



Canada Revenue
Agency

Agence du revenu
du Canada

Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary

Is this guide for you?

Use this guide if you are a **payer**, such as an employer, a trustee, an estate executor (or liquidator), an administrator, or a corporate director, and you pay any of the following types of income:

- pension or superannuation;
- lump-sum payments;
- self-employed commissions;
- annuities;
- patronage allocations;
- registered education savings plan (RESP) accumulated income payments;
- RESP educational assistance payments;
- fees or other amounts for services; or
- other income such as research grants, payments from a Registered disability savings plan (RDSP), wage-loss replacement plan payments if you were not required to withhold Canada Pension Plan (CPP) contributions and employment insurance (EI) premiums, death benefits, or certain benefits paid to partnerships or shareholders.

Note

Use a T4A slip to report **retiring allowances paid in 2009 and previous years only**, if for example you are amending a previously filed T4A slip, or filing late. For information on retiring allowances for 2009 and prior years only, see page 13 of this guide. Report retiring allowances on a **T4 slip for 2010 and later years**. For more information on retiring allowances (for 2010 and later years), see Guide RC4120, *Employers' Guide – Filing the T4 Slip and Summary*.

You have to fill out the T4A slip, *Statement of Pension, Retirement, Annuity, and Other Income*, if you made any of the payments listed above and:

- the total of all payments in the calendar year was more than \$500; or
- you deducted tax from any payment.

You have to prepare a T4A slip for a subscriber if any RESP accumulated income payments totalling \$50 or more are made in the calendar year. Also, you have to prepare a T4A slip for a beneficiary if any RESP educational assistance payments totalling \$50 or more are made in the calendar year.

If you provided a **group term life insurance** taxable benefit to a former employee or retiree, you must report the benefit on a T4A slip using code **119**, regardless of the amount. The \$500 reporting threshold for T4A slips does not apply.

If you are the administrator or trustee of a multi-employer plan and you provided a taxable benefit under the plan to an employee, former employee, or retiree, report the benefit on a T4A slip using code **119**, if it is more than \$25.

Note

A multi-employer plan is a pension plan where no more than 95% of the active members work for one employer or group of related employers in a year.

You have to prepare a T4A slip for tax-free savings account (TFSA) taxable amounts paid to a recipient when the amount for the year is more than \$50.

For a complete list of the other types of income covered in this guide, see "Other information" on page 13.

Note

In this guide, the term **recipient** refers to the beneficiary of a payment and includes employees, former employees, retired persons, and shareholders.

Do not fill out a T4A slip for:

- Payments made by an agency, department or crown corporation for goods and services. Instead, fill out the T1204 slip, *Government Service Contract Payments*.
- Payments made by individuals, partnerships, trusts, or corporations with construction as their main business activity to subcontractors for construction services. Instead, fill out the T5018 slip, *Statement of Contract Payments*.
- Amounts paid or credited to a non-resident of Canada, such as interest, dividends, rental income, royalties, pension income, retiring allowances, or other similar types of passive income. Instead, fill out the NR4 slip, *Statement of Amounts Paid or Credited to Non-Residents of Canada*. For more information, see Guide T4061, *NR4 – Non-Resident Tax Withholding, Remitting, and Reporting*.
- Payments from a retirement compensation arrangement. Instead, fill out the T4A-RCA slip, *Statement of Distributions from a Retirement Compensation Arrangement (RCA)*. For more information, see Guide T4041, *Retirement Compensation Arrangements*, or call **1-800-959-5525**.
- Income paid from a life income fund (LIF). Instead, fill out the T4RIF slip, *Statement of Income from a Registered Retirement Income Fund*. However, if a life annuity is bought from the proceeds of a LIF, the annuity payments have to be reported in box **024** of a T4A slip.
- Amounts paid for management fees, director's fees, tips and gratuities, group term life insurance premiums paid for current employees, and other employment income. Instead, fill out the T4 slip, *Statement of Remuneration Paid*.
- Payments received under a supplementary unemployment benefit plan (SUBP) that **do not** qualify as a SUBP under the *Income Tax Act* (for example, employer-paid maternity and parental top-up amounts). Instead, fill out the T4 slip, *Statement of Remuneration Paid*. For more information see Guide T4001, *Employers' Guide – Payroll Deductions and Remittances*, and Guide RC4120, *Employers' Guide – Filing the T4 Slip and Summary*.

- Undistributed amounts left in a deceased taxpayer's TFSA at the end of the trust's exempt period. For more information, see Guide RC4477, *Tax-Free Savings Account (TFSA) Guide for Issuers*.

Throughout this guide, we refer to other guides, forms, interpretation bulletins, and information circulars. Generally, if you need any of these, go to www.cra.gc.ca/forms or call 1-800-959-5525.

If you are blind or partially sighted, you can get our publications in braille, large print, etext, or MP3 by going to www.cra.gc.ca/alternate. You can also get our publications and your personalized correspondence in these formats by calling 1-800-959-5525.

La version française de ce guide est intitulée *Comment retenir l'impôt sur les revenus de pension ou d'autres sources et établir le feuillet T4A et le Sommaire*.

What's new?

Limit on orders of paper forms

Since August 2015, you can order only 50 paper copies for certain types of information returns (slips). Use the Canada Revenue Agency's (CRA) Web Form service online at www.cra.gc.ca/forms to save, print, and send your T4A slips and summaries electronically.

New income code

New income code has been created for the "Other information" area of the T4A slip:

- Code 196, **Adult basic education tuition assistance**.

For more information see Code 196 – Adult basic education tuition assistance on page 16.

Customized slips and summary forms

You no longer need to get CRA approval for most customized information slips and summaries. For more information, go to www.cra.gc.ca/customized or see Information Circular IC97-2R, *Customized Forms*.

Mandatory electronic filing

As of January 1, 2016, if you file more than 50 information returns for a calendar year, you have to file over the Internet. If you do not file your returns using Internet File Transfer or Web Forms, you may have to pay a penalty.

Use our free online filing application at www.cra.gc.ca/webforms or go to www.cra.gc.ca/iref to learn more about our electronic filing options.

Online services for businesses

You can now:

- authorize the CRA to withdraw an amount from your bank account on date(s) that you choose; and
- enrol for direct deposit, or update the banking information.

To access our online services, go to:

- www.cra.gc.ca/mybusinessaccount, if you are a business owner; or
- www.cra.gc.ca/representatives, if you are an authorized representative or employee.

Online services for representatives

Representatives can now register for online mail on behalf of their business clients by going to www.cra.gc.ca/representatives.

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Chapter 1 – General information

What are your responsibilities?

As a payer, you must do the following:

- Deduct income tax from certain amounts you pay to recipients. For more information see Guide T4001, *Employers' Guide – Payroll Deductions and Remittances*.
- Hold these amounts in trust for the Receiver General for Canada. You have to keep these amounts separate from the operating funds of your business. Make sure these amounts **are not part** of an estate in liquidation, assignment, receivership, or bankruptcy.
- Send these deductions to the Canada Revenue Agency (CRA).
- Report the payments and deductions on the T4A information return to the CRA. To do this, fill out the T4A slips, *Statement of Pension, Retirement, Annuity and Other Income*, and the related T4A Summary, *Summary of Pension, Retirement, Annuity, and Other Income*. For instructions on how to fill out the T4A slip, see "Filling out T4A slips" on page 11. For instructions on how to fill out the T4A Summary, see "Filling out the T4A Summary" on page 17.
- File the T4A Summary, together with the related T4A slips, on or before the last day of February following the calendar year to which the slips apply. For information about the filing methods you can use, see "Electronic filing methods" on page 18.
- Give recipients their T4A slips on or before the last day of February following the calendar year to which the information return applies. For more information, see "Chapter 5 – T4A information return" on page 18.
- Keep your paper and electronic records for at least six years after the year to which they relate. If you want to destroy them before the six year period is over, fill out the Form T137, *Request for Destruction of Records*. For more information, go to www.cra.gc.ca/records.

Note

If you fail to deduct, remit, or report income tax as required, you may be charged penalties and interest.

Form TD1, Personal Tax Credits Return

Individuals who will receive salary, wages, commissions, employment insurance benefits, pensions, or other remuneration **must** fill out a federal Form TD1 **and**, if more than the basic personal amount is claimed, a provincial or territorial Form TD1. For more information, see Guide T4001, *Employers' Guide – Payroll Deductions and Remittances*.

Trustee in bankruptcy

Under the *Canada Pension Plan* and the *Employment Insurance Act*, the trustee in bankruptcy is the agent of the bankrupt employer in the event of an employer's liquidation, assignment, or bankruptcy.

If a bankrupt employer has deducted Canada Pension Plan (CPP) contributions, employment insurance (EI) premiums, or income tax from amounts employees received before the bankruptcy and the employer has not remitted these amounts to us, the trustee must hold the amounts in trust. These amounts are not part of the estate in bankruptcy and should be kept separate.

If a trustee carries on the bankrupt employer's business, a new business number (BN) is required. The trustee has to continue to deduct and remit the necessary CPP contributions, EI premiums, and income tax according to the bankrupt employer's remittance schedule. T4 slips should be prepared and filed in the usual way.

Amounts paid by a trustee to employees of a bankrupt corporation to settle claims for wages that the bankrupt employer did not pay are taxable income but payroll deductions (CPP contributions, EI premiums, and income tax) are not required. Report these payments in the "Other information" area of the T4A slip, using code 156. For more information, see "Code 156 – Bankruptcy settlement" on page 16.

If your business stops operating or the partner or proprietor dies

Remit all amounts you deducted from payments made to the recipients to your tax centre **within seven calendar days** of the day your business ends.

Calculate the **pension adjustment (PA)** that applies to your former employees who accrued benefits for the year under your **registered pension plan (RPP)** or **deferred profit sharing plan (DPSP)**. For information on how to calculate pension adjustments, see Guide T4084, *Pension Adjustment Guide*.

Fill out and file the T4A slips and T4A Summary electronically or on paper, and send them to the Ottawa Technology Centre (see the address at the end of this guide) **within 30 days** of the day your business ends or 90 days from the date a partner or the sole proprietor dies. Give copies of the T4A slips to your former employees. If you file more than 50 slips for a calendar year, you **must** file your return over the Internet. For more information, see "Electronic filing methods" on page 18.

After all the final returns and all the amounts owing have been processed, close the BN and all CRA business accounts.

To close your payroll account, you can use the "Request to close payroll account" service in My Business Account at www.cra.gc.ca/mybusinessaccount. An authorized representative can use this service through "Represent a Client" at www.cra.gc.ca/representatives.

Penalties and interest

Failure to deduct

We can assess a penalty of **10%** of the amount of income tax you failed to deduct.

If you fail to deduct the required amount of income tax more than once in a calendar year, we may **apply** a **20%** penalty to the second or later failures if they were made knowingly or under circumstances of gross negligence.

Failure to remit and late remittances

We can assess a penalty on the amount you failed to remit when:

- you deducted amounts, but did not remit them;
- we received the amounts you deducted after the due date.

If the remittance due date is a Saturday, Sunday, or a holiday recognized by the CRA, your remittance is due on the next business day.

The penalty for **remitting late** is:

- 3% if the amount is one to three days late;
- 5% if it is four or five days late;
- 7% if it is six or seven days late;
- 10% if it is more than seven days late or if no amount is remitted.

Generally, we only apply this penalty to the part of the amount you failed to remit that is more than \$500.

However, we may apply the penalty to the total amount if the failure was made knowingly or under circumstances of gross negligence.

In addition, if you are charged this penalty more than once in a calendar year, we may charge a 20% penalty on the second or later failures if they were made knowingly or under circumstances of gross negligence.

Note

We may charge you a fee for any payment that your financial institution refuses to process. If your payment is late, we may also charge you penalties and interest on any amount you owe.

Late filing and failing to file the T4A information return

You have to give the recipient his or her slip and file your T4A information return with the CRA on or before the **last day of February after the calendar year the information return applies to**. If the last day of February falls on a Saturday, a Sunday, or a holiday recognized by the CRA, your information return is due the next business day.

We consider your return to be filed on time if we receive it or it is postmarked on or before the due date.

We may assess a penalty if you file your information return late. For T4A information returns, we have an administrative policy that reduces the penalty that we assess so it is fair and reasonable for small businesses. **Each**

slip is an information return, and the penalty we assess is based on the number of information returns you filed late. The penalty is \$100 or the amount calculated according to the following chart whichever is more:

Number of information returns (slips) filed late	Penalty per day (up to 100 days)	Maximum penalty
1 to 5	penalty not based on number of days	\$100 flat penalty
6 to 10	\$5	\$500
11 to 50	\$10	\$1,000
51 to 500	\$15	\$1,500
501 to 2,500	\$25	\$2,500
2,501 to 10,000	\$50	\$5,000
10,001 or more	\$75	\$7,500

For the complete penalty structure, go to www.cra.gc.ca/penaltyinformationreturns.

Mandatory electronic filing

Failure to file information returns over the Internet

As of January 1, 2016, if you file more than 50 information returns for a calendar year and you do not file the returns by Internet File Transfer or Web Forms, you may have to pay a penalty decided as follows:

Number of information returns (slips) by type	Penalty
51 to 250	\$250
251 to 500	\$500
501 to 2,500	\$1,500
2,501 or more	\$2,500

Each slip is an information return, and the penalty we assess is based on the number of information returns filed in an incorrect way. The penalty is calculated according to the type of information return. For example, if you file 51 NR4 slips and 51 T4 slips on paper, we will assess two penalties of \$250, one for each type of information return.

Interest

If you fail to pay an amount, we can apply interest from the day your payment was due. The interest rate we use is determined every three months, based on prescribed interest rates. Interest is compounded daily. We also apply interest to unpaid penalties. For the prescribed interest rates, go to www.cra.gc.ca/interestrates.

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 years before the calendar year in

which a request is submitted or an income tax return is filed.

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 2016 must relate to a penalty for a tax year or fiscal period ending in 2006 or later.

For interest on a balance owing for any tax year, 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 2016 must relate to interest that accrued in 2006 or later.

For more information about the circumstances that may warrant relief from penalties or interest, go to www.cra.gc.ca/taxpayerrelief. To submit your request for relief, we recommend you use Form RC4288, *Request for Taxpayer Relief – Cancel or Waive Penalties or Interest*.

Chapter 2 – Deducting Income Tax

How to calculate tax deductions

The payroll deductions tables help you calculate the amount of federal, provincial, and territorial income tax that you have to deduct from amounts you pay. Use the provincial or territorial tables for the province or territory in which the recipient resides, **unless you will be applying lump-sum withholding rates**.

You can use any of the following versions of the payroll deductions tables:

- **Payroll Deductions Online Calculator (PDOC)** – You can use PDOC to calculate your payroll deductions. It calculates deductions for any pay period, province (except Quebec provincial taxes) and territory. The calculation is based on exact salary figures. For more information, go to www.cra.gc.ca/pdoc.
- **Guide T4032, *Payroll Deductions Tables* and Guide T4008, *Payroll Deductions Supplementary Tables*** – You can use these tables to calculate payroll deductions. They are available at www.cra.gc.ca/payroll.
- **Guide T4127, *Payroll Deductions Formulas for Computer Programs*** – You may want to use these formulas instead of the tables to calculate your recipients' payroll deductions. This guide contains formulas to calculate CPP contributions, EI premiums, and federal, provincial (except Quebec), and territorial income tax.

If the **computer formulas** you want to use are different from ours, you have to send them to a tax services office or tax centre for approval.

All the payroll deductions tables are available for each province and territory and also for employees working in Canada beyond the limits of any province or territory, or working outside Canada.

If you fail to deduct the required amounts, we can apply a failure to deduct penalty. For more information, see "Penalties and interest" on page 7.

Special payments

Death benefits

A death benefit is the gross amount of any payment (including a payment to a surviving spouse or common-law partner, heir, or estate) on or after the death of an employee to recognize the employee's service in an office or employment. Wages and employment income earned up to and including the date of death are payments that are reported on a T4 slip, **not** a T4A slip. For more information, see Guide RC4120, *Employers' Guide – Filing the T4 Slip and Summary*.

If you pay a death benefit to a surviving spouse, common-law partner, or heir, part of this payment can be exempt from tax (to a maximum of \$10,000) when the person files an income tax and benefit return. Do not deduct income tax from this part of the payment. For more information, see archived Interpretation Bulletin IT-508, *Death Benefits*.

Use the withholding rates for lump-sum payments shown below to deduct income tax from the remainder of the taxable amount of the death benefit. The T4A slip should be issued in the name of the recipient, not in the name of the deceased.

Lump-sum payments

You have to deduct income tax from lump-sum payments that are:

- from an RRSP or a plan referred to in subsection 146(12) of the *Income Tax Act* (ITA) as an amended plan;
- from a registered pension plan (RPP);
- from a deferred profit-sharing plan (DPSP); or
- more than the minimum amount you have to pay to an annuitant under a registered retirement income fund (RRIF).

If you pay a lump-sum payment (such as a refund of premiums) to a deceased annuitant's spouse or common-law partner, do not deduct income tax.

Do not report eligible and non-eligible retiring allowance amounts (including those amounts paid to Indians) on a T4A slip. Instead, report these types of income on a T4 slip. For more information on retiring allowances, see Guide RC4120, *Employers' Guide – Filing the T4 Slip and Summary*.

Note

If you are filing amended T4A slips or are filing late, the T4A slip is still used to report eligible and non-eligible retiring allowance amounts (including those amounts paid to Indians) paid in 2009 and previous years.

Withholding rates for lump-sum payments

Combine all lump-sum payments that you have paid or expect to pay in the calendar year when determining the

composite rate to use. Use the following federal and provincial or territorial composite rates:

- 10% (5% for Quebec) on amounts up to and including \$5,000;
- 20% (10% for Quebec) on amounts over \$5,000 up to and including \$15,000; and
- 30% (15% for Quebec) on amounts over \$15,000.

Recipients may have to pay extra tax on these amounts when they file their returns. To avoid this situation, if a recipient requests it, you can:

- calculate the annual tax to deduct from the recipient's yearly remuneration, **including** the lump-sum payment. For more information, please see the "Step-by-step calculation of tax deductions" section in Guide T4032, *Payroll Deductions Tables* of your province or territory;
- calculate the annual tax to deduct from the recipient's yearly remuneration, **not including** the lump-sum payment;
- **subtract** the second amount from the first amount.

The result is the amount you deduct from the lump-sum payment if the recipient requests it.

Do not deduct income tax from a lump-sum payment if the recipient's total earnings received or receivable during the calendar year, including the lump-sum payment, are less than the claim amount on his or her Form TD1, *Personal Tax Credits Return*. This does not apply to lump-sum payments made to non-residents.

Qualifying retroactive lump-sum payments

Certain retroactive lump-sum payments totalling \$3,000 or more (**not including interest**) are eligible for a special tax calculation when an individual files their income tax and benefits return, regardless of the amount of tax you withhold from the payment.

Eligible sources of income are:

- benefits from unemployment insurance or employment insurance;
- benefits from a superannuation or pension plan (other than non-periodic benefits such as lump-sum withdrawals); and
- spousal, common-law partner, or child support payments.

To qualify for a special tax calculation, the payments described on Form T1198, *Statement of Qualifying Retroactive Lump-Sum Payment*, must have been paid to the individual after 1994 for one or more years after 1977 throughout which the individual was a resident of Canada.

Note

If you pay a retroactive pay increase, see Guide T4001, *Employers' Guide – Payroll Deductions and Remittances*.

You have to provide the following information in writing to the recipient:

- the year in which the lump-sum payment was made to the recipient;

- a complete description of the lump-sum payment and the circumstances that required it to be paid;
- the total amount of the lump-sum payment, including a breakdown between the principal and the interest element, if any; and
- the principal amount of the lump-sum payment that relates to the current year and each of the previous years covered by the payment.

You can provide all the information indicated above to the recipient by using Form T1198, *Statement of Qualifying Retroactive Lump-Sum Payment*. The recipient must attach the Form T1198 to their income tax and benefit return.

Transfer of funds

A lump-sum payment can be directly transferred, within income tax limits (as explained below), from an RPP or a DPSP to an RPP, an RRSP, specified pension plan (SPP), pooled registered pension plan (PRPP) or a RRIF. A DPSP can also be transferred to another DPSP. Do not deduct tax on an amount that you transfer **directly** (not paid to the recipient) to an RPP, an RRSP, a DPSP, SPP, PRPP, or a RRIF.

Trustees and administrators can use Form T2151, *Direct Transfer of a Single Amount Under Subsection 147(19) or Section 147.3*, to transfer a lump-sum payment directly for a recipient. The receiving carrier should not issue receipts. The transferring carrier has to keep the necessary documents to support the transfer.

The ITA sometimes limits how much of an RPP lump-sum payment you can transfer directly to registered plans. If the amount you transfer is more than these limits, the recipient has to include the excess transfer in his or her income and you have to deduct income tax on the amount you did not directly transfer. You cannot transfer this amount to another RPP, RRSP, DPSP, SPP, PRPP, or RRIF.

Amounts from RRSPs and RRIFs can also be transferred on a tax-deferred basis in accordance with various provisions of the ITA.

For more information about transferring funds between plans, see archived Interpretation Bulletin IT-528, *Transfers of Funds Between Registered Plans*.

Patronage payments

Patronage payments include:

- certificates of indebtedness;
- amounts credited towards the balance a recipient can owe the payer of the patronage; and
- shares of a corporation that an individual receives because of a patronage payment.

You have to apply a withholding tax of 15% on the value of patronage payments that Canadian residents receive in a year. This withholding tax applies to the payment or to the total of several payments of more than \$100 you made during the year.

Example

You give Colin a \$250 patronage payment. The amount on which you apply the 15% withholding tax is \$150 (\$250 – \$100). The withholding tax is \$22.50 (\$150 × 15%).

Fill in the remittance voucher at the bottom of Form PD7A, *Statement of Account for Current Source Deductions*, and include it with the deducted amount you are sending to the Receiver General.

The withholding tax does not apply to Canadian residents who are exempt under section 149 of the ITA.

For more information, see archived Interpretation Bulletin IT-362, *Patronage Dividends*.

Registered education savings plan (RESP)

Investment earnings in an RESP can be paid to the subscriber or, in some circumstances, to a person other than the subscriber. These payments are called accumulated income payments (AIPs).

Two different taxes are applied to an AIP: the regular income tax under Part I of the ITA, and an extra tax of 20% (12% for residents of Quebec) under Part X.5 of the ITA.

The taxable amount can be reduced if both of the following conditions are met:

- the recipient of the AIPs is the original subscriber (or, after the death of the original subscriber, their spouse or common-law partner if there is no other subscriber); and
- the recipient has filled out Form T1171, *Tax Withholding Waiver on Accumulated Income Payments from RESPs*, and asks that you transfer the payment directly to the subscriber's registered retirement savings plan (RRSP) or spousal or common-law partner RRSP.

If you are satisfied that these conditions and those explained on Form T1171 are met and you can reasonably believe that the recipient of an AIP will deduct that amount as an RRSP contribution for the year you paid it, you do not have to withhold tax on the amount transferred.

The taxable amount is the AIP **minus** the reduction determined on Form T1171.

Report all payments from an RESP on a T4A slip.

For more information, see Information Sheet RC4092, *Registered Education Savings Plans (RESP)*.

Tax-Free Savings Account (TFSA)

Generally, income earned in a TFSA is tax-free, even when it is withdrawn. However, special rules apply if the arrangement stops being a TFSA for any of the following reasons:

- the TFSA stops being a “qualifying arrangement”;
- the conditions set out in subsection 146.2(2) of the ITA are not satisfied; or
- the last TFSA holder dies.

The following comments refer to the death of the last TFSA holder. However, with the exception of the exempt period

rule, which only applies on the death of the last holder under a trust arrangement, similar rules apply under the three reasons mentioned above.

If the holder of a deposit or an annuity contract that is a TFSA dies, the holder is considered to have disposed of the deposit or the annuity. Each person who has an interest in the deposit or annuity is considered to have acquired that interest at the time of the holder's death at a cost equal to the fair market value (FMV) of the deposit or annuity as valued just before death. After the holder's death, a deposit or annuity contract is no longer considered to be a TFSA and is subject to the normal reporting, withholding and income inclusion rules that apply to deposits and annuities.

Where the holder of a TFSA that is a trust arrangement dies, the trust will, in general, stop being a TFSA at the date of death. However, the trust will, for certain purposes, continue to be treated as a TFSA from the date of death until the end of the calendar year following the year of death, or when the trust ends, if earlier (the exempt period). During the exempt period, property held in the TFSA can be distributed tax-free to the beneficiaries as long as the total amount distributed is not more than the FMV of the property held in the trust just before the holder's death. Any amounts paid to a beneficiary in excess of this limit must be included in the beneficiary's income in the year the amounts are paid and must be reported as income to the beneficiaries on a T4A slip (if the amounts are more than \$50). You do not have to deduct income tax on these amounts.

For example, a TFSA could be valued at \$10,000 at the date of death, but by the time it is distributed to the beneficiary, the account could be worth \$11,000. The extra \$1,000 is taxable income in the hands of the beneficiary if paid out within the exempt period, and a T4A must be prepared by the issuer reporting that amount.

If the trust continues to exist after the exempt period ends, the trust will be taxable and will have to include in its income any income earned afterwards. Also, for its first tax year that starts after the exemption-end time, the trust must also include in its income any post-death income or appreciation that has not been distributed and included in a beneficiary's income during the exempt period. The trust would be taxable on these income inclusions unless they are payable in the year to the beneficiaries of the trust, based on the trust rules described in Guide T4013, *T3 Trust Guide*.

For more information, see Guide RC4477, *Tax-Free Savings Account (TFSA) Guide for Issuers*, and Guide RC4466, *Tax-Free Savings Account (TFSA), Guide for Individuals*.

Chapter 3 – T4A slips

Types of T4A slips

Slips for filing over the Internet

For information about filling out and filing T4A slips over the Internet, go to www.cra.gc.ca/iref or see “Electronic filing methods” on page 18.

Customized T4A slips

For those who fill out a large number of slips, we accept certain slips other than our own. To ensure accuracy, follow the guidelines for the production of customized forms at www.cra.gc.ca/customized or see Information Circular IC97-2R, *Customized Forms*.

Slips for filing on paper

If you file 1 to 50 slips, we strongly encourage you to file over the Internet using Internet file transfer or Web Forms. However, you can still file up to 50 slips on paper.

If you need more paper copies, you can order a maximum of 50 single-page slips that have two slips per page intended for printers, for typing, or to be filled out by hand, at www.cra.gc.ca/forms or by calling 1-800-959-5525.

Filling out T4A slips

Make sure the social insurance number (SIN) and name you enter on the T4A slip for each recipient are correct.

If the individual does not give you his or her SIN, you should be able to show that you tried to get it.

Example

If you contact an individual by mail to ask for his or her SIN, record the date of your request and keep a copy of any correspondence that relates to it. If you do not try to get a SIN, you may be charged a penalty of \$100 for each failure. If you cannot get a SIN from the recipient, file your information return, without the SIN, on or before the last day of February following the calendar year to which the information return applies.

For more information, see Information Circular IC82-2, *Social Insurance Number Legislation that Relates to the Preparation of Information Slips*, or visit the Service Canada website at www.servicecanada.gc.ca.

Follow these guidelines to fill out your T4A slips

- Fill out the slips clearly.
- Report, in dollars and cents, all amounts you paid during the year except for pension adjustment amounts, which are reported in dollars only. For more information, see “Code 034 – Pension adjustment” page 14.
- Report all amounts in Canadian dollars, even if they were paid in another currency.
- Do not show hyphens or dashes between numbers.
- Do not enter the dollar sign (\$).
- Do not put negative dollar amounts on slips. To make changes to previous years, send us an amended slip for the year in question. For more information, see “Chapter 6 – After you file” page 19.
- If you do not have to enter an amount in a box, do not enter “nil”; leave the box blank.
- Do not change the headings of any of the boxes.

Detailed instructions

Recipient’s name and address

Enter the last name of the person to whom you made the payment, followed by the first name and initials. Directly below the name, enter the person’s address, including the province, territory, or U.S. state, Canadian postal code or U.S. zip code, and country.

Payer’s name

Enter your operating or trading name in the space provided on each slip.

Year

Enter the four digits of the calendar year in which you made the payment to the recipient.

Box 012 – Social insurance number

Enter the recipient’s social insurance number (SIN), as provided by the employee. If you do not have the SIN, enter nine zeros. For more information, see “Filling out T4A slips” on this page.

Box 013 – Recipient’s account number (15 characters)

If the recipient of the reported amount is a business (sole proprietor, partnership, or corporation), enter the recipient’s account number.

Box 016 – Pension or superannuation

Enter the taxable part of annuity payments you paid to an employee, retired employee, or survivor or spouse of an employee out of, or under, a superannuation or registered pension fund or plan, including disability benefits paid as a life annuity.

Special situations

- You may have paid superannuation or pension benefits to a Canadian resident under an **unregistered pension plan** for services that the person rendered in a period throughout which the person **did not reside in Canada**. If you paid the benefits periodically, report the amount in box 016. These payments **cannot** be transferred to a registered pension plan (RPP) or registered retirement savings plan (RRSP).
- Do not include benefits from an **unregistered pension plan** in box 016. Instead, include them in the “Other information” area using code 109.
- Include **disability benefits paid as a life annuity** out of superannuation or registered pension plan in box 016. Include any **other disability benefits** paid out of a superannuation or pension plan in the “Other information” area, using code 125.
- If you made payments out of an **employee benefit plan** that are not payments of superannuation or pension benefits, these should be reported on a T4 slip. For more information, see Guide RC4120, *Employers’ Guide – Filing the T4 Slip and Summary*.
- Do not include amounts paid out of a **retirement compensation arrangement**. Use a T4A-RCA slip, *Statement of Distributions from a Retirement Compensation Arrangement (RCA)*, for these amounts.

- **Indian (exempt income) – pension or superannuation**
Pension or superannuation income is usually exempt from tax when a person receives it as a result of employment income that was exempt from tax. If a part of the employment income was exempt, then a similar part of these amounts is also exempt. Do not include exempt income in box 016. Instead, include it in the “Other information” area using code 146.

Box 018 – Lump-sum payments

In box 018, enter the taxable part of a **single payment** out of a pension fund or plan including any single payment resulting from a:

- withdrawal from the plan, retirement from employment, or death of an employee or former employee;
- termination of, amendment to, or modification of the plan; or
- reimbursement of any over-contributions to the plan.

Also, enter the taxable part of any **single payment** out of a deferred profit sharing plan (DPSP) including a single payment due to a withdrawal from the plan, retirement from employment, death of an employee or former employee, or reimbursement of any over-contributions to the plan.

Special situations

- **Non-registered plan** – You have to identify pension benefits you paid from a pension fund or plan that is not registered. Report the amount in box 018. Also, in the “Other information” area, enter code 190 and the amount of the payment.
- If you include **lump-sum payments** out of RPPs and DPSPs accrued to December 31, 1971, report the amount in box 018, in the “Other information” area, enter code 110 and the amount of the payment.
- **Direct transfers** – Do not include direct transfers of RPP lump-sum payments to RRSPs, SPPs, PRPPs, RRIFs, or other RPPs that are transferred according to subsections 147.3(1) to (8) of the *Income Tax Act* (ITA). Similarly, do not report direct transfers of DPSP lump-sum payments to RRSPs, SPPs, PRPPs, RRIFs, or other DPSPs that are transferred according to subsection 147(19) of the ITA. These amounts are not reported when they are directly transferred under these subsections, and the receiving carrier should not issue receipts. You can use Form T2151, *Direct Transfer of a Single Amount Under Subsection 147(19) or Section 147.3*, to document these direct transfers.
- **Amounts not eligible for transfer** – Amounts transferred that are greater than the amounts allowed under subsections 147.3(1) to (8) or 147(19) of the ITA are considered income in the year they are transferred. Report such amounts in box 018. The receiving carrier should issue a receipt for these excess transfers.

If you paid a single amount out of an RPP to an individual or you transferred such an amount that we consider to be income, you must report this amount in the “Other information” area, using code 108.

- **Deferred profit-sharing plan (DPSP)** – Use box 018 to report the total of amounts you allocated or reallocated in the year under a DPSP or a revoked plan to a person described in paragraph 147(2)(k.2) of the ITA for:

- employer contributions made to the plan after December 1, 1982; or
- amounts forfeited in the plan if these amounts are withdrawn from the plan during the year.

If you allocated an amount under subsection 147(10.3) of the ITA in a previous year and you made the payment in the current year, you have to report the amount of the payment. In the “Other information” area, enter code 180 and the amount of the payment.

- **Lump-sum payments – non-resident** – You may have paid superannuation or pension benefits to a Canadian resident under an unregistered pension plan for services that the person rendered in a period throughout which the person did not reside in Canada. If you paid the benefits in a lump sum, report the amount in box 018. The recipient may be able to transfer the amount to an RPP, SPP, PRPP or RRSP and deduct the amount of the transfer under paragraph 60(j) if the conditions in that provision are satisfied. However, if you made such a direct transfer, report the amount in box 018, and in the “Other information” area, enter code 102 and the amount of the transfer.
- If you made payments out of an employee benefit plan (EBP) that are not payments of superannuation or pension benefits, these should be reported on a T4 slip. For more information, see Guide RC4120, *Employers’ Guide – Filing the T4 Slip and Summary* for further information.
- **Lump-sum payments that you cannot transfer, that are not reported elsewhere** – If you paid an amount that is not eligible for transfer that is not required to be reported elsewhere, report the amount in box 018 and in the “Other information” area, enter code 158 and the amount of the payment.
- **Indian (exempt income) – lump-sum payments**
Lump-sum payment income is usually exempt from tax when a person receives it as a result of employment income that was exempt from tax. If a part of the employment income was exempt, then a similar part of these amounts is also exempt. Do not include the exempt income in box 018; instead include it in the “Other information” area using code 148.

Box 020 – Self-employed commissions

Enter the amount of commissions you paid to an independent agent. Do not include GST/HST paid to the recipient on those services.

Box 022 – Income tax deducted

Enter the **total** income tax you deducted from the recipient’s remuneration during the year. This includes the federal, provincial (except Quebec), and territorial taxes that apply. Leave the box blank if you did not deduct tax.

Do not include an amount you withheld under the authority of a garnishee or a requirement to pay that applies to the employee's previously assessed tax arrears.

Box 024 – Annuities

Enter payments from an annuity that an individual bought with a refund of premiums from a deceased annuitant's RRSP. For more information, see archived Interpretation Bulletin IT-500, *Registered Retirement Savings Plans – Death of an Annuitant*.

Enter annuity payments from a life annuity purchased from the proceeds of a life income fund or from the proceeds of a registered retirement income fund.

If you include annuity payments under an income-averaging annuity contract, also report the amount of the payments in the "Other information" area, using code **111**.

If you include instalment or annuity payments under a Deferred Profit Sharing Plan, also report the amount of the payment in "Other information", using code **115**. For more information, see Information Circular IC77-1, *Deferred Profit Sharing Plans*.

The taxable part of annuity payments you paid to an employee, retired employee, or survivor or spouse of an employee out of, or under, a superannuation or pension fund or plan, including disability benefits paid as a life annuity should be reported in box **016** instead of box **024**.

Notes

Report on a **T5 slip** the annuity payments for accrued income from a life insurance policy that you include when you calculate a person's income under the provisions of section 12.2 of the ITA.

Report annuity payments to a non-resident on an **NR4 slip**.

Box 048 – Fees for services

Enter any fees or other amounts paid for services. Do not include GST/HST paid to the recipient for these services.

Notes

The CRA is not assessing penalties for failures relating to the completion of box **048**.

Do not include daycare subsidies income in box **048**; instead include it in the "Other information" area using code **028**.

Box 061 – Payer's account number

Enter the 15-character account number you use to send us your recipients' deductions. This number appears in the top left corner of the statement of account that we send to you each month, and consists of three parts – a nine-digit business number, a two-letter program identifier, and a four-digit reference number.

Your account number should not appear on the copies of the T4A slips that you give to the recipients.

Other information

The "Other information" area at the bottom of the T4A slip has boxes for you to enter codes and amounts that relate to other types of payments, if they apply.

The boxes are not pre-numbered as they are in the top part of the slip. Enter the codes that apply to the recipient. Income types previously reported under "Code 28 – Other income" and identified with footnote codes have, in most cases, been replaced by specific box numbers.

Example

Box – Case Amount – Montant

109	2400	98
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Note

If more than 12 codes apply to the same recipient, use an additional T4A slip. Do not repeat all the data on the additional slip. Enter only the payer's name, and the recipient's SIN and name, and fill in the required boxes in the "Other information" area.

Code 014 – Recipient's number

If you wish, you can enter a retiree number, an employee number, or a payroll number. In the "Other information" area, enter code **014** and the recipient's number. If you prefer, you can enter the recipient's number in the "Recipient's name" area of the T4A slip. The recipient address area cannot be used for this purpose.

Code 026 – Eligible retiring allowances (for 2009 and prior years only)

Enter the amount of retiring allowances (also called severance pay) that was paid for 2009 or prior years and is eligible for transfer to an RPP or RRSP, even if not transferred. Retiring allowances paid in 2010 or later are reported on a T4 slip. For information on how to calculate the eligible portion of a retiring allowance, see Guide RC4120, *Employers' Guide – Filing the T4 Slip and Summary*.

Code 027 – Non-eligible retiring allowances (for 2009 and prior years only)

Enter the amount of retiring allowances (also called severance pay) that was paid for 2009 or prior years and is **not** eligible for transfer to an RPP or RRSP. Retiring allowances paid in 2010 or later must be reported on a T4 slip.

Code 028 – Other income

Enter any other amount which you do not have to report elsewhere on a T4A slip or other information slip if the amount is more than \$500 or if you deducted income tax. In most cases, identified amounts are assigned a separate area for reporting.

Note

Do not report payments of fees for services under code **028**. These payments should be reported in "Box 048 – Fees for services."

Code 030 – Patronage allocations

Report all allocations you gave to customers for their patronage. This includes payments you made in cash or in kind, by certificate of indebtedness, issue of shares, set-off,

assignment, or in any other way. Your allocations should be in proportion to the patronage.

Code 032 – Registered pension plan contributions (past service)

Enter the contributions a former employee made to buy past service. The plan administrator usually fills out the T4A slip when an employer-employee relationship no longer exists. Include any instalment interest paid for past service contributions. Instalment interest is the portion of contributions that represents the amount charged to buy past service over time. In the “Other information” area, enter code **032** and the amount of the payment.

For **pre-1990** past service registered pension plan contributions while a contributor, include the amount twice, using both code **032** and code **126**.

For **pre-1990** past service registered pension plan contributions while not a contributor, include the amount twice, using both code **032** and code **162**.

Code 034 – Pension adjustment

If you are the plan administrator for a multi-employer plan (MEP), you should enter, in dollars only, the amount of pension adjustment (PA) an employee has under an RPP during a period of leave or reduced services. For more information, see Guide T4084, *Pension Adjustment Guide*. For periods of leave or reduced services not under a MEP, report the PA on a T4 slip.

Code 036 – Plan registration number

Enter the registration number we issued for the RPP or DPSP, in which an employee participates, and which gave rise to the PA you are reporting. You have to report the plan number even if your plan requires only employer contributions. If you made contributions to more than one plan for the employee, enter only the number of the plan under which the employee has the largest PA.

Enter registration numbers (not more than three) for any additional plans on lines 071, 072, and 073 of the T4A Summary.

Code 040 – RESP accumulated income payments

If you are the promoter of a registered education savings plan (RESP) and you paid RESP accumulated income payments (other than a refund of contributions, an educational assistance payment, an amount transferred to another RESP, or a payment made to a designated educational institution in Canada generally providing courses at a post-secondary level) to a subscriber of the plan, report this amount in the “Other information” area using code **040**.

If the subscriber and the subscriber’s spouse or common-law partner are deceased and you pay the RESP accumulated income payments to someone else, in the “Other information” area enter code **122** and the amount of the payment.

Note

The regular tax on lump-sum payments and an additional tax of 20% (12% for Quebec) may apply to accumulated income payments.

Code 042 – RESP educational assistance payments

If you are the promoter of a RESP, and you paid RESP educational assistance payments (amounts other than a refund of contributions) to or for an individual to help further their education at a post-secondary school level, report this amount in the “Other information” area using code **042**. For more information on these payments, see Information Sheet RC4092, *Registered Education Savings Plans*.

Code 046 – Charitable donations

Enter the amount you deducted from the recipients’ earnings for donations to registered charities in Canada in the “Other information” area using code **046**.

Code 102 – Lump-sum payments – non-resident services transferred under paragraph 60(j)

For more information, see “Lump-sum payments – non-resident” under “Box 018 – Lump-sum payments” on page 12.

Code 104 – Research grants

Enter the total amount of research grants you paid to the recipient.

Code 105 – Scholarships, bursaries, fellowships, artists’ project grants, and prizes

For more information, see Income Tax Folio, S1-F2-C3: *Scholarships, Research Grants and Other Education Assistance*.

Code 106 – Death benefits

Enter the gross amount of any payment made (including a payment to a surviving spouse, common-law partner, heir, or estate) on or after the death of an employee to recognize the employee’s service in an office or employment.

Code 107 – Payments from a wage-loss replacement plan

Enter benefits paid under a wage-loss replacement plan where you do not have to withhold CPP and/or EI premiums. For more information see Guide T4001, *Employers’ Guide – Payroll Deductions and Remittances*.

Code 108 – Lump-sum payments from a registered pension plan (RPP) that you cannot transfer

For more information, see “Amounts not eligible for transfer” under “Box 018 – Lump-sum payments,” on page 12.

Code 109 – Periodic payments from an unregistered plan

Enter pension benefits you paid from a pension fund or plan that is not registered.

Code 110 – Lump-sum payments accrued to December 31, 1971

For more information, see “Special situations” under “Box 018 – Lump-sum payments” on page 12.

Code 111 – Income averaging annuity contracts (IAAC)

For more information, see “Box 024 – Annuities” on page 13.

Code 115 – Deferred profit-sharing plan (DPSP) annuity or instalment payments

For more information, see “Box 024 – Annuities” on page 13.

Code 116 – Medical travel assistance

For more information, see “Benefits from a third party” on page 16.

Code 117 – Loan benefits

Enter the benefits of a loan that a person or partnership received as a shareholder or related to a shareholder.

Code 118 – Medical premium benefits

Enter the premiums you pay as a contribution to a provincial or territorial health services insurance plan for a former employee. See “Premiums under provincial hospitalization, medical care insurance and certain Government of Canada plans” in Guide T4130, *Employers’ Guide – Taxable Benefits and Allowances*.

Code 119 – Premiums paid to a group term life insurance plan

If you provided group term life insurance taxable benefits for former employees or retirees, you must report the benefit in the “Other information” area using code 119 regardless of the amount. The \$500 reporting threshold for T4A slips does not apply.

If you are the administrator or trustee of a multi-employer plan and you provided taxable benefits under the plan to employees, former employees, or retirees, report this amount in the “Other information” area using code 119 if it is more than \$25.

Code 122 – RESP accumulated income payments paid to other

For more information, see “Code 040 – RESP accumulated income payments” on page 14.

Code 123 – Payments from a revoked DPSP

Enter any payments made from a revoked deferred profit-sharing plan (DPSP).

Code 124 – Board and lodging at special work sites

For more information, see “Benefits from a third party” on page 16.

Code 125 – Disability benefits paid out of a superannuation or pension plan

Enter any disability benefits paid out of a superannuation or pension plan. These payments do not require payroll deductions (CPP/QPP, EI, PPIP, and income tax).

Code 126 – Pre-1990 RPP past service contributions while a contributor

For more information, see “Code 032 – Registered pension plan contributions (past service)” on page 14.

Code 127 – Veterans’ benefits

Enter amounts received in the year for an earnings loss benefit, supplementary retirement benefit or permanent impairment allowance payable to the taxpayer under Part 2

of the *Canadian Forces Members and Veterans Re-establishment and Compensation Act*.

Code 129 – Tax deferred cooperative share

Enter all tax deferred cooperative shares issued by an agricultural cooperative in the year.

Code 130 – Apprenticeship incentive grant or Apprenticeship completion grant

Enter apprenticeship incentive grants paid to a registered apprentice who has successfully completed their first or second-year/level (or equivalent) of their apprenticeship program in a Red Seal trade.

Enter apprenticeship completion grants paid to registered apprentices who have completed their apprenticeship training in a Red Seal trade.

Code 131 – Registered disability savings plan (RDSP)

Enter payments paid to an RDSP plan beneficiary.

Code 132 – Wage Earner Protection Program (WEPP)

Enter payments paid to workers due to employer bankruptcy or insolvency.

Code 133 – Variable pension benefits

Enter variable pension benefits paid out of a money purchase RPP.

Code 134 – Tax-Free Savings Account (TFSA) taxable amount

Enter the taxable portion of amounts paid during the exempt period to a beneficiary who is a resident of Canada. For more information, see Guide RC4477, *Tax-Free Savings Account (TFSA) Guide for Issuers*.

Code 135 – Recipient-paid premiums for private health services plans

A recipient can claim, as a qualifying medical expense, premiums the person paid to a private health services plan. The use of code 135 is optional; however, if you do not use this code, we can ask the recipient to provide supporting documents.

Code 136 – Federal Income Support for Parents of Murdered or Missing Children grant (PMMC)

Enter amounts paid out to the beneficiary from the Federal Income Support for Parents of Murdered or Missing Children grant.

Code 142 – Indian (exempt income) – Eligible retiring allowances (for 2009 and prior years only)

Enter the amount of retiring allowances (also called severance pay) that was paid to an Indian in 2009 or prior years and is eligible for transfer to an RPP or RRSP, even if not transferred. Retiring allowances paid in 2010 or later are reported on a T4 slip. For information on how to calculate the eligible portion of a retiring allowance, see Guide RC4120, *Employers’ Guide – Filing the T4 Slip and Summary*.

Code 143 – Indian (exempt income) – Non-eligible retiring allowances (for 2009 and prior years only)

Enter the amount of retiring allowances (also called severance pay) that was paid to an Indian in 2009 or prior years and is **not eligible** for transfer to an RPP or RRSP. Retiring allowances paid in 2010 or later are reported on a T4 slip.

Code 144 – Indian (exempt income) – Other income

Enter all amounts that are exempt income for Indians and are not reported elsewhere on a T4A slip.

Code 146 – Indian (exempt income) – Pension or superannuation

Pension or superannuation income is usually exempt from tax when a person receives them as a result of employment income that was exempt from tax. If a part of the employment income was exempt, then a similar part of these amounts is also exempt. Report the exempt income using code 146. Do not report this amount in box 016.

Code 148 – Indian (exempt income) – Lump-sum payments

Lump-sum payment income is usually exempt from tax when a person receives them as a result of employment income that was exempt from tax. If a part of the employment income was exempt, then a similar part of these amounts is also exempt. Report this amount using code 148. Do not report this amount in box 018.

Code 150 – Labour Adjustment Benefits Act and Appropriation Acts

Enter payments under the *Labour Adjustment Benefits Act* or a benefit payable under the *Appropriation Acts* to compensate for loss of office or employment, such as in the textile and leather-tanning industries.

Code 152 – SUBP qualified under the Income Tax Act

Enter payments received under a supplementary unemployment benefit plan (SUBP) that **does qualify** as a SUBP under the *Income Tax Act* (not including maternity/parental top ups which are included on a T4 slip).

Code 154 – Cash award or prize from payer

Enter an award or prize paid directly from a manufacturer to the employee of a dealer or other sales organization. For more details, see Guide T4130, *Employers' Guide – Taxable Benefits and Allowances*.

Code 156 – Bankruptcy settlement

Enter amounts paid by a trustee in bankruptcy to employees of a bankrupt corporation in settlement of claims filed for wages that the bankrupt employer did not pay.

Code 158 – Lump-sum payments that you cannot transfer that are not reported elsewhere

For more information, see the Special situations listed under "Box 018 – Lump-sum payments" on page 12.

Code 162 – Pre-1990 RPP past service contributions while not a contributor

For more information, see "Code 032 – Registered pension plan contributions (past service)" on page 14.

Code 180 – Lump-sum payments from a deferred profit-sharing plan (DPSP) that you cannot transfer

For more information, see "Deferred profit sharing plan (DPSP)" under "Box 018 – Lump-sum payments" on page 12.

Code 190 – Lump-sum payments from an unregistered plan

For more information, see "Non-registered plan" under "Box 018 – Lump-sum payments" on page 12.

Code 194 – Pooled Registered Pension Plan (PRPP) annuity payments from taxable income

Enter the amount of the annuity payments from taxable income or withdrawals from a PRPP at any age.

Code 195 – Indian (exempt income) – PRPP payments

Enter the amount of PRPP payments that are exempt income for Indians.

Code 196 – Adult basic education tuition assistance

Enter the amount of funding or other financial assistance you paid on behalf of the individual for tuition fees for the individual's adult basic education training provided under a program established under the authority of the *Department of Employment and Social Development Act* (such as the Canada Job Grant program). This amount, which is eligible for the adult basic education tuition assistance deduction, is also included in Code 105.

Generally, adult basic education is primary or secondary level education, or other forms of training where tuition fees paid for the training would not be eligible in calculating the tuition tax credit; for example, training provided by an educational institution that is not certified by Employment and Social Development Canada.

Benefits from a third party

A third party (such as a prime contractor or another subcontractor) can provide board and lodging or transportation to employees of subcontractors. For example, all workers on a site can share common quarters.

The person who provides the benefits (a third-party payer) has to report them on a T4A slip, unless the benefits are non-taxable allowances for working at a special work site or remote work location. The reporting of medical travel assistance and board and lodging at special work sites is explained below.

Code 116 – Medical travel assistance

If an employee usually lives in a prescribed zone and works at a special work site in a prescribed zone, report any non-business travel assistance (including medical travel assistance) in the "Other information" area using code 028. Separate the medical travel from the other non-business travel and enter the medical travel amount in the "Other information" area using code 116.

Code 124 – Board and lodging at special work sites

If an employee does not usually live in a prescribed zone but works at a special work site in a prescribed zone and meets the residency requirements for the northern residents' deductions, do not include in box 028 the exempt portion for board and lodging benefits the employee receives while working at the special work site which is within 30 kilometres from the nearest urban area having a population of at least 40,000 persons. Report that amount in the "Other information" area using code 124.

Note

Include any GST/HST that applies to the related benefits. For more information, see the Guide T4130, *Employers' Guide – Taxable Benefits and Allowances*, or archived Interpretation Bulletin IT-91, *Employment at Special Work Sites or Remote Work Locations*.

Filing T4A slips

For a description of the filing methods available, see "Chapter 5 – T4A information return" on page 18 or go to www.cra.gc.ca/iref.

Chapter 4 – T4A Summary

If you are filing electronically, **do not** send us a paper copy of the slips or summary. For more information about filing methods, see "Electronic filing methods" on page 18, or go to www.cra.gc.ca/iref.

If you are filing on paper, use the T4A Summary, *Summary of Pension, Retirement, Annuity, and Other Income*, to report the totals of the amounts that you reported on the T4A slips. Send the original T4A Summary and the related slips to the Ottawa Technology Centre. You can find the address at the end of this guide. To get a T4A Summary, go to www.cra.gc.ca/forms or call 1-800-959-5525.

If the total number of T4A slips you file is more than 50 slips for the same calendar year, you have to file them over the Internet.

Do not send us a summary with no T4A slips or a summary with no amounts to report.

You cannot change your address using the summary return. To change your address, do one of the following:

- if you are a business owner, go to www.cra.gc.ca/mybusinessaccount;
- if you are an authorized representative or employee, go to www.cra.gc.ca/representatives; or
- if you prefer to contact your tax centre, you will find the address at the end of this guide.

Filling out the T4A Summary

Report amounts in **Canadian** dollars and cents, even if they were paid in another currency. To get the average exchange rates, go to www.cra.gc.ca/exchangerates.

Fill out a separate T4A Summary for each of your payroll accounts. **The totals you report on your T4A Summary**

have to agree with the totals you report on your T4A slips. Errors or omissions can cause unnecessary processing delays.

Detailed instructions

Identification

Enter your 15-character account number, your operating or trading name, and your address in the relevant boxes at the top of the blank summary.

Year

Enter the last two digits of the calendar year for which you are filing the summary.

Line 088 – Total Number of T4A slips filed

Enter the total number of T4A slips that you are including with the T4A Summary.

Lines 016 to 048

Enter the total from all T4A slips for each box.

Line 101 – Other information

Enter the total from all T4A slips of any financial amounts not already included elsewhere on the T4A Summary.

Line 022 – Total Income tax deducted

Enter the total of box 022 from all T4A slips.

Line 082 – Minus: remittances

Enter the total amount you remitted for the year for the account number indicated in the identification area of the summary.

Difference

Subtract line 082 from line 022. Enter the difference in the space provided. If there is no difference between the total deductions you reported and the amount you remitted for the year, leave lines 084 and 086 blank. Generally, we do not charge or refund a difference of \$2 or less.

Line 084 – Overpayment

If the amount on line 082 is more than the amount on line 022 (and you do not have to file another type of return for this account), enter the difference on line 084. Attach a note indicating the reason for the overpayment and whether you want us to transfer this amount to another account or another year, or refund the overpayment to you.

Line 086 – Balance due

If the amount on line 022 is more than the amount on line 082, enter the difference on line 086.

Whether you file electronically or file a paper return, you can make your payment in several different ways:

- You can pay online by using your financial institution's online banking or telephone services.
- You can pay online by using CRA's My Payment service at www.cra.gc.ca/mypayment.
- You can pay by setting up a pre-authorized debit agreement using the My Business Account service at www.cra.gc.ca/mybusinessaccount.

- You can pay in person at your financial institution in Canada. Fill out your remittance form and present it with your payment. The financial institution will date stamp the bottom part and return the top part to you as a receipt.

Notes

Regardless of the filing method, Threshold 2 remitters must remit any balance due electronically or in person at their Canadian financial institution.

Threshold 2 remittances that are received by the CRA at least **one full day** before the due date will be considered to be received by a financial institution and a penalty will not be charged. For more information about Threshold 2 remitting requirements, see Guide T4001, *Employers' Guide – Payroll Deductions and Remittances*.

If you remit your payment late, any balance due may be charged penalties and interest at the prescribed rate. For more information, see "Penalties and interest" on page 7.

Lines 071, 072, and 073 – Registration number(s) for RPP or DPSP

Enter the seven-digit registration number(s) that we gave you (up to a maximum of three) for your registered pension plans or deferred profit sharing plans.

Lines 074 and 075 – Canadian-controlled private corporations or unincorporated employers

Enter the social insurance numbers of any proprietors or principal owners.

Lines 076 and 078 – Person to contact about this return

Enter the name and telephone number of a person that we can call to get or clarify information reported on the summary.

Chapter 5 – T4A information return

In all instances, you have to file your T4A information return on or before the **last day of February after the calendar year the information return applies to**. If the last day of February falls on a Saturday, a Sunday, or a holiday recognized by the CRA, your information return is due on the next business day. For more information, go to www.cra.gc.ca/duedates.

If you fail to file it on time, we can assess a penalty. For more information, see "Penalties and interest" on page 7.

If you have more than one payroll account, you will have to file a separate return for each account.

If you have overpaid, include a letter explaining the reason for the overpayment and how you want us to apply it. If you owe an amount, include the account number and tax year with your payment.

Service bureaus filing returns – If a service bureau is filing an information return for you, you are still responsible for the accuracy of the information, for any balance owing, and for filing on time.

Branch offices filing returns – If the branch office of a company has sent in income tax deductions under a separate account, which only that office uses, file the information return (slips and related summary) for that office as a separate return.

Electronic filing methods

Internet filing will be available starting January 11, 2016.

You **must** file information returns by Internet if you file **more than 50 information returns (slips)** for a calendar year.

If you use commercial or in house developed payroll software to manage your business, you can file up to 150 MB by Internet file transfer. For example, a service bureau can file multiple returns in one submission, provided the total submission does not exceed the 150 MB restriction.

Note

If your return is more than 150 MB, you can either compress your return or you can divide it so that each submission is no more than 150 MB.

For more information, go to www.cra.gc.ca/iref.

Filing by Web Forms

Our Web Forms application is free and secure. To use it, all you need is access to the Internet. With Web Forms you can fill out an information return easily, following the step-by-step instructions.

Web Forms lets you:

- file **up to 100 slips** (original, additional, amended, or cancelled) from our website;
- calculate all of the totals for the summary;
- create an electronic information return containing slips and a summary, which can be saved and imported at a later date;
- print all your slips and your summary; and
- validate data in real time.

After you submit your information return, you will receive a confirmation number that will be your proof that we received it.

To use the Web Forms application, you must have a web access code. If you do not have a web access code, you can easily get one online or by calling us. For more information, see "Web access code" on this page.

To start using this application or to get more information about Web Forms, go to www.cra.gc.ca/webforms.

Filing by Internet file transfer (XML)

Internet file transfer allows you to transmit an original or amended return with a maximum file size of **150 MB**. All you need is a web browser to connect to the Internet, and your software will create, print, and save your electronic information return in XML format. For information about this filing method, contact your software publisher or go to www.cra.gc.ca/iref.

Web access code

To file your return over the Internet using either the Internet file transfer or Web Forms services, you will need a web access code (WAC), unless you are filing through My Business Account or Represent a Client. For information about My Business Account or Represent a Client, see “Online services” on page 21. The CRA is no longer mailing web access code letters; as a result, you can use the WAC that was issued for the 2012 tax year to file future information returns. If you have misplaced or do not have a WAC, you can obtain one at www.cra.gc.ca/iref by selecting “Need a Web access code.” If you cannot obtain your WAC online or would like to change it, you can call the e-Services Helpdesk at 1-877-322-7849.

Note

Service bureaus use their own payroll program account number and web access code (WAC)—not the WAC of each of the T4A information returns in the submission—to submit the file.

Filing without a web access code

You can also file your T4A information return **without a web access code** using Internet file transfer (up to 150 MB) or Web Forms (up to 100 slips).

Select the “File a return” option at:

- www.cra.gc.ca/mybusinessaccount, if you are the business owner; or
- www.cra.gc.ca/representatives, if you are an authorized representative or employee.

Log in to My Business Account, you can use either your CRA user ID and password or the Sign-In Partner option. To register, go to www.cra.gc.ca/mybusinessaccount. You will need to enter information from either your current or, previous year’s personal income tax and benefit return. You should receive your CRA security code within 5 to 10 days. 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. Be sure to have your business number on hand when registering.

Filing on paper

If you file 1 to 50 slips, we strongly encourage you to file over the Internet using Internet file transfer or Web Forms. We explain these options on page 18, under “Electronic filing methods.” However, you can still file up to 50 slips on paper.

If you choose to file your return on paper, mail it to the Ottawa Technology Centre. You can find the address at the back of this guide.

Fill out **one copy** of the T4A slip for each employee and send them with your T4A Summary. Enter the information for two different employees on one sheet. You must keep a copy of the T4A slips and the T4A Summary for your files.

How to distribute your T4A slips

You must give recipients their T4A slips on or before the **last day of February following the calendar year to**

which the slips apply. If you do not, you may be charged a penalty. The penalty for failing to distribute T4A slips to recipients is \$25 per day for each such failure with a minimum penalty of \$100 and a maximum of \$2,500.

Give each recipient a T4A slip in one of the following ways:

- one copy sent electronically (for example, by email or secure recipient portal) if you have the recipient’s consent in writing or electronically;
- two copies, sent by mail to the recipient’s last known address; or

Notes

If T4A slip copies are returned as not deliverable, you may want to keep the copies with the recipient’s file.

If you know that the address you have on file for the recipient is not correct, do not send T4A slips to that address. Document why the copies were not sent and your efforts to get the correct address. Keep this information with the T4A slips in the recipient’s files. You still have to include the T4A slip information in your T4A information return when you file it.

- two copies, delivered in person.

We suggest that you print the two T4A slips that you have to give to each recipient on one sheet. For security purposes, **do not** print your account number (box 061) on these copies.

For more information on how to fill out the T4A slip and the T4A Summary, see “Filling out T4A slips” on page 11 and “Filling out the T4A Summary” on page 17.

Chapter 6 – After you file

When we receive your information return, we check it to see if you have prepared it correctly. After an initial review, we enter your return into our processing system, which captures the information and performs various validity and balancing checks. If there are any problems, we may contact you.

After filing your information return, you may notice that you made an error on a T4A slip. If so, you will have to prepare an amended slip to correct the information.

Note

You do not have to file an amended T4A slip if the only change is to the recipient’s address.

Amending or cancelling slips over the Internet

To amend a slip over the Internet, change only the information that is incorrect and retain all of the remaining information that was originally submitted. Use summary report type code “A” and slip report type code “A.”

To cancel a slip, do not change any information that was contained on the original slip. Use summary report type code “A” and slip report type code “C.”

For more information about amending or cancelling information returns over the Internet, go to www.cra.gc.ca/iref.

If you amend or cancel slips using the Internet, we may contact you to find out why.

Amending or cancelling slips on paper

If you choose to file your amended return on paper, clearly identify the slips as amended or cancelled slips by writing “AMENDED” or “CANCELLED” at the top of each slip. Make sure you fill out all the necessary boxes, including the information that was correct on the original slip. Send two copies of the amended slips to the employee. Send one copy of the amended slips to any tax centre with a letter explaining the reason for the amendment. The addresses of our tax centres are listed at the end of this guide.

Do not file an amended T4A Summary.

Notes

If you notice errors on the T4A slips **before** you file them with us, you can correct them by preparing new information slips and **removing** any incorrect copies from the return. If you do not prepare a new slip, initial any changes you make on the slip. Be sure to also correct the T4A Summary.

If you file more than 50 information returns (slips) for a calendar year, you must file them electronically. For more information on how to file electronically, see “Electronic filing methods” on page 18.

Adding slips

After you file your information return, you may discover that you need to send us additional slips. If you have original slips that were not filed with your return, file them separately either electronically or on paper.

To file additional slips electronically, see “Electronic filing methods” on page 18.

When submitting additional slips on paper, clearly identify the new slips by writing “ADDITIONAL” at the top of each slip. Send a copy of the additional slips to any tax centre with a letter explaining the reason for the addition. The addresses of our tax centres are listed at the end of this guide.

Do not file an additional T4A Summary.

Note

Any additional T4A slips which are filed after the due date may result in a penalty. For the penalty structure, go to www.cra.gc.ca/penaltyinformationreturns.

Replacing slips

If you issue T4A slips to replace copies that are lost or destroyed, do not send us a copy. Clearly identify them as “DUPLICATE” copies, and keep them with your records.

Pension adjustment (PA)

You have to recalculate a PA in a registered pension plan when all of the following conditions are met:

- an employee returns from a leave of absence or from a period of reduced service;
- the service was not previously a pensionable service; and
- by April 30 of the following year:
 - benefits are retroactively provided under a defined benefit provision for the period concerned **and** the employee makes the commitment to purchase the benefits; or
 - retroactive contributions are made by the employee or the employer to a money purchase provision.

Note

If the commitment to purchase benefits is made after April 30, a past service pension adjustment will be calculated.

If, as the pension plan administrator for a multi-employer plan (MEP), you have to recalculate a PA for an employee under a registered pension plan (RPP) during a period of leave or reduced services, amend the PA for the employee for each year after 1989 that is affected by the leave. For periods of leave or reduced services not under a MEP, amend the PA on a T4A slip.

You **do not** have to report an amended PA when the difference between the previously reported PA and the amended PA is **less than \$50**. However, you **do have** to report one if an employee asks you to accurately report the PA, or if we ask you to report the amended PA.

For the years in which you did not report a PA for the employee, you have to file an amended T4A slip showing the correct PA. If you previously reported a PA for the employee in a particular year, you have to show the **total** PA that applies for that year on the amended T4A slip.

For information on recalculating a PA, see Guide T4084, *Pension Adjustment Guide*. For information on calculating and reporting a past service pension adjustment (PSPA), see Guide T4104, *Past Service Pension Adjustment Guide*.

Handling business taxes online

Save time using the CRA's online services for businesses. You can:

- authorize a representative, an employee, or a group of employees, who has registered with Represent a Client, for online access to your business accounts;
- request or delete authorization online through Represent a Client, if you are a representative;
- change addresses;
- file or amend information returns without a web access code;
- register for online mail, get email notifications, and view your mail online;
- authorize the withdrawal of a pre-determined amount from your bank account;
- provide a nil remittance;
- request the transfer of a misallocated credit;
- enrol for direct deposit, update banking information, and view direct deposit transactions;
- request a refund;
- view your account balance and transactions;
- register a formal dispute (Appeal);
- request a CPP/EI ruling; and
- do much more.

To register or log in to our online services, go to:

- www.cra.gc.ca/mybusinessaccount, if you are a business owner; or
- www.cra.gc.ca/representatives, if you are an authorized representative or employee.

For more information, go to www.cra.gc.ca/businessonline.

Receiving your CRA mail online

You, or your representative (authorized at a level 2), can choose to receive most of your CRA mail for your business online.

When you or your representative registers for online mail, we will no longer mail most correspondence items. Instead, an email notification will be sent to the email address(es) provided when there is new mail available to view online. To register, select the "Manage online mail" service and follow the easy steps.

Using our online mail service is faster and easier than managing paper correspondence.

Authorizing the withdrawal of a pre-determined amount from your bank account

Pre-authorized debit (PAD) is an online, self-service, payment option. Through this option, you agree to authorize the CRA to withdraw a pre-determined payment from your bank account to pay tax on a specific date or dates. You can set up a PAD agreement using the CRA's secure My Business Account service at www.cra.gc.ca/mybusinessaccount. PADs are flexible and managed by you. You can view historical records, modify, cancel, or skip a payment. For more information, go to www.canada.ca/payments and select the "Pre-authorized debit."

Electronic payments

Make your payment using:

- your financial institution's online or telephone banking services;
- the CRA's My Payment service at www.cra.gc.ca/mypayment; or
- pre-authorized debit at www.cra.gc.ca/mybusinessaccount.

For more information on all payment options, go to www.canada.ca/payments.

For more information

What if you need help?

If you need more information after reading this publication, visit www.cra.gc.ca or call 1-800-959-5525.

Direct Deposit

Direct deposit is a faster, more convenient, reliable, and secure way to get your refund directly into your account at a financial institution in Canada.

For more information, go to www.cra.gc.ca/directdeposit.

Forms and publications

To get our forms and publications, go to www.cra.gc.ca/forms or call 1-800-959-5525.

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 www.cra.gc.ca/lists.

Teletypewriter (TTY) users

TTY users can call 1-800-665-0354 for bilingual assistance during regular business hours.

Addresses

Ottawa Technology Centre

875 Heron Road
Ottawa ON K1A 1G9

Tax centres

Jonquière Tax Centre
2251 René-Lévesque Boulevard
Jonquière QC G7S 5J1

Shawinigan-Sud Tax Centre
4695 12^e Avenue
Shawinigan-Sud QC G9P 5H9

St. John's Tax Centre
290 Empire Avenue
St. John's NL A1B 3Z1

Sudbury Tax Centre
1050 Notre Dame Avenue
Sudbury ON P3A 5C1

Summerside Tax Centre
275 Pope Road
Summerside PE C1N 6A2

Surrey Tax Centre
9755 King George Boulevard
Surrey BC V3T 5E1

Winnipeg Tax Centre
66 Stapon Road
Winnipeg MB R3C 3M2

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 Canada Revenue Agency (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 www.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*.

If the CRA has not resolved your service-related complaint, you can submit a complaint with the Office of the Taxpayers' Ombudsman.

For more information, go to www.cra.gc.ca/complaints or see booklet RC4420, *Information on CRA – Service Complaints*.

Reprisal complaint

If you believe that you have experienced reprisal, fill out Form RC459, *Reprisal Complaint*.

For more information about reprisal complaints, go to www.cra.gc.ca/reprisalcomplaints.

Tax information videos

We have a number of tax information videos for small businesses on topics such as business income and expenses, GST/HST, and payroll. To watch our videos, go to www.cra.gc.ca/videogallery.

Publications for payers

- T4001, *Employers' Guide – Payroll Deductions and Remittances*
- T4130, *Employers' Guide – Taxable Benefits and Allowances*
- RC4120, *Employers' Guide – Filing the T4 Slip and Summary*