration or membership for your or your spouse's or common-law partner's child in a prescribed program (see the next section) of artistic, cultural, recreational, or developmental activity. The child **must** have been under 16 years of age (or under 18 years of age if eligible for the disability tax credit at line 316) at the beginning of the year in which an eligible arts expense was paid.

You can claim this amount if another person has not already claimed the same fees and the total claimed is not more than the maximum allowable amount if only one of you were making the claim.

**Children with disabilities** – If the child is eligible for the disability tax credit and is under 18 years of age at the beginning of the year, you can claim an **additional** \$500 if a minimum of \$100 is paid for

registration or membership fees for a prescribed artistic program described in the next section.

## **Notes**

Eligible expenses do not include amounts that can be claimed as the federal children's fitness tax credit (line 459 of your return) or as a deduction by any person, such as the child care expenses deduction (line 214 of your return) or amounts that any person has claimed as a tax credit.

Programs that are part of a school curriculum are not eligible.

If an organization provides your child with two **distinct prescribed programs** and one program is eligible for the children's arts amount and the other program is eligible for the children's fitness tax credit, you should receive two receipts. If you receive only one receipt, it must clearly show the amount paid to the organization for each distinct program.



## **Prescribed program**

To qualify for this amount, a program **must**:

- be ongoing (last at least eight consecutive weeks, or in the case of children's camps, five consecutive days);
- be supervised; and
- be suitable for children.

The program also has to meet at least **one** of the following criteria:

- it contributes to the development of creative skills or expertise in an artistic or cultural activity;
- it provides a substantial focus on wilderness and the natural environment;
- it helps children develop and use particular intellectual skills;
- it includes structured interaction between children where supervisors teach or help children develop interpersonal skills; or
- it provides enrichment or tutoring in academic subjects.

## **Note**

An activity that develops creative skills or expertise is eligible only if it is intended to improve a child's dexterity or co-ordination or helps in acquiring and applying knowledge through artistic or cultural activities such as literary arts, visual arts, performing arts, music, media, languages, customs, and heritage.

**Reimbursement of an eligible expense** – You can claim only the part of the amount for which you have not been or will not be reimbursed. However, you can claim the full amount if the reimbursement is reported as income (such as a benefit shown on a T4 slip) and you did not deduct the reimbursement anywhere else on your return.

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later.

### **▼ NEW! Line 398 – Home accessibility expenses**

You can claim an amount for eligible expenses for a qualifying renovation of an eligible dwelling, if you are a qualifying individual or an eligible individual making a claim for a qualifying individual.

The total eligible expenses for an **eligible dwelling** cannot be more than \$10,000 for the year.

The total eligible expenses claimed by a **qualifying individual** and all **eligible individuals** for a year cannot be more than \$10,000 for:

- a qualifying individual; or
- the same eligible dwelling even if there is more than one qualifying individual.

If you cannot agree on what amount each person can claim, the CRA will determine the amounts.

A **qualifying individual** is an individual who is eligible for the disability tax credit for the year, or an individual who is 65 years of age or older at the end of a year.

An **eligible individual** is:

- (a) a spouse or common-law partner of a qualifying individual; **or**

- (b) for a qualifying individual who is 65 years of age or older, an individual who has claimed the amount for an eligible dependant (line 305), caregiver amount (line 315) or amount for infirm dependants age 18 or older (line 306) for the qualifying individual, or could have claimed such an amount if:
- the qualifying individual had no income;
  - for the eligible dependant amount, the individual was not married or in a common-law partnership; and
  - for the amount for an infirm dependant age 18 or older, the qualifying individual was dependent on the individual because of mental or physical infirmity.

**OR**

- (c) If (b) does not apply, an individual who is entitled to claim the disability amount for the qualifying individual or would be entitled if no amount was claimed for the year by the qualifying individual or the qualifying individual's spouse or common-law partner.

An **eligible dwelling** is a housing unit (or a share of the capital stock of a co-operative housing corporation that was acquired for the sole purpose of acquiring the right to inhabit the housing unit owned by the corporation) located in Canada and meets **at least one of** the following conditions:

- it is **owned** (either jointly or otherwise) by the qualifying individual and it is ordinarily **inhabited** (or is expected to be ordinarily inhabited) in the year by the qualifying individual, **or**
- it is **owned** (either jointly or otherwise) by the eligible individual and is ordinarily inhabited (or is expected to be ordinarily **inhabited**) in the year by the eligible individual and the qualifying individual, and the qualifying individual does not throughout the year own (either jointly or otherwise) and ordinarily inhabit another housing unit in Canada.

**Note**

Generally, the land on which the housing unit stands, up to 1/2 hectare (1.24 acres), will be considered part of the eligible dwelling.

A qualifying individual may have only one eligible dwelling at any time, but may have more than one eligible dwelling in a year (for example, in a situation where an individual moves in the year).

When a qualifying individual has more than one eligible dwelling in a year, the total eligible expenses for all such eligible dwellings of the qualifying individual cannot be more than \$10,000.

A **qualifying renovation** is a renovation or alteration that is of an enduring nature and is integral to the eligible dwelling (including the land that forms part of the eligible dwelling). The renovation must:

- allow the qualifying individual to gain access to, or to be mobile or functional within, the dwelling; or
- reduce the risk of harm to the qualifying individual within the dwelling or in gaining access to the dwelling.

An item you buy that will not become a permanent part of your dwelling is generally not eligible.

## **Eligible expenses**

These expenses are outlays or expenses made or incurred during the year that are directly attributable to a qualifying renovation of an eligible dwelling. The expenses must be for work performed and/or goods acquired in the tax year.

If you do the work yourself, the eligible expenses include expenses for building materials, fixtures, equipment rentals, building plans, and permits. However, the value of your labour or tools cannot be claimed as eligible expenses.

Expenses are not eligible if the goods or services are provided by a person related to the qualifying individual or the eligible individual, unless that person is registered for goods and services tax/harmonized sales tax (GST/HST) under the EXCISE TAX ACT. If your family member is registered for GST/HST and if all other conditions are met, the expenses will be eligible for the home accessibility tax credit (HATC).

Generally, paid work done by professionals such as electricians, plumbers, carpenters and architects for eligible expenses qualifies as eligible expenses.

You may have an eligible expense that also qualifies as a medical expense. If so, you can claim the expense as a medical expense and a home accessibility expense. For information about medical expenses see lines 330 and 331.

### **Ineligible expenses**

The following expenses will not be eligible for the HATC:

- amounts paid to acquire a property that can be used independently of the qualifying renovation;
- the cost of annual, recurring, or routine repair or maintenance;
- amount paid to buy household appliances;
- amount paid to buy electronic home-entertainment devices;
- the cost of housekeeping, security monitoring, gardening, outdoor maintenance, or similar services;
- financing costs for the qualifying renovation; and
- the cost of renovation incurred mainly to increase or maintain the value of the dwelling.



## **Condominium and co-operative housing corporations**

For condominium or co-operative housing corporations, your share of the cost of eligible expenses for common areas qualifies for the HATC.

## **Other government grants or credits**

The HATC is not reduced by assistance from the federal or a provincial/territorial government, including a grant, forgivable loan, or tax credit.

## **Vendor rebates or incentives**

Eligible expenses are generally not reduced by reasonable rebates or incentives offered by the vendor or manufacturer of goods or the provider of the service.

## **Business and/or rental use of part of an eligible dwelling**

If you earn business or rental income from part of an eligible dwelling, you can only claim the amount for eligible expenses incurred for the personal-use areas of your dwelling.

For expenses incurred and/or goods acquired for common areas or that benefit the housing unit as a whole (such as a ramp or hand rails), you must divide the expense between personal use and income-earning use. For more information, see Guide T4002, BUSINESS AND PROFESSIONAL INCOME or Guide T4036, RENTAL INCOME.

Eligible expenses must be supported by acceptable documentation, such as agreements, invoices, and receipts. They must clearly identify the type and quantity of goods bought or services provided, including, but not limited to, the following information, as applicable:

- information that clearly identifies the vendor/contractor, their business address, and, if applicable, their GST/HST registration number;
- a description of the goods and the date when they were bought;
- the date when the goods were delivered (keep your delivery slip as proof) and/or when the work or services were performed;
- a description of the work done, including the address where it was done;

- the amount of the invoice;
- proof of payment. Receipts or invoices must show that bills were paid in full or be accompanied by other proof of payment, such as a credit card slip or cancelled cheque; and
- a statement from a co-operative housing corporation or condominium corporation (or, for civil law, a syndicate of co-owners) signed by an authorized individual identifying:
  - the amounts incurred for the renovation or the alteration work;
  - as a condominium owner, your part of these expenses if the work is done for common areas;
  - information that clearly identifies the vendor/contractor, their business address and, if applicable, their GST/HST registration number; and
  - a description of the work done or services performed and the dates when the work was done or the services were performed.

To verify whether someone is registered for GST/HST, please consult the GST/HST Registry at **[cra.gc.ca/gsthstregistry](http://cra.gc.ca/gsthstregistry)**.

## **How to claim this amount**

To claim home accessibility expenses complete Schedule 12, HOME ACCESSIBILITY EXPENSES, and report the amount from line 4 of Schedule 12 on line 398 of Schedule 1, FEDERAL TAX.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your completed Schedule 12 but do not send your other documents. Keep them in case we ask to see them later.

## **Line 369 – Home buyers' amount**

You can claim \$5,000 for the purchase of a qualifying home in 2016 if **both** of the following apply:

- You or your spouse or common-law partner acquired a qualifying home.
- You did not live in another home owned by you or your spouse or common-law partner in the year of acquisition or in any of the four preceding years (first-time home buyer).

## Note

You do not have to be a first-time home buyer if you are eligible for the disability tax credit or if you acquired the home for the benefit of a related person who is eligible for the disability tax credit. However, the purchase must be made to allow the person with the disability to live in a home that is more accessible or better suited to the needs of that person. For the purposes of the home buyers' amount, a person with a disability is a person who is eligible for the disability tax credit for the year in which the home is acquired.

A **qualifying home** must be registered in your and/or your spouse's or common-law partner's name in accordance with the applicable land registration system and it must be located in Canada. It includes existing homes and homes under construction. The following are considered qualifying homes:

- single-family houses;
- semi-detached houses;
- townhouses;
- mobile homes;

- condominium units; and
- apartments in duplexes, triplexes, fourplexes, or apartment buildings.

### **Note**

A share in a co-operative housing corporation that entitles you to own and gives you an equity interest in a housing unit located in Canada also qualifies. However, a share that only gives you the right to tenancy in the housing unit does not qualify.

You must intend to occupy the home, or you must intend that the related person with a disability occupy the home, as a principal place of residence **no later than** one year after it is acquired.

You and your spouse or common-law partner can split the claim, but the combined total cannot exceed \$5,000.

When more than one person is entitled to the amount (for example, when two people jointly buy a home), the total of all amounts claimed cannot exceed \$5,000.

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later.

### **Line 313 – Adoption expenses**

You can claim an amount for eligible adoption expenses related to the adoption of a child who is under 18 years of age. The new **maximum claim** for each child is \$15,453.

Two adoptive parents can split the amount if the total combined claim for eligible expenses for each child is not more than the amount before the split.

Parents can only claim these incurred expenses in the tax year including the end of the adoption period for the child. The adoption period:

- begins either when an application is made for registration with a provincial or territorial ministry responsible for adoption (or with an adoption agency licensed by a provincial or territorial government)

**or** when an application related to the adoption is made to a Canadian court, whichever is earlier; and

- ends when an adoption order is issued by, or recognized by, a government in Canada for that child **or** when the child first begins to live permanently with you, whichever is later.

### **Eligible adoption expenses**

Eligible adoption expenses you can claim are:

- fees paid to an adoption agency licensed by a provincial or territorial government (an "adoption agency");
- court costs and legal and administrative expenses related to an adoption order for the child;
- reasonable and necessary travel and living expenses of the child and the adoptive parents;
- document translation fees;
- mandatory fees paid to a foreign institution;



- mandatory expenses paid for the child's immigration; and
- any other reasonable expenses related to the adoption required by a provincial or territorial government or an adoption agency licensed by a provincial or territorial government.

**Reimbursement of an eligible expense** – You must reduce your eligible expenses by any reimbursements or other forms of assistance you received.

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later.

▼ **Line 314 – Pension income amount**

You may be able to claim up to \$2,000 if you reported eligible pension, superannuation, or annuity payments on lines 115, 116, and/or 129 of your return.

Report your pension or annuity income on the applicable line. To calculate your claim, complete the chart for line 314 on the federal worksheet in the forms book.

If you and your spouse or common-law partner elected to split pension income, follow the instructions at Step 4 on Form T1032, JOINT ELECTION TO SPLIT PENSION INCOME, to calculate the amount to enter on line 314 of your and your spouse's or common-law partner's Schedule 1.

### **Note**

Amounts such as old age security benefits, Canada Pension Plan benefits, Quebec Pension Plan benefits, death benefits, retiring allowances, excess amounts from a RRIF transferred to an RRSP, another RRIF, or an annuity, amounts shown in boxes 18, 20, 22, 26, 28, and 34 of your T4RSP slips, and amounts distributed from a retirement compensation arrangement shown on your T4A-RCA slips do **not** qualify.

### **Tax Tip**

You may be able to transfer all or part of your pension income amount to your spouse or common-law partner or to claim all or part of his or her pension income amount. See line 326.

## Line 315 – Caregiver amount

If at any time in 2016 you (either alone or with another person) maintained a dwelling where you and one or more of your dependants lived, you may be able to claim a maximum amount of \$4,667 (\$6,788 if he or she is eligible for the family caregiver amount on page 205 [45] ) for each dependant.

Each dependant **must** have been one of the following persons:

- your or your spouse's or common-law partner's child or grandchild;  
or
- your or your spouse's or common-law partner's brother, sister, niece, nephew, aunt, uncle, parent, or grandparent who was resident in Canada. You cannot claim this amount for a person who was only visiting you.

In addition, each dependant must meet **all** the following conditions. The person must have:

- been 18 years of age or older at the time he or she lived with you;

- had a net income in 2016 (line 236 of his or her return, or the amount it would be if he or she filed a return) of less than \$20,607 (\$22,728 if he or she is eligible for the family caregiver amount – see page 205 [45] ); and
- been dependent on you because of an impairment in physical or mental functions, or if he or she is your or your spouse's or common-law partner's parent or grandparent, born in 1951 or earlier.

If you had to make support payments for a child, you cannot claim an amount on line 315 for that child. However, if you were separated from your spouse or common-law partner for only **part of 2016** because of a breakdown in your relationship, you may be able to claim an amount for that child on line 315 (in addition to any allowable amounts on lines 305 and 318) if you do not claim any support amounts paid to your spouse or common-law partner on line 220. You can claim whichever is better for you.

Complete the appropriate part of Schedule 5 to calculate your claim and give certain details about each of your dependants. Attach a copy of this schedule to your **paper return**.

**Claim made by more than one person** – If you and another person support the same dependant, you can split the claim for that dependant. However, the total of your claim and the other person's claim cannot exceed the maximum amount allowed for that dependant.

If **anyone (including you)** can claim this amount for a dependant, no one can claim an amount on line 306 for that dependant. If **anyone other than you** claims an amount on line 305 for a dependant, you cannot claim an amount on line 315 for that dependant.

▼ **Line 316 – Disability amount (for self)**

If you are eligible for the disability tax credit, you may be able to claim the disability amount.

To be eligible, you must have had a severe and prolonged impairment in physical or mental functions during 2016. An impairment is prolonged if it has lasted, or is expected to last, for a continuous period of at least 12 months. You may be able to claim **\$8,001** if a medical practitioner certifies on Form T2201, DISABILITY TAX CREDIT CERTIFICATE, that **you meet certain conditions**.

## **Note**

You can send the form T2201 to us at any time during the year. Sending us your form before you file your income tax and benefit return may help avoid a delay in getting your assessment.

For more information, see Guide RC4064, DISABILITY-RELATED INFORMATION or go to [cra.gc.ca/disability](http://cra.gc.ca/disability). To view your disability tax credit information, go to [cra.gc.ca/myaccount](http://cra.gc.ca/myaccount).

## **Supplement for persons under 18**

If you qualify for the disability amount and were under 18 years of age at the end of the year, you can claim up to an additional \$4,667. However, this supplement may be reduced if in 2016 someone claimed child care expenses (on line 214) or attendant care expenses (as a medical expense on line 330 or 331) for you. It will also be reduced if you claimed attendant care expenses on line 215 or 330 for yourself.

## **How to claim this amount**

If this is a new claim for this amount, you must submit a completed Form T2201, DISABILITY TAX CREDIT CERTIFICATE, certified by a medical

practitioner or your claim will be delayed. We will review your claim **before** we assess your return to see if you are eligible.

If you were eligible for the disability tax credit for 2015 and you still meet the eligibility requirements in 2016, you can claim this amount without sending us a new Form T2201. However, you must send us one if the previous period of approval ended before 2016 or if we ask you to.

If you were **18 years of age or older** at the end of the year, claim **\$8,001**. Otherwise, complete the chart for line 316 on the federal worksheet in the forms book.

### **Tax Tips**

You may be able to transfer all or part of your disability amount (and, if it applies, the supplement) to your spouse or common-law partner (who would claim it on line 326) or to another supporting person (who would claim it on line 318).

You may be able to claim all or part of the disability amount (and, if it applies, the supplement) transferred from your spouse or common-law partner on line 326 or from another dependant on line 318.

You may also be able to claim a working income tax benefit disability supplement. See line 453.

**Line 317 – Employment insurance premiums on self-employment and other eligible earnings**

See page 229 [49].

**Line 318 – Disability amount transferred from a dependant**

You may be able to claim all or part of your dependant's (other than your spouse's or common-law partner's) disability amount (line 316) if **all** the following apply:

- your dependant is eligible for the disability tax credit;
- your dependant was resident in Canada at any time in 2016; and
- he or she was dependent on you for all or some of the basic necessities of life (food, shelter, and clothing).



In addition, **one** of the following situations has to apply:

- You claimed an amount on line 305 for that dependant, or you could have if you did not have a spouse or common-law partner and if the dependant did not have any income (see line 305 for conditions).
- The dependant was your or your spouse's or common-law partner's parent, grandparent, child, grandchild, brother, sister, aunt, uncle, niece, or nephew and you claimed an amount on line 306 or 315 for that dependant, or you could have if he or she had no income and had been 18 years of age or older in 2016.

## **Notes**

You **cannot** claim the unused part of this amount if the spouse or common-law partner of the person with a disability is already claiming the disability amount or any other non-refundable tax credit (other than medical expenses) for the person with a disability.

If you are splitting the unused part of this amount with another person, attach a note to your **paper return** that includes the name and social insurance number of the other person who is claiming this

amount. The total claimed for that dependant cannot exceed the maximum amount allowed for that dependant.

If you or anyone else paid for an attendant or for care in an establishment, special rules may apply. For more information, see Guide RC4065, MEDICAL EXPENSES. To view your disability tax credit information, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**.

**Claiming the disability tax credit?**

Applying for the credit is as easy as 1-2-3. See how you or someone you know can benefit.

For more information visit **[cra.gc.ca/guide-dtc](http://cra.gc.ca/guide-dtc)**.

**How to claim this amount**

If this is a new claim for this amount, you must submit a completed and certified Form T2201, DISABILITY TAX CREDIT CERTIFICATE. We will review your claim **before** we assess your return to see if your dependant is eligible.

## Note

You can send the form T2201 to us at any time during the year. Sending us your form before you file your income tax and benefit return may help avoid a delay in getting your assessment.

If your dependant was eligible for the disability tax credit for 2015 and still meets the requirements in 2016, you can claim this amount without sending us a new Form T2201. However, you must send us one if the previous period of approval ended before 2016 or if we ask you to. If you are not attaching a Form T2201 for a dependant, attach to your **paper return** a note stating the dependant's name, social insurance number, and relationship to you.

If your dependant was under 18 years of age at the end of the year, first complete the chart for line 316 on the federal worksheet in the forms book to calculate the supplement that dependant may be able to claim.

Complete the chart for line 318 on the federal worksheet in the forms book to calculate your claim for each dependant and enter the amount on line 318 of your Schedule 1.

## **Tax Tip**

If you can claim this amount, you may also be able to claim an amount on line 315 for the same dependant.

For more information about different amounts you may be able to claim, see Guide RC4064, DISABILITY-RELATED INFORMATION or go to **[cra.gc.ca/disability](http://cra.gc.ca/disability)**.

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

You may have a loan under the CANADA STUDENT LOANS ACT, the CANADA STUDENT FINANCIAL ASSISTANCE ACT, the APPRENTICE LOANS ACT, or similar provincial or territorial government laws for post-secondary education. For more information about the Canada Apprentice Loan if you are training as a registered Red Seal apprentice in a designated trade, contact Employment and Social Development Canada or visit **[serviccanada.gc.ca](http://serviccanada.gc.ca)**.

**Only** you can claim an amount for the interest you, or a person related to you, paid on that loan in 2016 or the preceding five years.

You can claim an amount only for interest you have not already claimed. If you have no tax payable for the year the interest is paid, it is to your advantage **not** to claim it on your return. You can carry the interest forward and apply it on your return for any of the next five years.

## **Notes**

You **cannot** claim interest paid on any other kind of loan or on a student loan that has been combined with another kind of loan. If you renegotiated your student loan with a bank or financial institution or included it in an arrangement to consolidate your loans, the interest on the new loan does **not** qualify for this tax credit.

In addition, you cannot claim interest you paid because of a judgment obtained after you failed to repay a student loan.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your documents for the amounts you are claiming for 2016.

## **Line 323 – Your tuition, education, and textbook amounts**

Complete Schedule 11 to calculate your total eligible tuition, education, and textbook amounts for 2016 and to carry forward any unused amounts from previous years that are shown on your notice of assessment or notice of reassessment for 2015. Enter the amount you are claiming on line 323.

For more information, see "Transferring and carrying forward amounts" on page 275 [57] or Guide P105, STUDENTS AND INCOME TAX.

### **Tax Tips**

Even if you have no tax to pay and you are transferring part of your tuition, education, and textbook amounts, file your return and attach a completed Schedule 11 so we can update our records with your unused tuition, education, and textbook amounts available to carry forward to other years.

If you are transferring an amount to a designated individual, transfer only the amount this person can use. That way, you can carry forward as much as possible to use in a future year.

You may be able to claim all or part of your spouse's or common-law partner's tuition, education, and textbook amounts on line 326 and/or your child's or grandchild's tuition, education, and textbook amounts on line 324.

### **Eligible tuition fees**

Generally, a course qualifies if it was taken at the post-secondary level or (for persons 16 years of age or older at the end of the year) if it develops or improves skills in an occupation and the educational institution has been certified by Employment and Social Development Canada. In addition, you must have taken the course in 2016.

Not all fees can be claimed. To qualify, the fees you paid to attend a Canadian educational institution **must exceed \$100**. For fees paid to an educational institution outside Canada, see Guide P105 and Information Sheet RC192, INFORMATION FOR STUDENTS – EDUCATIONAL INSTITUTIONS OUTSIDE CANADA. In addition, you cannot include in your claim the amounts paid for other expenses, such as board and lodging, students' association fees, or textbooks (see "Textbook amount" on page 274 [on the next page] ).

If the fees were paid or reimbursed by your employer or an employer of one of your parents, you can claim them only if the payment or reimbursement was included in your or your parent's income.

## **Forms**

To claim tuition fees paid to an educational institution in Canada, you will need an official tax receipt or a completed Form T2202A, TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE, which your institution has to give you.

To claim tuition fees paid to an educational institution outside Canada, you will need Form TL11A, TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE – UNIVERSITY OUTSIDE CANADA, or Form TL11C, TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE – COMMUTER TO THE UNITED STATES. Ask your institution to complete and give you the applicable form.

To claim tuition fees paid to a flying school or club in Canada, you will need a completed Form TL11B, TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE – FLYING SCHOOL OR CLUB, which your school or club has to give you.



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

## **Education amount**

You can claim this amount for each whole or part month in 2016 in which you were enrolled in a qualifying program. If you were under 16 years of age at the end of the year, you can claim this amount only for courses you took at the post-secondary level.

Post-secondary programs consisting mainly of research are eligible for the education amount **only** if they lead to a college or CEGEP diploma or a bachelor, masters, or doctoral (or equivalent) degree. For more information, see Guide P105, STUDENTS AND INCOME TAX.

Generally, you **cannot** claim this amount for a program for which you received a benefit, a grant, an allowance, or a reimbursement of your tuition fees.

However, you can claim this amount **even if** you received salary or wages from a job related to your program of study or certain other kinds of payments, such as scholarships and student loans, or if you

received and reported as income any financial assistance provided under:

- Part II of the EMPLOYMENT INSURANCE ACT (and shown in box 20 of your T4E slip) or a labour-market development agreement as part of a similar provincial or territorial program; **or**
- a program developed under the authority of the DEPARTMENT OF EMPLOYMENT AND SOCIAL DEVELOPMENT ACT.

To confirm the period in which you were enrolled in a qualifying program, your educational institution has to complete and give you one of the following forms:

- Form T2202A, Tuition, Education, and Textbook Amounts Certificate;
- Form TL11A, Tuition, Education, and Textbook Amounts Certificate – University Outside Canada;
- Form TL11B, Tuition, Education, and Textbook Amounts Certificate – Flying School or Club; or

- Form TL11C, Tuition, Education, and Textbook Amounts Certificate – Commuter to the United States.

The following amounts apply for each month in which you were enrolled in a qualifying program:

- If you were enrolled full-time, you can claim \$400 per month.
- If you attended only part-time and you are eligible for the disability tax credit, you can claim \$400 per month.

If you could attend only part-time because you had an impairment restricting one of the activities listed in Guide RC4064, DISABILITY-RELATED INFORMATION, but your condition was not **severe** and **prolonged**, you can claim \$400 per month. You must submit a letter from a medical doctor, optometrist, audiologist, occupational therapist, psychologist, physiotherapist, or speech language pathologist to certify your impairment.

- If you were enrolled part-time, you can claim \$120 per month.

You cannot claim more than one education amount per month.

## **Textbook amount**

You can claim this amount if you are entitled to claim the education amount.

The following are the amounts you can claim:

- \$65 for each month you qualify for the full-time education amount; and
- \$20 for each month you qualify for the part-time education amount.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your completed Schedule 11 but do not send your other documents. Keep them in case we ask to see them later.

## **Transferring and carrying forward amounts**

You **must** claim your tuition, education, and textbook amounts **first** on your own return, even if someone else paid your fees. However, you may be able to **transfer** all or some of the unused part of these amounts to your spouse or common-law partner (who would claim it on line 326 of his or her Schedule 1) or to your or your spouse's or common-law partner's parent or grandparent (who would claim it on line 324 of his or her Schedule 1).

You can designate who can claim an unused amount and specify the amount that person can claim. To do this, complete the "Transfer or carryforward of unused amount" section of Schedule 11 to calculate this transfer. As well as any of the following applicable forms:

- T2202A, Tuition, Education, and Textbook Amounts Certificate;
- TL11A, Tuition, Education, and Textbook Amounts Certificate – University Outside Canada;
- TL11B, Tuition, Education, and Textbook Amounts – Certificate – Flying School or Club; or
- TL11C, Tuition, Education, and Textbook Amounts Certificate – Commuter to the United States.

Attach Schedule 11 to your return even if you are transferring all of your total tuition, education, and textbook amounts.

You can **carry forward** and claim in a future year the part of your tuition, education, and textbook amounts you cannot 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 must claim your carry-forward amount in the first year you have to pay federal tax. Calculate the carry-forward amount on Schedule 11.

To view your carryforward amounts, go to **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)**.

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

If you are the parent or grandparent of a student or his or her spouse or common-law partner, the student may be able to transfer to you all or part of his or her unused tuition, education, and textbook amounts for 2016. The maximum transferable amount from each student is \$5,000 minus the amounts he or she uses, even if there is still an unclaimed part.

## **Note**

The student cannot transfer to you any tuition, education, or textbook amounts carried forward from a previous year.

## **How to claim this amount**

The **student** has to complete the "Transfer or carryforward of unused amount" section of Schedule 11 and attach the schedule to his or her return. The **student** must also complete any of the following **applicable** forms to designate you as the person who can claim the amount:

- Form T2202A, Tuition, Education, and Textbook Amounts Certificate;
- Form TL11A, Tuition, Education, and Textbook Amounts Certificate – University Outside Canada;
- Form TL11B, Tuition, Education, and Textbook Amounts Certificate – Flying School or Club; or
- Form TL11C, Tuition, Education, and Textbook Amounts Certificate – Commuter to the United States.

If the amount being transferred to you is not shown on these forms, you should have a copy of the student's official tuition fee receipt.

**Amounts claimed by student's spouse or common-law partner –**

If a student's spouse or common-law partner claims an amount on line 303 or 326 for the student, you cannot claim an amount on line 324 for that student. However, the student's spouse or common-law partner can include the transfer on line 326.

**No amounts claimed by student's spouse or common-law partner –**

If the student's spouse or common-law partner does not claim an amount on line 303 or 326 for the student, or if the student does not have a spouse or common-law partner, the student can choose which parent or grandparent will claim an amount on line 324.

Only one person can claim this transfer from the student. However, it does not have to be the same parent or grandparent who claims an amount on line 305 or 306 for the student.

**Supporting documents** – If you are filing electronically or filing a **paper return**, do not send any documents. Keep them in case we ask



to see them later. The **student** must attach Schedule 11 to his or her **paper return**.

▼ **Line 326 – Amounts transferred from your spouse or common-law partner**

You may be able to claim all or part of the following amounts for which your spouse or common-law partner qualifies if he or she did not need the whole amount to reduce his or her federal tax to zero:

- the **age amount** (line 301) if your spouse or common-law partner was 65 years of age or older;
- the **family caregiver amount for infirm children under 18 years of age** (line 367);
- the **pension income amount** (line 314);
- the **disability amount for self** (line 316); and
- **the tuition, education, and textbook amounts** (line 323) for 2016 your spouse or common-law partner designates to you. The maximum amount your spouse or common-law partner can transfer is \$5,000 minus the amounts he or she uses even if there is still an unused part.

## Notes

Your spouse or common-law partner cannot transfer to you any tuition, education, or textbook amounts carried forward from a previous year.

If you were separated because of a breakdown in your relationship for a period of 90 days or more including December 31, 2016, your spouse or common-law partner cannot transfer any unused amounts to you.

Complete Schedule 2 to calculate your claim.

If the amount on this line includes a new claim for the disability amount, attach a completed and certified Form T2201, DISABILITY TAX CREDIT CERTIFICATE. We will review your claim **before** we assess your return to see if your spouse or common-law partner is eligible for the disability tax credit. If he or she was eligible for 2015 and still meets the requirements in 2016, you can claim this amount without sending us a new Form T2201. However, you must send us one if the previous period of approval ended before 2016 or if we ask you to.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach to your return your completed Schedule 2, and if your spouse or common-law partner is not filing a return, attach the information slips that show his or her income. Do not send your other supporting documents, but keep them in case we ask to see them later.

▼ **Line 330 – Medical expenses for self, spouse or common-law partner, and your dependent children born in 1999 or later**

You can claim on line 330 the total eligible medical expenses you or your spouse or common-law partner paid for:

- yourself;
- your spouse or common-law partner; and
- your or your spouse's or common-law partner's children born in 1999 or later.

Medical expenses for other dependants must be claimed on line 331.

You can claim eligible medical expenses paid in any **12-month period** ending in 2016 and not claimed for 2015. Generally, you can claim all amounts paid, even if they were not paid in Canada. Your total expenses have to be more than **3%** of your net income (line 236 of your return) or **\$2,237**, whichever is **less**.

### **Notes**

On the return for a person who died in 2016, a claim can be made for expenses paid in any 24-month period that includes the date of death if they were not claimed for any other year.

If you are claiming expenses paid for a dependant who died in the year, these amounts can be claimed for any 24-month period that includes the date of death if they were not claimed for any other year.

### **Tax Tip**

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

## Eligible medical expenses

**Some** eligible medical expenses you can claim are:

- payments to a medical doctor, dentist, nurse, or certain other medical professionals or to a public or licensed private hospital;
- premiums paid to **private** health services plans (other than those paid by an employer, such as the amount shown in box J of your Quebec RELEVÉ 1 slip);
- premiums paid under a provincial or territorial prescription drug plan, such as the Quebec Prescription Drug Insurance Plan and the Nova Scotia Seniors' Pharmacare Program (amounts or premiums paid to provincial or territorial government medical or hospitalization plans **are not eligible**); and
- payments for artificial limbs, wheelchairs, crutches, hearing aids, prescription eyeglasses or contact lenses, dentures, pacemakers, prescription drugs, and certain prescription medical devices.

**Reimbursement of an eligible expense** – You can claim only the part of an expense for which you have not been or will not be reimbursed. However, you can claim the full 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.

**Travel expenses** – If medical services are not available to you within 40 kilometres of your home, you may be able to claim the cost of your transportation to get these services somewhere else. You can choose to simplify the way you calculate this amount. For more information, use **Info-Tax**, one of our **Tax Information Phone Services** (see page 353 [73] ).

If you use the simplified method, you can find the rate per kilometre for each province or territory by going to **[cra.gc.ca/travelcosts](http://cra.gc.ca/travelcosts)**.

If you had to travel at least 80 kilometres from your home, you can claim accommodation and meal expenses in addition to transportation expenses.

For more information about medical expenses, go to **[cra.gc.ca/medical](http://cra.gc.ca/medical)** or use **Info-Tax**, one of our **Tax Information**

**Phone Services** (see page 353 [73] ). You can also see Guide RC4065, MEDICAL EXPENSES, and Income Tax Folio S1-F1-C1, MEDICAL EXPENSE TAX CREDIT.

### **Tax Tip**

Compare the amount you can claim with the amount your spouse or common-law partner would be allowed to claim. It may be better for the spouse or common-law partner with the lower net income (line 236) to claim the allowable medical expenses. You can make whichever claim you prefer.

The following example shows you how to calculate your claim.

### **Example**

Richard and his wife Pauline have two children. They have reviewed their medical bills and decided that the 12-month period ending in 2016 for which they will calculate their claim is July 1, 2015, through June 30, 2016. They incurred the following expenses:

Richard	\$1,500
Pauline	\$1,000
Jen (their 16-year-old daughter)	\$1,800
Rob (their 19-year-old son)	\$1,000
Total medical expenses	\$5,300

The total allowable expenses for 2016 are \$4,300, which will be entered on line 330. Since Rob is over 18 years of age, his expenses will be claimed on line 331.

Pauline's 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 \$2,237, she enters \$960 on line 28 (line 31 for Quebec residents) and subtracts it from \$4,300. The difference is \$3,340, which is the amount on line 29 (line 32 for Quebec residents).

Richard's net income on line 236 of his return is \$48,000. He calculates 3% of that amount as \$1,440. Because the result is



less than \$2,237, he enters \$1,440 on line 28 (line 31 for Quebec residents) and subtracts it from \$4,300. The difference is \$2,860, which is the amount on line 29 (line 32 for Quebec residents).

In this case, Pauline and Richard have found it is better for Pauline to claim all the expenses for them and their daughter Jen.

You may be claiming expenses that would be allowable only for a person who is eligible for the disability tax credit. For information about the disability amount, see line 316.

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later.

### **Line 331 – Allowable amount of medical expenses for other dependants**

Claim on line 331 the part of eligible medical expenses you or your spouse or common-law partner paid for the following persons who depended on you for support:

- your or your spouse's or common-law partner's children born in 1998 or earlier or grandchildren; and
- your or your spouse's or common-law partner's parents, grandparents, brothers, sisters, aunts, uncles, nieces, or nephews who were residents of Canada at any time in the year.

The expenses must meet the criteria in the section "Eligible medical expenses" at line 330. They have to cover the **same 12-month period** that was used for line 330.

For more information, see Guide RC4065, MEDICAL EXPENSES.

Calculate for **each** dependant the medical expenses you are claiming on this line. The total of these expenses must exceed the **lesser** of **\$2,237** and **3%** of the dependant's net income for the year.

Use the following chart for each dependant:

<b>Other dependant's</b> medical expenses	
Less: \$2,237 or 3% of line 236 of that dependant (whichever is less)	—
Allowable medical expenses	=

Claim on line 331 the total of all allowable amounts for each dependant.

### ▼ **Line 349 – Donations and gifts**

You can claim donations either you or your spouse or common-law partner made. Enter your claim from the calculation on Schedule 9. See Pamphlet P113, GIFTS AND INCOME TAX, for more information about donations and gifts or if you made any of the following:

- gifts of property other than cash (gifts in kind);
- gifts to qualified donees outside Canada; or
- gifts to Canada, a province, or a territory.

## Notes

**NEW!** The calculation for donations made in 2016 and later years has changed. For more information, see Schedule 9, DONATIONS AND GIFTS.

These gifts do not include contributions to political parties. If you contributed to a federal political party, see lines 409 and 410 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 to find out about claiming a credit. If you are a resident of Quebec, refer to your provincial guide.

**Monetary** gifts to Canada should be made payable to the Receiver General of Canada. Send the gift, along with a note stating that the money is a gift to Canada, to: Place du Portage, Phase III, 11 Laurier Street, Gatineau QC K1A 0S5. If you made such a gift, you should have been given an official donation receipt.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your completed Schedule 9 but do not send your other documents. Keep them in case we ask to see them later.

## **Allowable charitable donations (line 340 of Schedule 9)**

Add up all the **eligible amounts** of your donations to registered charities and other qualified donees made in 2016 **plus** donations made in any of the previous five years that have not been claimed before. This includes gifts to Canada, a province, or a territory. For a list of qualified donees, use **Info-Tax**, one of our **Tax Information Phone Services** (see page 353 [73] ), or see Pamphlet P113, GIFTS AND INCOME TAX.

The **eligible amount** is the amount by which the fair market value of your gift exceeds any advantage you received or will receive for making the gift. Generally, an advantage includes the value of certain property, service, compensation, use, or any other benefit. For more information, see Pamphlet P113, GIFTS AND INCOME TAX.

Generally, you can claim on line 340 all or part of the eligible amount of these donations, up to a limit of 75% of your net income for the year. You may be able to increase this limit if you donate capital property (including depreciable property). For more information, see Pamphlet P113, GIFTS AND INCOME TAX. For the year a person dies and the year before that, this limit is 100% of the person's net income.

## Note

If you have taken a vow of perpetual poverty as a member of a religious order, this limit does not apply. Claim your donations on line 256 of your return.

## Tax Tip

You do not have to claim on your return for 2016 the donations you made in 2016. It may be more beneficial for you to carry them forward and claim them on your return for any of the next five years. No matter when you claim them, you can claim them only once.

Donations of certain flow-through share properties may result in a deemed capital gain that is subject to an inclusion rate of 50%. For more information, see Pamphlet P113, GIFTS AND INCOME TAX and Guide T4037, CAPITAL GAINS.

**NEW!** For deaths that occur after 2015, donations made by will and designation donations are no longer deemed to be made by an individual immediately before the individual's death. For more information, see Pamphlet P113, GIFTS AND INCOME TAX.

## **Cultural and ecological gifts (line 342 of Schedule 9)**

Unlike other donations, your total **eligible amount** claimed for these types of gifts is not limited to a percentage of net income. You can choose the part you claim in 2016 and carry forward any unused part for up to five years.

For donations of ecologically sensitive lands made after February 10, 2014, the carry-forward period is up to 10 years.

For donations of certified cultural property made after February 10, 2014, special rules apply when the property was acquired through a gifting arrangement that is a tax shelter.

For more information about these gifts and the amounts you can claim, see Pamphlet P113, GIFTS AND INCOME TAX.

## **First-time donor's super credit (FDSC) (line 343 of Schedule 9)**

For 2013 to 2017, if you are a first-time donor, you can claim up to \$1,000 of donations of money made after March 20, 2013, for the FDSC. This credit is calculated by multiplying the eligible amount

of these donations by 25%. This is in addition to the credit already allowed for these same donations that you and your spouse or common-law partner claimed on line 340 of Schedule 9.

To qualify as a first-time donor, neither you nor your spouse or common-law partner can have claimed and been allowed a charitable donations tax credit for any year after 2007. If you have a spouse or common-law partner, you can share the FDSC, but the total combined donations claimed cannot exceed \$1,000.

Enter the amount of the gift on line 343 of Schedule 9. For more information, go to [cra.gc.ca/fdsc](http://cra.gc.ca/fdsc).

### **Line 362 – Volunteer firefighters' amount (VFA)**

See page 232 [49].

### **Line 363 – Canada employment amount**

See page 235 [50].



**Line 364 – Public transit amount**

See page 235 [50].

**Line 367 – Family caregiver amount for infirm children under 18  
years of age**

See page 215 [47].

**Line 369 – Home buyers' amount**

See page 250 [53].

**Line 370 – Children's arts amount**

See page 237 [50].

**Line 375 – Provincial parental insurance plan (PPIP)  
premiums paid**

See page 230 [49].

**Line 376 – PPIP premiums payable on employment income**

See page 231 [49].

**Line 378 – PPIP premiums payable on self-employment income**

See page 231 [49].

**Line 395 – Search and rescue volunteers' amount (SRVA)**

See page 232 [49].

**Line 398 – Home accessibility expenses**

See page 240 [51].

**Step 2 of Schedule 1 – Federal tax on taxable income**

Enter your taxable income from line 260 of your return on line 37 of Schedule 1 (line 40 for residents of Quebec).

Complete the appropriate column depending on the amount on line 37 (line 40 for residents of Quebec).

### **Step 3 of Schedule 1 – Net federal tax**

There are no lines on the return for the recapture of the investment tax credit or for the federal logging tax credit. If these amounts apply, use them to calculate your net federal tax on Schedule 1. If the result of these adjustments is negative and you do not have to pay minimum tax (see page 201 [44] ), enter "0" on line 61 of Schedule 1, or line 64 for residents of Quebec.

### **Recapture of investment tax credit**

If you have to repay all or part of an investment tax credit you received previously for scientific research and experimental development or for child care spaces, calculate on Form T2038(IND), INVESTMENT TAX CREDIT (INDIVIDUALS), the amount you have to repay. Write "recapture of investment tax credit" and the amount below line 54 on Schedule 1, or line 57 for residents of Quebec. Add it to the amount on line 54 or line 57.

## **Federal logging tax credit**

If you paid logging tax to a province for logging operations you performed in the province, you may be able to claim a logging tax credit. To calculate your credit, use the **lesser** of the following two amounts for each province in which you had a logging operation:

- 66.6667% of the logging tax paid for the year to the province; and
- 6.6667% of your net logging income for the year in the province.

Your allowable credit is the total of the credits for the year for all provinces, up to 6.6667% of your taxable income (line 260), not including any amounts on lines 208, 214, 215, 219, and 220. Write "federal logging tax credit" and enter the allowable amount below line 54 on Schedule 1, or line 57 for residents of Quebec. Subtract it from the total of the amount on line 54 or line 57 and the amount of any applicable recapture of investment tax credits.

## **Line 405 – Federal foreign tax credit**

You may be able to claim this credit if you paid foreign taxes on income you received from outside Canada and reported on your

Canadian return. Complete Form T2209, FEDERAL FOREIGN TAX CREDITS, to calculate your credit, and claim the amount from line 12 on line 405 of Schedule 1.

### **Note**

If you deducted an amount on line 256 for income that is not taxable in Canada under a tax treaty, do not report that income, or any tax withheld from it, in your foreign tax credit calculation.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your completed Form T2209 and documents that show the foreign taxes you paid. If you paid taxes to the United States, attach your W-2 information slip, U.S. 1040 return, U.S tax account transcript, and any other supporting documents that apply. If you are submitting documents in a foreign language, you will need to provide a copy of the original documents and a certified English or French translation.

## Note

The translation has to be certified by an official who has the authority to administer an oath or solemn declaration (commissioner of oaths, notary public, or lawyer) unless it has been completed by a translator who is a member in good standing of one of the provincial or territorial organizations of translators and interpreters of Canada. The signatory's name has to be printed in the Latin alphabet.

## Lines 409 and 410 – Federal political contribution tax credit

You can claim contributions either you or your spouse or common-law partner made during 2016 to a registered federal political party or to a candidate for election to the House of Commons.

The **eligible amount** is the amount by which the fair market value of your monetary contribution exceeds any advantage you received or will receive for making it. Generally, an advantage includes the value of certain property, service, compensation, use, or any other benefit.

Complete the chart for line 410 on the federal worksheet in the forms book to calculate your credit. However, if your total political contributions are \$1,275 or more, enter \$650 on line 410.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your official receipts. Do not attach official receipts for amounts shown in box 14 of your T5003 slips, in box 184 of your T5013 slips, or on financial statements showing an amount a partnership allocated to you. Keep copies of all your documents in case we ask to see them later.

### **Line 412 – Investment tax credit**

You may be eligible for this credit if **any** of the following apply. You:

- bought certain new buildings, machinery, or equipment and they were used in certain areas of Canada in qualifying activities such as farming, fishing, logging, manufacturing, or processing;
- have unclaimed credits from the purchase of qualified property after 2005;
- have an amount shown in box 41 of your T3 slips;
- have an amount shown in box 186 or 194 of your T5013 slips;
- have an amount shown in box 128 of your T101 slips;

- have a partnership statement that allocates to you an amount that qualifies for this credit;
- have an investment in a mining operation that allocates certain exploration expenditures to you; or
- employ an eligible apprentice in your business.

You can claim an investment tax credit if you carry on a business and create one or more new **child care spaces** for children of your employees and other children. For more information, see Form T2038(IND), INVESTMENT TAX CREDIT (INDIVIDUALS).

For investment tax credits earned in a year after 2005, the carry-forward period is 20 years.

**NEW!** Eligibility for the mineral exploration tax credit has been extended to flow-through share agreements entered into before April 2017.



## **How to claim this credit**

Attach to your **paper return** a completed copy of Form T2038(IND). For more information about the investment tax credit, see the information sheet attached to Form T2038(IND).

You must send the form to us no later than 12 months after the due date of your return for the year the qualified expenditure arises.

### **Tax Tip**

You may be able to claim a refund of your unused investment tax credit. See line 454.

## **Lines 413, 414, 411, and 419 – Labour-sponsored funds tax credit**

You may be able to claim this credit if you became the **first** registered holder to acquire or irrevocably subscribe to and pay for an approved share of the capital stock of a prescribed labour-sponsored venture capital corporation (LSVCC) from January 1, 2016, to March 1, 2017.

If you became the first registered holder of an approved share from January 1, 2016, to February 29, 2016, and did not claim the

whole credit for it on your 2015 return, you can claim the unused part on your 2016 return.

If you became the first registered holder of an approved share from January 1, 2017, to March 1, 2017, you can claim any part of the credit for that share on your return for 2016 and the unused part on your return for 2017.

**NEW! Provincially registered LSVCC**

**Enter** the **net cost** of your acquisition of **provincially** registered shares of a labour-sponsored venture capital corporation on **line 413**. Net cost is the amount you paid for your shares minus any government assistance (other than federal or provincial tax credits) on the shares.

**Claim** the amount of your **allowable credit** on **line 414** to a **maximum of \$750**.

The allowable credit is **15%** of the **lesser of**:

- \$5,000; and

- net cost reported at line 413.

## **Federally registered LSVCC**

**Enter** the **net cost** of your acquisition of **federally** registered shares of a labour-sponsored venture capital corporation on **line 411**. Net cost is the amount you paid for your shares minus any government assistance (other than federal or provincial tax credits) on the shares.

**Claim** the amount of your **allowable credit** on **line 419** to a **maximum of \$250**.

The allowable credit is **5%** of the **lesser of**:

- \$5,000 **minus** the amount reported at line 413; and
- net cost reported at line 411.

### **Note**

If the first registered holder of the share is an RRSP for a spouse or common-law partner, the RRSP contributor or the annuitant (recipient) can claim this credit for that share.

## **Tax Tip**

Your province or territory may offer a similar tax credit. For more information, see the provincial or territorial forms in the forms book, unless you were a resident of **Quebec on December 31, 2016**. In that case, see the guide for the provincial income tax return for Quebec.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your T5006 slips, STATEMENT OF REGISTERED LABOUR-SPONSORED VENTURE CAPITAL CORPORATION CLASS A SHARES, or official provincial or territorial slips.

## **Line 415 – Working income tax benefit (WITB) advance payments**

If you received WITB advance payments in 2016, report the amount from box 10 of your RC210 slip.

For more information, go to **[cra.gc.ca/witb](http://cra.gc.ca/witb)** or see Form RC201, WORKING INCOME TAX BENEFIT ADVANCE PAYMENTS APPLICATION FOR 2017. To view your RC210 slip online, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**.

## **Note**

If you can claim the WITB for 2016, complete Schedule 6.

### **Line 418 – Special taxes**

#### **RESP accumulated income payments**

If you received an accumulated income payment from a registered education savings plan (RESP) in 2016, you may have to pay an additional tax on all or part of the amount shown in box 040 of your T4A slips. Complete Form T1172, ADDITIONAL TAX ON ACCUMULATED INCOME PAYMENTS FROM RESPs, to calculate your tax payable on this accumulated income and report the amount from line 10, 13, or 16 (whichever applies). For more information, see Information Sheet RC4092, REGISTERED EDUCATION SAVINGS PLANS (RESPs).

#### **Tax on excess employees profit-sharing plan (EPSP) amounts**

You may have to pay a tax if you are a specified employee (an employee dealing with an employer in a non-arm's length relationship or with a significant equity interest in their employer) and contributions your employer made to an EPSP allocated to you for the

year exceed a threshold equal to 20% of your employment income from the employer for the year. For more information and to calculate your threshold and tax payable on this excess amount, use Form RC359, TAX ON EXCESS EMPLOYEES PROFIT-SHARING PLAN AMOUNTS. Report the amount from line 10 of Form RC359 on line 418 of your return. If this tax applies to you, you may be eligible to claim a deduction on line 229 of your return.

### **Tax related to the non-purchase of replacement shares in a Quebec labour-sponsored fund**

You must pay a special tax if you redeemed your shares in a Quebec labour-sponsored fund to participate in the Home Buyers' Plan (HBP) or the Lifelong Learning Plan (LLP) but did not purchase replacement shares within the prescribed time. Report the amount shown in box 11 of your T5006 information slips or from your official provincial slips.

**Supporting documents** – If you are filing electronically, keep your T5006 information slips or your official provincial slips for your records. If you are filing a **paper return**, attach your T5006 information slips or your official provincial slips.

## **Line 421 - CPP contributions payable on self-employment and other earnings**

See page 312 [64].

## **▼ Line 422 – Social benefits repayment**

See page 313 [64].

## **Line 424 – Federal tax on split income**

This tax applies to certain types of income of a child born in 1999 or later. For more information, see "Split income of a child under 18" on page 79 [22]. If this tax applies, calculate it on Form T1206, TAX ON SPLIT INCOME, and report the amount from line 5 on line 424 of Schedule 1.

A child under 18 years of age may have to pay tax on split income for dividends on shares of a corporation. Any capital gain from the disposition of those shares to a person who does not deal at arm's length with the child will be deemed to be a dividend. This deemed dividend is subject to the tax on split income and is considered to

be an "other than eligible dividend" for the purposes of the dividend tax credit.

### ▼ **Line 425 – Federal dividend tax credit**

If you reported dividends on line 120 of your return, claim on line 425 of Schedule 1 the total of the dividend tax credits from taxable Canadian corporations shown on your information slips.

If you received **eligible dividends**, the federal dividend tax credit is 15.0198% of your taxable amount of eligible dividends reported on line 120 of your return.

**NEW!** If you received "**other than eligible dividends**," the federal dividend tax credit is 10.5217% of your taxable amount of dividends reported on line 180 of your return.

For explanations of **eligible dividends** and "**other than eligible dividends**," see line 120 on page 104 [26] of this guide.

#### **Note**

Foreign dividends do **not** qualify for this credit.



## **Line 427 – Minimum tax carryover**

If you paid minimum tax on any of your 2009 to 2015 returns but you do not have to pay minimum tax for 2016, you may be able to claim credits against your taxes for 2016 for all or part of the minimum tax you paid in those years.

To calculate your claim, complete the applicable parts of Form T691, ALTERNATIVE MINIMUM TAX.

**Supporting documents** – If you are filing electronically, keep your Form T691 for your records. If you are filing a **paper return**, attach your Form T691.

## **Calculation of provincial or territorial tax (Form 428)**

To calculate your provincial or territorial tax, complete Form 428 in your forms book. Follow the instructions in the forms book to complete this form.

### **Note**

If you resided in Quebec on December 31, 2016, you must file a provincial income tax return for Quebec.

## **Step 6 – Refund or balance owing**

### **Summary of tax and credits (page 18 [4] of your return)**

#### **Line 420 – Net federal tax**

Enter the amount from line 64 of Schedule 1 (line 67 of Schedule 1 for Quebec).

#### **Line 421 – CPP contributions payable on self-employment and other earnings**

If you **were not** a resident of **Quebec on December 31, 2016**, claim the Canada Pension Plan (CPP) contributions you have to pay from Schedule 8 or Form RC381, INTER-PROVINCIAL CALCULATION FOR CPP AND QPP CONTRIBUTIONS AND OVERPAYMENTS FOR 2016, whichever applies.

If you **were** a resident of **Quebec on December 31, 2016**, this line does not apply to you. Claim the Quebec Pension Plan contributions you have to pay on your provincial income tax return for Quebec.

**Line 430 – Employment insurance premiums payable on self-employment and other eligible earnings**

Complete Schedule 13 to calculate your employment insurance premiums for 2016.

Claim the amount from line 10 of your Schedule 13 on line 430.

▼ **Line 422 – Social benefits repayment**

Claim the social benefits repayment from line 235 of your return.

▼ **Line 428 – Provincial or territorial tax**

If you **were not** a resident of **Quebec on December 31, 2016**, use Form 428 in the forms book to calculate your provincial or territorial tax. Attach a copy to your **paper return**.

If you **were** a resident of **Quebec on December 31, 2016**, this line applies to you only if you had income from a business (including income you received as a limited or non-active partner) and the business has a permanent establishment outside Quebec. In that

case, use Form T2203, PROVINCIAL AND TERRITORIAL TAXES FOR 2016 – MULTIPLE JURISDICTIONS, to calculate your tax for provinces and territories other than Quebec. Attach a copy to your **paper return**. To calculate your tax for Quebec, you will have to file a provincial income tax return for Quebec.

▼ **Line 437 – Total income tax deducted**

Claim the total of the amounts shown in the "Income tax deducted" box of **all** your Canadian information slips.

If you **were not** a resident of **Quebec on December 31, 2016**, but you had Quebec provincial income tax withheld from your income, also include those amounts on this line and attach your provincial information slips to your **paper return**.

If you **were** a resident of **Quebec on December 31, 2016**, do **not** include any of your Quebec provincial income tax deducted.

If you and your spouse or common-law partner elected to split pension income, follow the instructions at Step 5 on Form T1032, JOINT ELECTION TO SPLIT PENSION INCOME, to calculate the amount to

claim on line 437 of your and your spouse's or common-law partner's returns.

### **Notes**

If you paid tax by instalments in 2016, claim the total of your instalments on line 476.

If you paid foreign taxes, do not claim these amounts on this line. Instead, you may be able to claim a foreign tax credit. See line 405.

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

If you **were** a resident of **Quebec on December 31, 2016**, and you earned income, such as employment income, outside Quebec during 2016, tax may have been deducted for a province or territory other than Quebec.

You can transfer to the province of Quebec up to 45% of the income tax shown on information slips issued to you by payers outside Quebec.

## Note

If you or your spouse or common-law partner elected to split pension income and you are the receiving spouse or common-law partner, include in the calculation of the transfer only the part of the income tax added on line 437 relating to the split-pension amount. If you are the transferring spouse or common-law partner, do not include the part of the income tax subtracted on line 437 relating to the split-pension amount.

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

### ▼ Line 440 – Refundable Quebec abatement

The Quebec abatement reduces your balance owing and may even give you a refund.

If you **were** a resident of **Quebec on December 31, 2016**, and you did not have a business with a permanent establishment outside Quebec,

your refundable Quebec abatement is 16.5% of the basic federal tax on line 55 of Schedule 1.

If you had income from a business (including income you received as a limited or non-active partner) and the business has a permanent establishment outside Quebec, or you **were not** a resident of **Quebec on December 31, 2016**, and the business has a permanent establishment in Quebec, use Form T2203, PROVINCIAL AND TERRITORIAL TAXES FOR 2016 – MULTIPLE JURISDICTIONS, to calculate your abatement.

### **Line 448 – CPP overpayment**

If you **were not** a resident of **Quebec on December 31, 2016**, and you contributed more to the Canada Pension Plan (CPP) than you had to (see line 308), claim the difference on this line. We will refund the excess contributions to you or use them to reduce your balance owing.

If you **were** a resident of **Quebec on December 31, 2016**, this line does not apply to you. Claim the excess contribution on your provincial income tax return for Quebec.

## **Line 450 – Employment insurance overpayment**

If you **were not** a resident of **Quebec on December 31, 2016**, and contributed more than you had to (see line 312), claim the difference on line 450. We will refund the excess contribution to you or use it to reduce your balance owing. If the difference is \$1 or less, you will not receive a refund.

### **Note**

If you repaid some of the employment insurance (EI) benefits you received, do not claim the repayment on this line. You may be able to claim a deduction on line 232 of your return for the benefits you repaid.

If you **were** a resident of **Quebec on December 31, 2016**, and contributed more than you had to (see line 312), claim the difference on line 450. If you completed Schedule 10, enter, in dollars and cents, the amount from line 25 on line 450.

The excess contribution on line 450 is reduced by the provincial parental insurance plan premiums that you have to pay (line 376 of Schedule 1). The part of the excess contribution used will be



transferred directly to Revenu Québec. We will refund the unused excess contribution to you or use it to reduce your balance owing. If the difference is \$1 or less, you will not receive a refund.

### **Note**

If you repaid some of the EI benefits you received, do not claim the repayment on this line. You may be able to claim a deduction on line 232 of your return for the benefits you repaid.

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

You may be able to claim a credit of up to \$1,187 if **all** the following apply:

- You have an amount on line 215 of your return or on line 332 of Schedule 1.
- You were resident in Canada throughout 2016.
- You were 18 years of age or older at the end of 2016.

**In addition**, the total of the following two amounts has to be \$3,465 or more:

- your employment income on lines 101 and 104 of your return (other than amounts received from a wage-loss replacement plan), **minus** the amounts on lines 207, 212, 229, and 231 of your return (but if the result is negative, use "0"); and
- your net self-employment income (not including losses) from lines 135 to 143 of your return.

You cannot claim this credit if the total of your net income (line 236 of your return) and your spouse's or common-law partner's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return), **minus** any amount reported by you or your spouse or common-law partner on lines 117 and 125 of your or your spouse's or common-law partner's return is \$50,017 or more. In addition, if you or your spouse or common-law partner deducted an amount on line 213, and/or the amount for a repayment of registered disability savings plan income included on line 232 of your return, we will **add** these amounts to your or your spouse's or common-law partner's net income when we calculate this credit.

## **Note**

If you were separated because of a breakdown in your relationship for a period of 90 days or more that included December 31, 2016, you do not have to include your spouse's or common-law partner's income when you calculate this credit.

Complete the chart for line 452 on the federal worksheet in the forms book to calculate your claim. You can claim this credit for the same medical expenses you claimed on line 215 of your return and line 332 of Schedule 1.

## **Line 453 – Working income tax benefit (WITB)**

The WITB is for low-income individuals and families who have earned income from employment or business. To find out if you can claim the WITB, see Schedule 6 in the forms book.

The WITB consists of a basic amount and a disability supplement. Complete Schedule 6 to calculate the basic WITB and, if applicable, the WITB disability supplement to which you may be entitled.

Claim on line 453 the amount calculated on Schedule 6 and attach a copy of this schedule to your **paper return**.

If you had an eligible spouse, **only one of you** can claim the basic WITB.

**Note**

The person who receives the WITB advance payments is the person who **must** claim the basic WITB for the year.

If you had an eligible dependant, only **one** person can claim the basic WITB for that eligible dependant.

If you had an eligible spouse and **one of you** is entitled to the disability amount, that person **should** claim both the basic WITB and the WITB disability supplement.

If you had an eligible spouse and **both** of you are entitled to the disability amount, **only one of you** can claim the basic WITB. However, **each** of you must claim the WITB disability supplement on a separate Schedule 6.

**Eligible spouse** – For the purpose of the WITB, an eligible spouse is a person who meets **all** the following conditions. He or she:

- was your spouse or common-law partner on December 31, 2016;
- was a resident of Canada throughout 2016;
- was not enrolled as a full-time student at a designated educational institution for a total of more than 13 weeks in the year, unless he or she had an eligible dependant at the end of the year;
- was not confined to a prison or similar institution for a period of 90 days or more during the year; **and**
- was not exempt from income tax in Canada for a period in the year when the person was an officer or servant of another country, such as a diplomat, or a family member or employee of such a person at any time in the year.

**Eligible dependant** – For the purpose of the WITB, an eligible dependant is a person who meets **all** the following conditions. He or she:

- was your or your spouse's or common-law partner's child;

- was under 19 years of age and lived with you on December 31, 2016; **and**
- was not eligible for the WITB for 2016.

## **Notes**

To calculate working income on lines **385** and **386** of Schedule 6, you must include the tax-exempt part of employment income, other employment income, business income (excluding losses), and scholarship income earned on a reserve. Also include on these lines the tax-exempt part of any allowance you received as an emergency volunteer.

To calculate adjusted family net income on lines **388** and **389** of Schedule 6, you must include the tax-exempt part of **all** income earned or received on a reserve less the deductions related to the income. For example, if you are a registered Indian, or person entitled to be registered under the INDIAN ACT, and you received employment insurance benefits shown in box 18 of a T4E slip, you must include this amount on line 388. Also include on these lines the tax-exempt part of any allowance you received as an emergency volunteer.

For more information, go to **[cra.gc.ca/witb](http://cra.gc.ca/witb)** or see Form RC201, WORKING INCOME TAX BENEFIT ADVANCE PAYMENTS APPLICATION FOR 2017.

**Working income tax benefit**

**You worked last year, but had a low income?**

You may be eligible for the working income tax benefit.

For more information visit **[cra.gc.ca/guide-witb](http://cra.gc.ca/guide-witb)**.

**Line 454 – Refund of investment tax credit**

If you are eligible for an investment tax credit (line 412 of Schedule 1) based on expenditures made in 2016, you may be able to claim a refund of your unused investment tax credit. This refund will reduce the credit available to you for other years.

Calculate the refundable part of your investment tax credit on Form T2038(IND), INVESTMENT TAX CREDIT (INDIVIDUALS). Attach a completed copy of the form to your **paper return**.

## **Line 456 – Part XII.2 trust tax credit**

Claim the total of amounts shown in box 38 of all your T3 slips and box 209 of your T5013 slip.

## **Line 457 – Employee and partner GST/HST rebate**

If you deducted expenses from your income as an employee (line 212 or 229 of your return) or as a partner (lines 135 to 143 of your return), you may be eligible for a rebate of the GST/HST you paid on those expenses.

Generally, you can claim this rebate if **one** of the following applies:

- Your employer is a GST/HST registrant, other than a listed financial institution.
- You are a member of a GST/HST-registered partnership and you have reported on your return your share of the income from that partnership.



For a list of qualifying expenses and information about the GST/HST rebate for employees and partners go to [cra.gc.ca/tx/bsnss/tpcs/gst-tps/rbts/mPLY-eng.html](http://cra.gc.ca/tx/bsnss/tpcs/gst-tps/rbts/mPLY-eng.html). If you had expenses as an employee you can also use Guide T4044, EMPLOYMENT EXPENSES.

To claim this rebate use Form GST370, EMPLOYEE AND PARTNER GST/HST REBATE APPLICATION.

### **Notes**

Generally, you have to report as income any GST/HST rebate you receive on the return for the year in which you receive it. For example, you may claim a rebate on your return for 2016. If we allow your claim and assess that return in 2017, you must report the rebate on your return for 2017.

If you received a GST/HST rebate in 2016 and you were an employee, see line 104. If you are a partner, call our **business enquiries** line at **1-800-959-5525**.

**Supporting documents** - Attach a completed copy of form GST370 to your **paper return**.

## Lines 458 and 459 – Children's fitness tax credit

**NEW!** You can claim up to a maximum of \$500 per child, for eligible fees **paid in 2016** for the cost of registration or membership for your or your spouse's or common-law partner's child in a prescribed program (see the next section) of physical activity. The child **must** have been under 16 years of age (or under 18 years of age if eligible for the disability tax credit at line 316) at the beginning of the year in which an eligible fitness expense was paid. The refundable portion of the credit is 15% of the total eligible fees.

You can claim this tax credit if another person has not already claimed the same fees and the total claimed is not more than the maximum allowable tax credit if only one of you were making the claim.

**Children with disabilities** – If the child is eligible for the disability tax credit and is under 18 years of age at the beginning of the year, you can claim an **additional** \$500 if a minimum of \$100 is paid for registration or membership fees for a prescribed program of physical activity described in the next section.

## Notes

You may have paid an amount that would qualify to be claimed as child care expenses (line 214) **and** the children's fitness tax credit. If this is the case, you **must** first claim this amount as child care expenses. Any unused part can be claimed for the children's fitness tax credit if the requirements are met.

If an expense is eligible for the children's fitness tax credit, it is not eligible for the children's arts amount (line 370 of Schedule 1).

If an organization provides your child with two **distinct prescribed programs** and one program is eligible for the children's fitness tax credit and the other program is eligible for the children's arts amount, you should receive two receipts. If you receive only one receipt, it must clearly show the amount paid to the organization for each distinct program.

## Prescribed program

To qualify for this tax credit, a program **must**:

- be ongoing (last at least eight consecutive weeks, or in the case of children's camps, five consecutive days);

- be supervised;
- be suitable for children; and
- require significant physical activity (most of the activities must generally include a significant amount of physical activity contributing to cardiorespiratory endurance **and** muscular strength, muscular endurance, flexibility, and/or balance).

## **Notes**

For a child who is eligible for the disability tax credit, the requirement for significant physical activity is met if the activities result in movement and in an observable use of energy in a recreational context.

Physical activity includes horseback riding but does not include activities where a child rides mainly on or in a motorized vehicle.

**Reimbursement of an eligible expense** – You can claim only the part of the tax credit for which you have not been or will not be reimbursed. However, you can claim the full tax credit if the reimbursement is reported as income (such as a benefit shown on

a T4 slip) and you did not deduct the reimbursement anywhere else on your return.

### **How to claim this credit**

Enter the total eligible fees for the children's fitness tax credit on line 458 (to the left of line 459). Enter the result of the calculation on line 459.

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later.

**NEW! Lines 468 and 469 – Eligible educator school supply tax credit**

If you were an **eligible educator** you can claim up to \$1,000 of **eligible supplies expense**.

**Eligible educator**

You are considered an **eligible educator** if you were employed in Canada at any time during the 2016 tax year as:

- a teacher at an elementary or secondary school, **or** an early childhood educator at a regulated child care facility; **and**
- you held a teaching certificate, license, permit or diploma, or a certificate **or** diploma in early childhood education, which was valid and recognized in the province or territory in which you were employed.

### **Eligible supplies expense**

An **eligible supplies expense** is an amount that you paid in 2016 for **teaching supplies** that meet **all** of the following conditions:

- you bought the teaching supplies for teaching or facilitating students' learning;
- the teaching supplies were directly consumed or used in an elementary or secondary school or in a regulated child care facility in the performance of your employment;
- you were not entitled to a reimbursement, allowance, or any other form of assistance for the expense (unless the amount is

included in the calculation of your income from any tax year and is not deductible in the calculation of your taxable income); and

- the eligible supplies expense was not deducted from any person's income for any year or included in calculating a deduction from any person's tax payable for any year.

**Teaching supplies** are consumable supplies and **prescribed durable goods**.

**Prescribed durable goods** are:

- books, games and puzzles;
- containers (such as plastic boxes or banker boxes); and
- educational support software.

**How to claim this credit**

Enter, on line 468 (to the left of line 469), the total of the expenses for the eligible educator school supply tax credit. The refundable

portion is 15% of the total eligible fees. Enter the result of the calculation on line 469.

**Supporting documents** – Do not send any supporting documents when you file your tax return. Keep them in case we ask to see them later. We may also ask you later to provide a written certificate from your employer or a delegated official of the employer (such as the principal of the school or the manager of the child care facility) attesting to your eligible supplies expense for the year.

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

Claim the total instalment payments you made for your taxes for 2016.

In February 2017, we will issue you Form INNS1, INSTALMENT REMINDER, or Form INNS2, INSTALMENT PAYMENT SUMMARY, which shows your total instalment payments for 2016 that we have on record. To view your instalment information, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**.



If you made an instalment payment for your taxes for 2016 that does not appear on this reminder or summary, also include that amount on line 476 of your return.

### **Note**

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

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

If you were a **resident** of Ontario, Manitoba, British Columbia, Yukon, the Northwest Territories, or Nunavut on **December 31, 2016**, use Form 479 in the forms book to calculate your refundable provincial or territorial credits. Attach a copy to your **paper return**.

If you were a **resident** of Nova Scotia or Prince Edward Island, use Form 428 in the forms book to calculate your claim for the **Nova Scotia volunteer firefighters and ground search and rescue tax credit** or the **Prince Edward Island volunteer firefighter tax credit** and enter the amount on line 479 of your return.

To claim the Alberta stock savings plan tax credit, use form T89, ALBERTA STOCK SAVINGS PLAN TAX CREDIT, and enter the amount on line 479 of your return.

To claim the Newfoundland and Labrador Research and Development Tax Credit, use form T1129, NEWFOUNDLAND AND LABRADOR RESEARCH AND DEVELOPMENT TAX CREDIT (INDIVIDUALS) and enter the amount on line 479 of your return.

### ▼ **Line 484 – Refund**

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. Generally, if the difference is \$2 or less for 2016, you will not receive a refund.

#### **Note**

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

Although you may be entitled to a refund for 2016, we may keep some or all of it if you:

- owe or are about to owe a balance;
- have a garnishment order under the FAMILY ORDERS AND AGREEMENTS ENFORCEMENT ASSISTANCE ACT;
- have 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; or
- have any outstanding GST/HST returns from a sole proprietorship or partnership.

You can ask us to transfer your refund to your instalment account (see page 347 [71] ) for 2017 by attaching a note to your **paper return** or by selecting this option when filing electronically. We will transfer your **full** refund and consider this payment to have been received on the date we assess your return.

To find out about your 2016 refund, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)** or use **Telerefund**, one of our **Tax Information Phone Services** (see page 353 [73] ).

### **When can you expect your refund?**

It is CRA's goal to issue a notice of assessment, including any applicable refund, within:

- two weeks of receiving your electronically filed return; or
- eight weeks of receiving your paper filed return.

These timelines are **only** valid for returns received on or before their filing due dates.

In all cases, wait eight weeks from the time you file your return to call us for an update on the receipt of your return or status of your refund.

To confirm receipt of your return or status of your refund:

- go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**;
- go to **[cra.gc.ca/mobileapps](http://cra.gc.ca/mobileapps)** and select MyCRA; or

- use the **Telerefund**, part of the CRA's **Tax Information Phone Services** (see page 353 [73] ).

### **Getting a refund?**

Use My Account or the MyCRA mobile app to see your refund, view your return status, register for online mail and more!

Login or register at [cra.gc.ca/guide-myaccount](http://cra.gc.ca/guide-myaccount)  
or [cra.gc.ca/guide-mobileapps](http://cra.gc.ca/guide-mobileapps).

### **When will we pay interest?**

We will pay you compound daily interest on your tax refund for 2016. The calculation will start on the **latest** of the following three dates:

- May 31, 2017;
- the 31st day after you file your return; and
- the day after you overpaid your taxes.

## **Direct deposit**

Complete this section to ask that all of the CRA payments you may be receiving or owed be deposited into the same account as your T1 refund.

Otherwise, you do not have to complete this section. The information you already provided will stay in effect until you update it.

For other ways to enrol for direct deposit, update your banking information or for more information go to **[cra.gc.ca/directdeposit](http://cra.gc.ca/directdeposit)**.

### **▼ Line 485 – Balance owing**

If your total payable (line 435) is more than your total credits (line 482), enter the difference on line 485. This amount is your balance owing. Your balance is due no later than April 30, 2017. Generally, if the difference is \$2 or less for 2016, you do not have to make a payment.

Whether you file a **paper return** or file electronically, you can pay your taxes as easily as any bill:

- Pay online by using your financial institution's online banking or telephone banking service.
- Pay online by using the CRA's My Payment service at **[cra.gc.ca/mypayment](https://cra.gc.ca/mypayment)**.
- Pay by setting up a pre-authorized debit agreement using the My Account service at **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)**.
- Pay in person at your financial institution in Canada. To do so, you have to use a remittance voucher, which you can request at **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)** or by contacting us.
- For more information, go to **[cra.gc.ca/payments](https://cra.gc.ca/payments)** or contact your financial institution.

Your payment will be considered paid on one of the following dates:

- Payments you make through your financial institution's Internet or telephone banking service are considered paid when your financial institution credits us with your payment.

- Payments you make in person at your financial institution are considered paid on the date stamped on your remittance voucher.
- Post-dated payments you make by pre-authorized debit are considered paid on the negotiable date.

When the due date falls on a Saturday, a Sunday, or a public holiday recognized by the CRA, your payment is considered paid on time if we receive it on or before the next business day. Since April 30, 2017, falls on a Sunday, your payment will be considered paid on time if we receive it on or before May 1, 2017. For more information, go to [cra.gc.ca/importantdates](http://cra.gc.ca/importantdates).

Do **not** mail us cash or include it with your return.

We will charge you a fee for any payment not honoured by your financial institution.

You can file your return early and make your payment as late as April 30, 2017. If we process your return before the date of the payment, your payment will appear on your notice of assessment,



but it will not reduce your balance owing. We will credit your account on the date of the payment.

To view information about your account balance, statement of account, and payment on filing, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**.

**Making a payment arrangement** – If you cannot pay your balance owing on or before April 30, 2017, we may accept a payment arrangement only after you have reasonably tried to get the necessary funds by borrowing or rearranging your finances.

There are a number of ways that you may be able to make a payment arrangement.

You may be able to set up a pre-authorized debit agreement by going to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**.

You can call our **TeleArrangement** telephone service by calling **1-866-256-1147**. To use this service, you will need your social insurance number, your date of birth, and the amount you entered on line 150 of your last return for which you received a notice of assessment. **TeleArrangement** is available Monday to Friday, from 7 a.m. to 10 p.m., Eastern time.

You could also call our debt management call centre at **1-888-863-8657** to speak to an agent. Our agents are available Monday to Friday (except holidays) from 7 a.m. to 11 p.m., Eastern time.

We will still charge daily compound interest on any outstanding balance starting May 1, 2017, until you pay your balance in full.

Go to **[cra.gc.ca/collections](http://cra.gc.ca/collections)** to learn more about managing your tax debt.

If you do not deal promptly with your tax arrears, the CRA can take serious measures including legal action such as garnishing your income or your bank account or seizing and selling your assets.

### **Tax Tip**

Even if you cannot pay your balance owing right away, file your return on time. Then you will not have to pay a penalty for filing your return after the due date. For more information, see "What penalties and interest do we charge?" on page 32 [10].

# After you file

## Notice of assessment

A notice of assessment is a statement that the CRA sends you after your return has been processed. It contains a summary of your assessment and any changes that the CRA may have made to your return.

The notice will tell you if you have a refund, owe money, or have a zero balance. It also gives you other important information, such, as:

- the date your return was assessed;
- the explanation of changes made to your return (if any);
- your RRSP/PRPP deduction limit;
- your unused RRSP/PRPP contributions;
- your unused tuition, education and textbook amounts;
- your home buyers' plan balance;

- your lifelong learning plan balance; and
- other carry forward amounts for the following year, and more.

Your notice may have a refund cheque if you are getting money back or a remittance voucher if you have a balance owing.

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

When we receive your return, we usually process it and send you a notice of assessment. However, each year we conduct a number of reviews to promote awareness of and compliance with the laws we administer. These reviews are an important part of the compliance activities we undertake to maintain the integrity of, and Canadians' confidence in, the Canadian tax system. This means that we may select your return for a more detailed review before or after assessing it.

Our various review programs take place at different times during the year, so if you move, it is very important to change your address with us as soon as possible. If you plan to be away for some time, authorize a representative to act on your behalf by going to

**[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)** or by completing Form T1013, AUTHORIZING OR CANCELLING A REPRESENTATIVE.

For more information go to **[cra-arc.gc.ca/reviews](http://cra-arc.gc.ca/reviews)**.

## **Should you be paying your taxes by instalments?**

You may have to pay your taxes by instalments if not enough income tax is withheld from your income, and your net tax owing is over \$3,000 (\$1,800 if you were a resident of Quebec) in more than one year.

If our records show that you **may** have to pay your taxes by instalments, you will be advised on your notice of assessment. Later, if we determine that you probably **should** be making instalment payments, we will send you Form INNS1, INSTALMENT REMINDER, or an email notification, if you are signed up for this service at **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)**, where you can view the amount we suggest you pay and the date the payment is due.

To help you calculate your instalment payments for 2017, complete the federal worksheet in the forms book or complete the fillable calculation chart for instalment payments found on our website at [cra-arc.gc.ca/tx/ndvdl/tpcs/ncmtx/pymnts/nstlmnts/Instalment\\_chart\\_fill-16e.pdf](http://cra-arc.gc.ca/tx/ndvdl/tpcs/ncmtx/pymnts/nstlmnts/Instalment_chart_fill-16e.pdf). You can use either your 2016 return or your estimated current year income to calculate your 2017 instalment payments. The fillable calculation chart contains the most common factors to consider.

For more information about instalment payments or instalment interest and penalty charges, go to [cra.gc.ca/instalments](http://cra.gc.ca/instalments).

## **How to change a return**

Have you received a slip after filing your return, or did you receive an assessment notice that was different from what you expected?

If you have additional information that would change a return you have already sent to us, **do not file another return for that year**. Wait until you receive your notice of assessment before requesting a change to a return.

You can change your return by going to **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)** and use "Change My Return" to provide us with the details of the changes you want to make.

Generally you can only request a change to a return for a tax year ending in any of the 10 previous calendar years. For example, a request made in 2017 must relate to the 2007 or a later tax year to be considered.

The CRA processes most adjustment requests received electronically within two weeks. However, it may take longer if any of the following situations apply:

- Your request is sent in spring or early summer when we receive a higher volume of adjustment requests.
- Your request is for a situation needing more analysis or additional review.
- We have to contact you or your authorized representative for more information or documentation.

When we complete our review of your adjustment request, we will send you a notice of reassessment showing any changes to your return and a letter of explanation if we did not accept the changes you requested or if no changes were needed.

### **Note**

You can also make a change to your return by sending **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 to be changed), 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 are requesting and, if you have not sent them to us before, supporting documents for your original claim.

A paper submission can take up to eight weeks to process unless the situations noted above apply.



## How to register a formal dispute

If you disagree with your assessment or reassessment, you can make a formal objection.

Filing an objection is the first step in the formal process of resolving a dispute. The time limit for filing an objection is as follows:

- If you are an individual (other than a trust), or a graduated rate estate for the year, the time limit for filing an objection is either one year after the due date for the return **or** 90 days after the date of the notice of assessment or notice of reassessment, whichever is later.
- In every other case, including the assessment of taxes in respect of over-contributions to an RRSP or a TFSA, you have to file an objection within 90 days after the date of the notice of assessment or notice of reassessment.

You can choose to file your objection by using one of these options:

- making an online submission at **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)** by selecting the "Register my formal dispute" service; or

- sending a completed Form T400A, OBJECTION – INCOME TAX ACT, or a signed letter to the chief of appeals at your appeals intake centre.

For more information about objections and appeals to your income tax assessment or reassessment, go to **[cra.gc.ca/resolvingdisputes](http://cra.gc.ca/resolvingdisputes)**.

## **For more information**

### **What if you need help?**

If you need more information after reading this guide, visit **[cra.gc.ca](http://cra.gc.ca)** or contact us.

Service is available in the official language of your choice through the telephone numbers listed at **[cra.gc.ca/contact](http://cra.gc.ca/contact)**.

**By phone (individuals)** – For calls from Canada and the United States, call **1-800-959-8281** (for service in English). Our automated service is available 24 hours a day, 7 days a week. Our agents are available Monday to Friday (except holidays) from 9 a.m. to 5 p.m. From February 20 to May 1, 2017, these hours are extended to 9 p.m.

on weekdays and from 9 a.m. to 5 p.m. on Saturdays (except Easter weekend).

**By phone (businesses)** – You can call **1-800-959-5525** (for service in English). Our automated service is available 24 hours a day, 7 days a week. Our agents are available Monday to Friday (except holidays) from 9 a.m. to 6 p.m.

**Teletypewriter (TTY) users** – If you have a hearing or speech impairment and use a TTY, call **1-800-665-0354** during regular business hours.

## **Tax Information Phone Service (TIPS)**

For personal and general tax information by telephone, use the CRA's automated service, TIPS, by calling **1-800-267-6999**. For more information about TIPS, go to **[cra.gc.ca/tips](http://cra.gc.ca/tips)**.

## **Getting personal tax information**

Your personal information is confidential. However, you can authorize someone (such as your spouse or common-law partner) to represent

you to discuss your file (see "Representatives" on page 357 [on the next page] ). In certain cases, we give some of your information to other government bodies to administer the law. In all cases, we use strict procedures before giving your information to anyone.

If you call us and ask for personal tax information, we will ask you to identify yourself and give information about the contents of your return to protect this information. If you call before May 1, 2017, use your return for 2015. After April 30, 2017, use your return for 2016.

### **Tax Tip**

For more information about how to protect your personal tax information, go to **[cra.gc.ca/security](http://cra.gc.ca/security)**.

## **Taxpayer Bill of Rights**

The Taxpayer Bill of Rights (TBR) describes and defines 16 rights and builds upon the CRA's corporate values of professionalism, respect, integrity, and cooperation. It describes the treatment you are entitled to when you deal with the CRA. The TBR also sets out the CRA

Commitment to Small Business to ensure their interactions with the CRA are conducted as efficiently and effectively as possible.

For more information about your rights and what you can expect when you deal with the CRA, go to [cra.gc.ca/rights](https://cra.gc.ca/rights).

**On the move? Let us know!**

Did you know that you can change your address using My Account or MyCRA mobile app?

See [cra.gc.ca/guide-myaccount](https://cra.gc.ca/guide-myaccount) or [cra.gc.ca/guide-mobileapps](https://cra.gc.ca/guide-mobileapps).

## **Forms and publications**

To get our forms and publications, go to [cra.gc.ca/forms](https://cra.gc.ca/forms) or call **1-800-959-8281**.

## What should you do if you move?

If you move, let us know your new address **as soon as possible**. If you use direct deposit (see page 340 [69] ), you also have to tell us if you change your account at a financial institution.

Keeping your information up to date will ensure that you keep receiving benefit payments to which you may be entitled and important correspondence from the CRA. Otherwise, your payments may stop or you may not receive important correspondence, such as your notice of assessment.

If you have registered with our My Account or MyCRA service, you can change your address by going to **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)** or **[cra.gc.ca/mobileapps](https://cra.gc.ca/mobileapps)**. If not, you must tell us your new address by phone or in writing, or by completing and sending Form RC325, ADDRESS CHANGE REQUEST.

If you are writing, send your letter to your tax centre. Include your social insurance number, your new address, the date of your move, and your signature. If you are writing for other people, including **your spouse or common-law partner**, include their social insurance

numbers and have each of them **sign** the letter authorizing the change to their records.

## **Note**

Because your personal information is confidential, we will not usually give your new address to other government departments or Crown corporations such as Canada Post.

## **Representatives**

You can authorize a representative (such as your spouse or common-law partner, tax preparer, or accountant) to get information about your tax matters and give us information for you. We will accept information from and/or provide information to your representative **only** after we have received your authorization at **[cra.gc.ca/myaccount](https://cra.gc.ca/myaccount)**, in writing, or by sending a completed Form T1013, AUTHORIZING OR CANCELLING A REPRESENTATIVE.

You can cancel the authorization online by using My Account, by telephone, in writing, or by sending Form T1013.

Your representative can cancel their authorization by using Represent a Client at **[cra.gc.ca/representatives](https://cra.gc.ca/representatives)**, by telephone, or in writing.

You do not have to complete a new form every year if there are no changes. Your authorization will stay in effect until it is cancelled by you or your representative, it reaches the expiry date you choose, or we receive notification of your death.

## **Legal representatives**

A **legal representative** is an executor or administrator of the taxpayer's estate, someone with a power of attorney or guardian.

If you are a legal representative you must **send a complete copy of the legal document** giving you the authority to act in that capacity to the appropriate tax centre.

If you would like to have online access to the taxpayer's account, you can register for Represent a Client at **[cra.gc.ca/representatives](https://cra.gc.ca/representatives)** before sending a copy of the legal documents. Once registered with the Represent a Client service, make sure you provide your RepID



when you are submitting all the required documents naming you as the legal representative.

If you are the legal representative of a deceased person, see Guide T4011, PREPARING RETURNS FOR DECEASED PERSONS, to find out what documents are required.

For more information, go to **[cra.gc.ca/myaccount](http://cra.gc.ca/myaccount)** or see Form T1013.

## **Service complaints**

You can expect to be treated fairly under clear and established rules, and get a high level of service each time you deal with the CRA; see the TAXPAYER BILL OF RIGHTS.

If you are not satisfied with the service you received, try to resolve the matter with the CRA employee you have been dealing with or call the telephone number provided in the CRA's correspondence. If you do not have contact information, go to **[cra.gc.ca/contact](http://cra.gc.ca/contact)**.

If you still disagree with the way your concerns were addressed, you can ask to discuss the matter with the employee's supervisor.

If you are still not satisfied, you can file a service complaint by filling out Form RC193, SERVICE-RELATED COMPLAINT. For more information, go to **[cra.gc.ca/complaints](http://cra.gc.ca/complaints)**.

If the CRA has not resolved your service-related complaint, you can submit a complaint with the Office of the Taxpayers' Ombudsman.

## **Reprisal complaint**

If you believe that you have experienced reprisal, fill out Form RC459, REPRISAL COMPLAINT.

For more information about reprisal complaints, go to **[cra.gc.ca/reprisalcomplaints](http://cra.gc.ca/reprisalcomplaints)**.

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**| There are benefits to filing a tax return... even if you don't  
| earn income!**

**| Filing a tax return is key to continue receiving these benefits and  
| credits:**

- | • the Canada child benefit and related provincial and territorial  
| programs**
- | • You could get up to **\$6,400** annually per child **plus** any provincial  
| or territorial amounts**
- | • the GST/HST credit and related provincial programs**
- | • You could get up to **\$552** annually **plus** any provincial amounts**

**| To see how much you might get, go  
| to [cra.gc.ca/guide-benefits-calculator](https://cra.gc.ca/guide-benefits-calculator).**