Canada Revenue Agency
Agence du revenu du Canada

RRSPs and Other Registered Plans for Retirement

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Canada

Is this guide for you?

Use this guide if you want information about registered pension plans (RPPs), registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), registered education savings plans (RESPs), specified pension plans (SPPs), pooled registered pension plans (PRPPs) and accumulated income payments (AIPs). This guide has information which is not in your General Income Tax and Benefit package and which you may need to complete your income tax and benefit return.

Chapter 1 has information about making contributions to an RPP. Chapter 2 has information about RRSPs, including what your options are if you cannot deduct all the amounts you contribute to an RRSP, and when to complete Form T1-OVP, *2014 Individual Tax Return for RRSP Excess Contributions*. Chapter 3 describes the types of amounts you can contribute to a RRIF. Chapter 4 provides general information on the anti-avoidance rules for non-qualified investments, prohibited investments and advantages, as well as the options for transitional relief and claiming a refund. To determine the amounts you can receive from an RRSP or a RRIF, and to find out how to report those amounts, see Chapter 5. If you want to transfer an amount from one of your plans to another, see Chapter 6 for your options. Chapter 7 provides general information on the pension adjustment (PA), pension adjustment reversal (PAR), and past service pension adjustment (PSPA). We use these three amounts to determine how much you can contribute to an RRSP. Chapter 8 has information about a PRPP. Find out about PRPP participation, contributions, transfers and deductions on your income tax and benefit return, and more.

Definitions – We have included definitions of some of the terms used in this guide in the "Definitions" section starting on page 5. You may want to read this section before you start.

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La version française de ce guide est intitulée *REER et autres régimes enregistrés pour la retraite*.

Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.

What's new?

Pension transfer limits

Currently, when a member of a defined benefit registered pension plan (RPP) leaves the RPP, subject to pension transfer limits, a portion of the commutation payment may be transferred tax-free (transferable amount) to an RRSP, a registered retirement income fund (RRIF), a money purchase (defined contribution) RPP, or a pooled registered pension plan (PRPP). Where the commutation payment is reduced due to plan underfunding, the maximum transferable amount is based on that lower commutation payment. A special rule allows such an RPP member to disregard that benefit reduction in calculating their transferable amount if the underfunded RPP:

- has a broad membership;
- is sponsored by an insolvent employer;
- is being wound up; and
- the Minister has approved its application.

Where this rule applies, the transferable amount will be the same as if the RPP were fully funded.

For commutation payments made after 2012, the new legislation expands the rule if the following conditions are met:

- the benefits under the RPP were reduced due to plan underfunding;
- the Minister has approved its application; and
- either:
  - where the plan is an RPP, other than an individual pension plan (IPP), the reduced commutation payment was approved pursuant to the applicable pension benefit standards legislation; or
  - where the plan is an IPP, the commutation payment is the last payment made from a plan that is being wound up.

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Definitions

This section provides a general definition of the technical terms that we use in this guide.

Acronyms – The following is a list of the acronyms we use:

DPSP – Deferred profit-sharing plan
HBP – Home Buyers' Plan
LLP – Lifelong Learning Plan
PA – Pension adjustment
PAR – Pension adjustment reversal
PRPP – Pooled registered pension plan
PSPA – Past service pension adjustment
RDSP – Registered disability savings plan
RESP – Registered education savings plan
RRIF – Registered retirement income fund
RRSP – Registered retirement savings plan
RPP – Registered pension plan
SPP – Specified pension plan

Advantage – an advantage is any loan, benefit or debt that depends on the existence of the RRSP or RRIF. An advantage also includes any benefit that is an increase in the total fair market value (FMV) of the property held in connection with the RRSP or RRIF that can reasonably be considered attributable, directly or indirectly, to one of the following:

- a transaction or event (or a series of transactions or events) that would not have occurred in a normal commercial or investment context where parties deal with each other at arm's length and act prudently, knowledgeably, and willingly with each other, and one of the main purposes of which is to enable the annuitant (or another person or partnership) to benefit from the tax-exempt status of the RRSP or RRIF;
- a payment received in substitution for either:
  - a payment for services provided by the annuitant (or another person not at arm's length with the annuitant); or
  - a payment of a return on investment or proceeds of dispositions for property held outside of the RRSP or RRIF by the annuitant or a person not dealing at arm's length with the annuitant.
- a **swap transaction**; or
- **specified non-qualified investment income** that has not been paid from the RRSP or RRIF within 90 days of the annuitant receiving a notice from us requiring them to remove the amount from the RRSP or RRIF.

An advantage also includes an RRSP strip or any benefit that is income (excluding the dividend gross-up), or a capital gain that is reasonably attributable, directly or indirectly, to one of the following:

- a **prohibited investment** in respect of the RRSP or RRIF or any other RRSP or RRIF of the annuitant;
- an amount received by the annuitant of the RRSP or RRIF (or by a person not dealing at arm's length with the annuitant) if it is reasonable to consider that the amount was paid in relation to, or would not have been paid but for, property held in connection with the RRSP or RRIF, and the amount was paid in substitution for either a payment:
  - for services provided by the annuitant (or another person not dealing at arm's length with the annuitant); or
  - of a return on investment or proceeds of disposition.

Note
If the advantage is extended by the issuer/carrier of an RRSP or a RRIF, or by a person with whom the issuer/carrier is not dealing at arm's length, the issuer/carrier, and not the annuitant of the RRSP or RRIF, is liable to pay the tax resulting from the advantage.

An advantage does not include: RRSP or RRIF distribution, administrative or investment services in connection with the RRSP or RRIF, loans on arm's length terms, payments or allocations (such as bonus interest) to the RRSP or RRIF by the issuer or carrier, or a benefit provided under an incentive program that is offered to a broad class of persons in a normal commercial or investment context and not established mainly for tax purposes.

Annuitant – generally, an annuitant of an RRSP or a RRIF is the person for whom the plan or fund provides a retirement income. In certain circumstances, the surviving spouse or common-law partner may qualify as the annuitant when, because of the death, he or she becomes entitled to receive benefits out of the plan or fund.

Common-law partner – a person who is **not your spouse** (see the definition of spouse on page 7), 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 for at least 12 continuous months;

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.

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.

Commutation payment – a fixed or single lump-sum payment from your RRSP annuity that is equal to the current value of all or part of your future annuity payments from the plan.

DPSP – an employer-sponsored plan we register, in which the employer shares the profits of a business with all the employees or a designated group of employees.

Defined benefit provision – the terms of an RPP that promise a certain level of pension on retirement, based on the employee's earnings and years of service.

Earned income – we calculate your earned income by adding your employment earnings, self-employment earnings, and certain other types of income, then subtracting specific employment expenses and business or rental losses. To calculate your earned income, see Step 2 of Chart 3 on page 17.

Eligible individual – for the purposes of RDSPs, a child or grandchild of a deceased annuitant under an RRSP, a RRIF or of a deceased member of an RPP, an SPP or a PRPP, who was financially dependent on the deceased for support, at the time of the deceased's death, by reason of physical or mental infirmity.

Fair market value (FMV) – usually the highest dollar value you can get for your property in an open and unrestricted market, between a willing buyer and a willing seller who are acting independently of each other. For more information on the valuation of securities of closely-held corporations, see Information Circular IC89-3, *Policy Statement on Business Equity Valuations*.

Financially dependent – if you are a child or grandchild of a deceased annuitant, you are generally considered financially dependent on that annuitant at the time of death if, before that person's death, you ordinarily resided with and depended on the annuitant, and you meet one of the following conditions:

- your net income for the previous year (shown on line 236 of your income tax and benefit return) was less than the basic personal amount (line 300 from Schedule 1) for that previous year; or
- you are infirm and your net income for the previous year was equal to or less than the basic personal amount **plus** the disability amount (line 316 from Schedule 1) for that previous year.

If, before the annuitant's death, you are away from home because you were attending school, we still consider you to have resided with the annuitant.

If your net income was **more than the amounts described above**, we will **not** consider you to be financially dependent on the annuitant at the time of death, unless you can establish that you were. To do so, you or the legal representative should submit a request in writing to your tax services office explaining why we should consider you to be financially dependent on the annuitant at the time of death.

Foreign plan – a plan or arrangement maintained primarily to benefit non-residents for services they perform outside Canada.

Matured RRSP – an RRSP that is paying you retirement income.

Money purchase provision – the terms of an RPP under which the amount of your pension depends on how much you and your employer contribute to the RPP for you.

Pooled registered pension plan (PRPP) – a retirement savings plan to which you and/or your participating employer can contribute. Any income earned in the PRPP is usually exempt from tax as long as it remains in the plan.

Prohibited investment – this is property to which the RRSP or RRIF annuitant is closely connected, it includes:

- a debt of the annuitant;
- a debt or share of, or an interest in, a corporation, trust or partnership in which the annuitant has a significant interest (generally a 10% or greater interest, taking into account non-arm's length holdings); and
  - a debt or share of, or an interest in, a corporation, trust or partnership with which the annuitant, does not deal at arm's length.

A prohibited investment does not include a mortgage loan that is insured by the Canada Mortgage and Housing Corporation or by an approved private insurer. It also does not include certain investment funds and certain widely held investments which reflect a low risk of self-dealing.

Qualifying group plan amounts – often referred to as "**mandatory group plan amounts**." They are contribution amounts that you are required to make to a PRPP or a "qualifying arrangement." An arrangement is a qualifying arrangement if:

- it is for two or more individuals;
- the contributions are amounts you are entitled to for services you provided; and
- the contributions are remitted to the RRSP by the person who pays you, or by an agent for that person.

Qualifying group plan amounts **do not** include amounts that you could have prevented from being paid after beginning to participate in the arrangement and within 12 months before the amount was paid.

Qualifying retirement plan – for purposes of the Canada-U.S. tax convention, a United States qualifying retirement plan is a plan that is generally exempt from income tax in the U.S. and is operated primarily to provide pension or retirement benefits. Common qualifying U.S. retirement plans include 401(k) arrangements. For a complete list of qualifying U.S. retirement plans, go to **www.fin.gc.ca/treaties-conventions/us_annexb-eng.asp** and see paragraph 10.

Retiring allowance – also called severance pay, this is an amount you receive on or after retirement from an office or employment in recognition of long service. It can include payment for unused sick leave and amounts you receive for loss of office or employment, whether as a payment of damages or a payment under an order or judgment of a tribunal. For more information, see Chart 8 on page 33.

RDSP – a trust arrangement between an individual (the holder) and a trust company in Canada (the issuer) that provides for the long-term financial security of a beneficiary who has a prolonged and severe mental or physical impairment.

RESP – a registered contract between an individual (the subscriber) and a person or organization (the promoter). The subscriber generally makes contributions to the RESP, which earns income, paid in the form of educational assistance payments to one or more identified beneficiaries.

RPP – a pension plan that we have registered. Funds are contributed by an employer, or by an employer and employees, to provide a pension to employees when they retire.

RRIF – a fund you establish with a carrier and that we register. You transfer property to the carrier from an RRSP, a PRPP, an RPP, an SPP, or from another RRIF, and the carrier makes payments to you.

RRSP – a retirement savings plan that you establish, that we register, and to which you or your spouse or common-law partner contribute. Any income you earn in the RRSP is usually exempt from tax as long as the funds remain in the plan; you generally have to pay tax when you receive payments from the plan.

RRSP Strip – the amount of a reduction in the FMV of property held in connection with the RRSP or RRIF, if the value is reduced as part of a transaction or event or a series of transactions or events one of the main purposes of which is to enable the annuitant, or a person who does not deal at arm's length with the annuitant, to obtain a benefit in respect of property held in connection with the RRSP or RRIF or to obtain a benefit as a result of the reduction but not include an amount that is:

- included in the income of the annuitant or his or her spouse or common-law partner;
- withdrawn under the Home Buyers' Plan or the Lifelong Learning Plan; or
- a permitted transfer of funds from one plan to another.

RRSP contribution – the amount you pay, in cash or in kind, at the time you contribute to an RRSP. In kind contributions consist of the FMV of the property.

RRSP deduction – the amount you indicate on line 208 when you file your income tax and benefit return. Your RRSP deduction claim is limited by the amount of RRSP contributions previously made and your RRSP deduction limit.

RRSP deduction limit – the maximum amount you can deduct from contributions you made to your RRSPs or to your spouse's or common-law partner's RRSP for a year (excluding transfers to your RRSPs of certain types of qualifying income). The calculation is based, in part, on your earned income in the previous year. PAs, PSPAs, PARs, and your unused RRSP deduction room at the end of the previous year are also used to calculate the limit.

RRSP limit – the maximum amount of new RRSP deduction room that you can create for a year and is one of the amounts used to determine your RRSP deduction limit for that year. See Step 3 of Chart 3 on page 18.

RRSP excess contributions – generally, the amount of your RRSP, PRPP and SPP contributions that is more than your RRSP deduction limit for the year **plus** $2,000. If you have RRSP excess contributions, you may have to pay a tax of 1% per month on those contributions. For more information, see "Tax on RRSP/PRPP/SPP excess contributions" on page 19.

Specified non-qualified investment income – income (excluding the dividend gross-up), or a capital gain that is reasonably attributable, directly or indirectly, to an amount that is taxable for any RRSP or RRIF of the annuitant (for example, subsequent generation income earned on non-qualified investment income or on income from a business carried on by an RRSP or RRIF).

Specified pension plan (SPP) – a pension plan or similar arrangement that has been prescribed under the *Income Tax Regulations* as a "specified pension plan" for purposes of the *Income Tax Act* (currently the Saskatchewan Pension Plan is the only arrangement prescribed to be a specified pension plan). Many of the rules related to RRSPs also apply to SPPs.

Specified retirement arrangement – a pension plan that we do not register for income tax purposes and that is either not funded or only partly funded.

Spousal or common-law partner RRIF – a RRIF that received amounts or transfers of property from your spousal or common-law partner RRSP; or any of your other spousal or common-law partner RRIFs.

Spousal or common-law partner RRSP – an RRSP that you establish to pay yourself income at maturity, but that your spouse or common-law partner can contribute to.

Spouse – a person to whom you are legally married.

Swap transaction – this is any transfer of property between the RRSP or RRIF and the annuitant (or a person not at arm's length with the annuitant) occurring after June 2011, subject to certain exceptions.

The following are **not** considered to be "swap transactions":

- Contributions, distributions and purchase and sale transactions between the RRSP or RRIF and another RRSP or RRIF of the same annuitant;
- Transactions related to insured mortgage loans; or
- An exception is also provided to allow individuals to "swap-out" a non-qualified or prohibited investment provided that the conditions for a refund of the 50% tax on such investments are met. To qualify under this exception, the individual must be entitled to a refund of the tax on disposition of the investment (generally inadvertent cases that are promptly resolved). In addition, we will extend this exception, on an administrative basis, to cover swaps of non-qualified investments that were subject to the pre-March 23, 2011 rules, provided that the conditions applicable to a refund are met.

Swap transactions that are undertaken to remove an investment from an RRSP or a RRIF that would otherwise result in tax under Part XI.01 if left in the plan are permitted to continue to occur until the end of 2021.

Transitional prohibited investment benefit – this expression is relevant only if an individual held one or more prohibited investments in their RRSP or RRIF on March 23, 2011, and continues to hold the investments in their RRSP or RRIF in the tax year. An individual's transitional prohibited investment benefit for a tax year is the total of any income earned (excluding the dividend gross-up) and capital gains realized in the tax year on these investments, less any capital losses realized on these investments in the tax year. For this purpose, the amount of a capital gain realized is the positive difference between the FMV of the property when it is disposed of by the RRSP or RRIF, or when it ceases to be a prohibited investment (less reasonable costs of disposition, if any) and the FMV of the property on March 22, 2011. The amount of a capital loss is the negative difference.

Unmatured RRSP – generally, an RRSP that has not yet started to pay you retirement income.

Unused RRSP/PRPP/SPP contributions – the amount of your RRSP, PRPP and SPP contributions that you could not deduct or have chosen not to deduct, and that you did not designate as an HBP or LLP repayment for any year. Use Schedule 7, *RRSP and PRPP Unused Contributions, Transfers, and HBP or LLP Activities*, to keep track of your RRSP, PRPP and SPP contributions, this amount is carried forward to the following year and you can use it as a deduction up to your RRSP deduction limit for that year.

Unused RRSP deduction room at the end of the year – generally, your RRSP deduction limit for the year **minus** the amount you deducted for RRSP, PRPP and SPP contributions for that year.

For 2009 and later years, this amount is reduced by contributions you deduct for a year for amounts you contributed in the year to a qualifying retirement plan in the United States for services you rendered as an employee in the United States in the year. For more information, see "Other deductions" on page 9.

Chapter 1 – RPP contributions

This chapter has information about making contributions to your registered pension plan (RPP). Particularly, it will help you calculate the amount you can deduct for RPP contributions if you:

- contributed more than $3,500 to an RPP in 2014 and your information slip shows a past service amount for a period before 1990; or
- contributed an amount to an RPP in an earlier year, for a period before 1990, and you have not fully deducted that amount.

Current service is a period of service in the year, which is credited under your RPP by your employer. Current service contributions are amounts you contribute for that period of service.

Generally, **past service** refers to a period of service with an employer in an earlier year that is later credited under the defined benefit provision of your RPP. Past service contributions are amounts you contribute for that period of service. They may also include contributions you make to upgrade benefits for pensionable service you accrued in the past.

You usually make your past service contributions in a lump-sum or by instalments. Your RPP may allow you to directly transfer amounts from other registered plans to pay for the cost of the past service benefits. For more information, see "Chapter 6 – Transfers to registered plans or funds and annuities" on page 32.

For more information on RPP contributions, see Interpretation Bulletin IT-167, *Registered Pension Funds or Plans – Employee's Contributions*.

Current service and past service contributions for 1990 or later years

On line 207 of your income tax and benefit return, you can deduct the amount shown in box 20 of your 2014 T4 slip (if there is no amount in box 74 or 75 in the "Other information" area at the bottom of the slip) or on your union dues receipt. This amount includes:

- current service contributions; and
- past service contributions for 1990 or later years.

You can only deduct these contributions on your 2014 income tax and benefit return. You cannot deduct them for any other year.

An amount in box 74 or 75 in the "Other information" area of your T4 slip indicates that part or the entire amount shown in box 20 is for past service before 1990. For more information, see "Past service contributions for 1989 or earlier years" in the next section.

> **Note**
> Pension benefits you earn on a past service basis for 1990 or later years may cause a PSPA. For more information, see "Past service pension adjustments (PSPAs)" on page 37.

Past service contributions for 1989 or earlier years

Calculate the amount you can deduct for past service contributions to an RPP for 1989 or earlier years based on whether the contributions were for service while you were a contributor or for service while you were not a contributor. Chart 1 on page 10 will help you determine the type of past service contributions you made for 1989 or earlier years.

Past service contributions you made for 1989 or earlier years appear in boxes 20, 74, and 75 of your 2014 T4 slip, in boxes 032 and 126 of your 2014 T4A slip, or on a receipt that your plan administrator issued.

In some cases, you may be able to deduct for 2014 only part of the past service contributions you made. If this applies, you can carry forward the amount you cannot deduct to 2015 or later years. Future versions of this guide will help you calculate the amount you can deduct for 2015 or later years.

If, for 2014, you deduct a carry-forward of past service contributions from an earlier year, attach a statement to your income tax and benefit return giving a breakdown of the amount of contributions you claimed for service while you were a contributor and for service while you were not a contributor.

Complete Chart 2 on page 11 to calculate the amount of past service contributions you made for 1989 or earlier years that you can deduct for 2014.

> **Note**
> You can deduct a maximum of $3,500 for 2014 for past service contributions made for 1989 or earlier years for service while not a contributor. The total amount you can deduct for all years is limited to $3,500 multiplied by the number of years or part years of service you bought back.

Interest on past service contributions

If you elected **after** November 12, 1981, to make past service contributions and you make them in instalments, the annual instalment interest you pay is a past service contribution. Include this amount when you calculate how much you can deduct for past service contributions for 2014 on line 207 of your income tax and benefit return.

If you elected **before** November 13, 1981, to make past service contributions, you can deduct the instalment interest you pay each year to your RPP on line 232 of your income tax and benefit return, or as part of your past service contributions on line 207. It may benefit you more to deduct the instalment interest on line 232, since there are limits on how much you can deduct on line 207 for past service contributions you made for service in 1989 or earlier years.

Excess contributions for current service made from 1976 to 1985

You may have made current service contributions exceeding $3,500 in one or more years from 1976 to 1985, where you could not have fully deducted the amount in excess of $3,500 for the years you contributed them or following years. If you still have these excess contributions that you could not deduct, call **1-800-959-8281** to find out how to calculate your deduction claim for these amounts.

Other deductions

The *Income Tax Act* allows you to deduct repayments you make to your RPP in certain circumstances. Currently, this applies to you only if you participate in an RPP under one of the following acts:

- the *Public Service Superannuation Act*; or
- the *Royal Canadian Mounted Police Superannuation Act*.

For more information, call **1-800-959-8281**.

> **Note**
> Generally, you cannot deduct contributions you made to pension plans in other countries. However, Canada has entered into income tax conventions or agreements, commonly known as tax treaties, with many countries that allow a deduction on your Canadian income tax and benefit return for some of those contributions. If you have contributed to a pension plan in another country, call the International Enquiries for Individuals and Trusts at one of the following numbers: **1-800-959-8281** (toll free within Canada and the United States), or **613-940-8495** (from outside Canada and the United States)—we accept collect calls by automated response. You may hear a beep and experience a normal connection delay.

Canada-U.S. commuters – For 2009 and later years, a resident of Canada who works in the U.S. (commonly referred to as a "commuter") and is a member of a qualifying retirement plan in the U.S., can deduct their contributions to that plan on their Canadian income tax and benefit return, as long they meet certain conditions and respect certain limits.

The maximum amount that you can deduct for a year is the contributions you made in the year that are attributable to the work you performed in the year. This maximum is further limited to your RRSP deduction limit for the year after reducing that limit by any RRSP contributions that you deducted for the year.

The qualifying retirement plan contributions you deduct for the year also reduce your unused RRSP deduction room at the end of the year that is carried forward and included in your following year's RRSP deduction limit.

Depending on your situation, you will have to complete either Form RC267, *Employee Contributions to a United States Retirement Plan for 2014 – Temporary Assignments*; Form RC268, *Employee Contributions to a United States Retirement Plan for 2014 – Cross-Border Commuters*; or Form RC269, *Employee Contributions to a Foreign Pension Plan or Social Security Arrangement for 2014 – Non-United States Plans or Arrangements*. These forms are available at **www.cra.gc.ca/forms**.

Pension repayments – For the 2009 and later tax years, an individual can claim a deduction equal to the amount if he or she repays to an RPP, an overpayment of an amount received from the RPP that was included in his or her income for the year, or a preceding year. The repayment must be for an amount that may reasonably be considered to have been paid from the RPP in error and not as an entitlement to benefits under the RPP. The individual cannot claim a deduction for the repayment if he or she is already claiming a deduction for this amount as a contribution to the RPP.

Chart 1 – Buying back service or upgrading past service benefits for 1989 or earlier years – How do you determine if your RPP past service contribution is for service while you were a contributor or for service while you were not a contributor?

Use this chart to determine the type of period your contribution relates to. You can then use Chart 2 on page 11 to calculate the amount you can deduct for that type of contribution.

Step 1 **Does your past service contribution relate to any year in which you were contributing to any RPP?** If **yes**, go to Step 2. If **no**, your past service contribution is for service while not a contributor. Skip Steps 2 and 3 below and complete Area B of Chart 2 on page 11 to calculate the amount you can deduct for this contribution.	**Example** – Miles joined TTM Company's RPP on February 4, 2014. This RPP allowed Miles to buy back 12 years of past service with CCD Company, a previous employer. During those 12 years (1977 to 1988), Miles contributed to CCD Company's RPP. Miles answers **yes** to this question because the past service contribution that he made in 2014 relates to a period of service while he contributed to CCD Company's RPP. **Example** – Justin became a member of XTJ Company's RPP in January 1990. He started working for XTJ in June 1989, but did not contribute to any RPP in 1989. In 2014, XTJ's RPP allows Justin to buy back his 1989 service with the company for $2,500. Justin answers **no** to this question because he did not contribute to any RPP in 1989. Justin's $2,500 contribution is for service while not a contributor.
Step 2 **Did you make the past service contribution to the same RPP (and for the same year) that you contributed to during 1989 or an earlier year?** If **yes**, your past service contribution is for service while a contributor. Skip Step 3 below and complete Area C of Chart 2 on page 11 to calculate the amount you can deduct for this contribution. If **no**, go to Step 3.	**Example** – Vern has been employed with YYW Ltd. since 1980 and has contributed to his employer's RPP ever since. In 2014, Vern makes a past service contribution of $8,000 to upgrade past service benefits that were previously credited under the RPP from 1980 to 1988. Vern answers **yes** to this question because he made the past service contribution to the same RPP that he contributed to from 1980 to 1988. Vern's $8,000 contribution is for service while a contributor. **Example** – Avery changed employers in May 1987 and became a member of her new employer's RPP. She was a member of a different RPP from May 1980 until May 1987. Avery's new employer's RPP allowed her to buy back the past service with her previous employer. Avery bought this service in July 1987. Avery answers **no** to this question because she did not make the past service contribution to the same RPP that she contributed to from May 1980 to May 1987.
Step 3 **Does one of the following statements apply to you?** ■ You made the past service contribution before March 28, 1988. ■ You made the past service contribution under the terms of a written agreement entered into before March 28, 1988. If you answer **yes** to one of the above statements, your past service contribution is for service while not a contributor. Complete Area B of Chart 2 on page 11 to calculate the amount you can deduct for this contribution. If you answer **no** to both of the above statements, your past service contribution is for service while a contributor. Complete Area C of Chart 2 on page 11 to calculate the amount you can deduct for this contribution.	**Example** – Tracey joined DEF Company's RPP on January 15, 1988. This RPP allowed Tracey to buy back her six years of past service with ABC Company, her previous employer. During those six years, Tracey contributed to ABC Company's RPP. The ABC Company's RPP had a portability arrangement. Tracey entered into a written agreement on March 1, 1988, to buy back those six years of past service. Tracey has to contribute $1,000 each year for 15 years to pay for this service. Tracey answers **yes**, since one of the statements applies to Tracey (she made the past service contribution under the terms of a written agreement she entered into before March 28, 1988), her $1,000 yearly contribution is for service while not a contributor. **Example** – Martha is a member of her current employer's RPP. She entered into an agreement on April 12, 1990, to buy back (for $12,000) past service benefits for a period of service in 1988 and 1989 with another employer when she contributed to a different RPP. Martha answers **no**, since both statements don't apply to Martha (she did not make the past service contribution before March 28, 1988, and she did not make the past service contribution under the terms of a written agreement entered into before March 28, 1988), her $12,000 contribution is for service while a contributor.

Calculating your 2014 deduction for your RPP contributions

Example

Mark has been working for his employer and has participated in the company's RPP since 1997. He had previously worked for his current employer from 1984 to 1994. The RPP would allow Mark to have that entire period of past service to be recognized as pensionable service if he chose to. In Mark's plan, the past service is broken into periods before 1990 while he was contributor and while he was not a contributor, and for his service after 1989.

For the period of service of 1984 to 1986, Mark **was not a contributor** to an RPP at that time, and the plan requires that he pay his and the employer's share to fund the past service; this amount is $12,000.

For the period of 1987 to 1989, Mark **was a contributor** to the RPP at that time, and it only requires that he pay his share to fund the past service; this amount is $13,500.

Likewise, the period from 1990 to 1994, Mark was contributing to the RPP and it only requires that he fund his portion for the past service, an amount of $18,500. The total cost to Mark for his past service request will be $44,000. The RPP would allow him to fund this past service with a cash payment and/or a transfer of funds from another registered plan, like an RRSP.

In order to buy back his past service, Mark makes a cash payment of $44,000 in 2014. Mark will receive a T4A slip showing $44,000 in box 032 for the total past service contributions, with $25,500 reported in box 126 for the past service contributions Mark made for 1989 or earlier years.

Mark is a member of the RPP and has current (2014) service contributions of $5,000. With his past service contributions, his total contribution for service that relates to 1990 or later years is $23,500 ($18,500 + $5,000).

Mark completes Chart 2 to calculate the amount of contributions that he can deduct from income for 2014.

Area A calculates the amount of contributions for service that relates to 1990 or later years that is deductible for 2014. The amount on line 3 is entirely deductible for 2014. For Mark this amount is $23,500.

Area B calculates the amount of contributions for service that relates to 1989 or earlier years while not a contributor that is deductible for 2014. For Mark the amount that is deductible for 2014 is $3,500. Mark will be able to claim $3,500 in each year for 2015, 2016 and 2017. The maximum total amount he can deduct for all years is limited to $3,500 multiplied by the number of years he bought back.

Area C calculates the amount of contributions for service that relates to 1989 or earlier years while a contributor that is deductible for 2014. For Mark the amount that is deductible for 2014 is $0. Once he no longer claims any deductions under Areas A and B, Mark will be able to deduct $3,500 each year until his $13,500 contribution is fully deducted.

Area D summarizes the total amount from Areas A, B and C and calculates the amount that can be deducted from income for 2014.

Chart 2 – Calculating your 2014 deduction for your RPP contributions

Area A –	**Complete this area if you made current service contributions in 2014, or if you made past service contributions in 2014 for service that relates to 1990 or later years. If you do not have to complete this area, enter "0" on line 21.**			**Example from the previous page**	
1.	Enter the total of all amounts from box 20 of your 2014 T4 slips, box 032 of your 2014 T4A slips, or from your receipts for union dues that represent RPP contributions	$	1	$ 49,000	1
2.	Enter the amount from box 74 or 75 of the "Other information" area of your T4 slip and box 126 of your T4A slip that represents past service contributions made for service that relates to 1989 or earlier years while a contributor or while not a contributor –	$	2	$ 25,500	2
3.	Line 1 **minus** line 2. This is the amount of your current service and past service contributions for 1990 and later years that you deduct for 2014. Enter this amount on line 21 of Area D =	$	3	$ 23,500	3
Area B –	**Complete this area if you made past service contributions for service that relates to 1989 or earlier years while not a contributor (for deceased individuals, ignore any reference to line 7).**				
4.	Enter the total amount you contributed in 2014 or earlier years for past service contributions while not a contributor	$	4	$ 12,000	4
5.	Enter the amount you deducted before 2014 for contributions you entered on line 4 –	$	5	$ 0	5
6.	Line 4 **minus** line 5 =	$	6	$ 12,000	6
7.	Annual deduction limit	$ 3,500	7	$ 3,500	7
8.	Number of years* of service to which the contributions on line 4 relate ______ × $3,500 ▶	$	8	3 × 3,500 $ 10,500	8
9.	Enter the amount from line 5 –	$	9	$ 0	9
10.	Line 8 **minus** line 9 =	$	10	$ 10,500	10
11.	Enter the amount from line 6, 7, or 10, **whichever is less**. This is the amount of your past service contributions for 1989 and earlier years for service while not a contributor that you can deduct for 2014. Enter the amount you deduct for 2014 on line 22 of Area D**	$	11	$ 3,500	11

(continued on next page)

Chart 2 – Calculating your 2014 deduction for your RPP contributions (continued)

Area C – Complete this area if you made past service contributions for service that relates to 1989 or earlier years while a contributor (for deceased individuals, ignore any reference to lines 15 to 19).				
12. Enter the total amount you contributed in 2014 or earlier years for past service contributions while a contributor		$ ____ **12**		$ 13,500 **12**
13. Enter the amount you deducted before 2014 for contributions you entered on line 12		– $ ____ **13**		$ 0 **13**
14. Line 12 **minus** line 13		= $ ____ ▶	$ ____ **14**	$ 13,500 **14**
15. Annual deduction limit		$ 3,500 **15**		3,500 **15**
16. Enter the amount from line 3 in Area A that you deduct for 2014	$ ____ **16**			$ 23,500 **16**
17. Enter the amount from line 11 in Area B that you deduct for 2014	+ $ ____ **17**			$ 3,500 **17**
18. Line 16 **plus** line 17	= $ ____ ▶	– $ ____ **18**		$ 27,000 **18**
19. Line 15 **minus** line 18 (if negative, enter "0")		= $ ____ ▶	$ ____ **19**	$ 0 **19**
20. Enter the amount from line 14 or 19, **whichever is less**. This is the amount of your past service contributions for 1989 and earlier years for service while a contributor that you can deduct for 2014. Enter the amount you deduct for 2014 on line 23 of Area D**			$ ____ **20**	$ 0 **20**
Area D – Complete this area to calculate the total amount you can deduct on line 207 of your 2014 income tax and benefit return.				
21. Enter the amount from line 3 in Area A that you deduct for 2014 (if you did not complete Area A, enter "0").			$ ____ **21**	$ 23,500 **21**
22. Enter the part of the amount from line 11 in Area B that you deduct for 2014			+ $ ____ **22**	$ 3,500 **22**
23. Enter the part of the amount from line 20 in Area C that you deduct for 2014			+ $ ____ **23**	$ 0 **23**
24. **Add** lines 21 to 23. Enter this amount on line 207 of your 2014 income tax and benefit return			= $ ____ **24**	$ 27,000 **24**

* "Number of years" includes any portion of a calendar year. For example, if the contributions relate to service between November 1986 and February 1987, you would enter "2" as the number of years of service.

** There is no annual deduction limit for deceased individuals. The legal representative can choose to deduct these amounts in the year of death or the year before, or a part in each year, whichever is more beneficial.

Chapter 2 – RRSP contributions

This chapter has general information on contributing to your RRSPs or your spouse's or common-law partner's RRSPs, as well as information on calculating your 2014 RRSP deduction limit.

The rules we explain in this chapter apply to all RRSPs.

> **Note**
> **For the purposes of this chapter, a contribution made by an individual in 2010 and later years to an account under an SPP is considered to be a contribution made by the individual to an RRSP.**

A contribution made by an individual after 2012 to a PRPP is considered to be a contribution to an RRSP. For more information on PRPPs, see "Chapter 8 – Pooled registered pension plan" on page 39.

March 2, 2015, is the deadline for contributing to an RRSP for the 2014 tax year.

Canada Savings Bonds – You can transfer your holdings of past series compound-interest Canada Savings Bonds to your RRSPs or your spouse's or common-law partner's RRSPs. The amount you transfer is considered a contribution to the RRSP. For more information, contact your RRSP issuer.

Self-directed RRSPs – If you want to, you can control the assets of your RRSP and make the investment decisions yourself. Your financial institution can tell you if it offers self-directed RRSPs. The issuer (such as a bank, credit union, trust, or insurance company) can take care of the administrative details, including getting the plan registered, receiving the amounts you contribute, and trading securities. **Securities cannot be held in your own name**.

Qualified Investments – Common types of qualified investments for a trust governed by an RRSP or a RRIF include: money, guaranteed investment certificates, government and corporate bonds, mutual funds, and securities listed on a designated stock exchange.

For more information, see Interpretation Bulletin IT-320, *Qualified Investments – Trusts Governed by Registered Retirement Savings Plans, Registered Education Savings Plans and Registered Retirement Income Funds*, or contact your RRSP issuer.

You should pay particular attention to the type of investments you choose for the plan. If you buy non-qualified investments in your RRSP or RRIF, or if qualified investments held in your RRSP or RRIF become non-qualified, there are tax implications.

Enhancements were made to the existing tax rules that apply when an RRSP or a RRIF acquires a non-qualified investment. The enhancements also include the introduction of a special tax on the annuitant of an RRSP or a RRIF that acquires a prohibited investment. For more information on anti-avoidance rules, see "Chapter 4 – Anti-avoidance rules for RRSPs and RRIFs" on page 23.

How do you claim your RRSP deduction?

On line 208 of your income tax and benefit return, you can deduct RRSP contributions you made up to the limits we explain in the following sections.

Your RRSP issuer will give you a receipt for the amounts you contributed. If you contributed to your spouse's or common-law partner's RRSP, the receipt should show your name as the contributor and your spouse's or common-law partner's name as the annuitant. Attach the receipt(s) with your income tax and benefit return to support the amount you deducted. If you are using EFILE, show your receipts to your service provider and keep them in case we ask to see them. If you are using NETFILE, also keep your receipts in case we ask to see them. If you do not get your receipts before the filing deadline, see "What if you are missing information?" in the *General Income Tax and Benefit Guide* for more information.

If you deduct an amount for 2014 that you contributed to an RRSP from March 2, 1995 to March 3, 2014, which you had not previously deducted, you should have completed and filed a Schedule 7, *RRSP and PRPP Unused Contributions, Transfers, and HBP or LLP Activities*, for these contributions. If you did not, you should submit a completed copy of the appropriate Schedule 7, along with the appropriate RRSP receipts, to your tax centre, separate from your 2014 income tax and benefit return.

Age limit for contributing to an RRSP

The year you turn 71 is the last year in which you can make a contribution to your RRSP.

You can contribute to an RRSP under which your spouse or common-law partner is the annuitant until the end of the year your spouse or common-law partner turns 71.

Contributing to your RRSPs

This section will help you determine how much of your RRSP contributions you can deduct on line 208 of your 2014 income tax and benefit return.

How much can you deduct?

The amount of RRSP contributions that you can deduct for 2014 is based on your 2014 RRSP deduction limit, which appears on your latest notice of assessment or notice of reassessment, or on a T1028, *Your RRSP Information for 2014*. You can also deduct amounts for contributions you make for certain income you transfer to your RRSP. Your RRSP deduction limit is not reduced by these amounts. For more information on transfers, see "Chapter 6 – Transfers to registered plans or funds and annuities" on page 32.

Any income you earn in your RRSP is usually exempt from tax for the time the funds remain in the plan. However, you cannot claim a deduction for capital losses within your RRSP.

You cannot claim a deduction for amounts you pay for administration services for an RRSP. Also, you cannot deduct brokerage fees charged to buy and dispose of securities within a trusteed RRSP.

If we reassess a previous year's income tax and benefit return, your revised 2014 RRSP deduction limit will appear on your notice of reassessment or in some cases on a T1028, *Your RRSP Information for 2014*. We will also send you a T1028 with a new RRSP deduction limit if your RRSP deduction limit has changed for reasons other than a reassessment of a previous year's income tax and benefit return.

If you do not have a copy of your notice or a T1028, you can find out the amount of your RRSP deduction limit by going to **www.cra.gc.ca/myaccount**, or by calling our automated TIPS RRSP service. For more information, see "My Account" and "Tax Information Phone Service (TIPS)" on page 43.

Note
If you are a Canadian who works in the United States, see "Other deductions" on page 9.

Calculating your 2014 RRSP deduction limit

Your 2014 RRSP deduction limit is shown on the latest notice of assessment or notice of reassessment or T1028 we sent you after we processed your 2013 income tax and benefit return. We determined your limit from information on your 2013 and previous years' income tax and benefit returns, and from information we keep on record. If any of that information changes, your 2014 RRSP deduction limit may also change. In most cases, we will tell you about any change to your 2014 RRSP deduction limit.

You can also find out your RRSP deduction limit by registering for **My Account**. See "My Account" on page 43.

If you want to calculate your 2014 RRSP deduction limit, use Chart 3 on pages 17 and 18.

Note
The RRSP limit for 2014 is $24,270. However, your 2014 RRSP deduction limit may be more than $24,270 if you did not use your entire RRSP deduction limit for the years 1991 to 2013. Your unused RRSP deduction room will be carried forward to 2014. For more information, see "Unused RRSP/PRPP/SPP contributions" on page 19.

Contributions you can deduct for 2014

For 2014, you can deduct contributions you made to your RRSP or SPP from January 1, 1991 to March 2, 2015. You can also deduct contributions you made to your PRPP from January 1, 2014 to March 2, 2015 (do not include your employer's contributions). You can deduct these contributions if you did not deduct them for any other year, and if they are not more than your RRSP deduction limit for 2014. Even if you can no longer contribute to your RRSP in 2014 because of your age, you can deduct your unused RRSP contributions up to your RRSP deduction limit.

> **Note**
> You cannot deduct the interest you paid on money you borrowed to contribute to an RRSP.

The HBP and the LLP – If you participate in the HBP or LLP, you may not be able to deduct, for any year, all or part of the contributions you made to your RRSP during the 89-day period just before you withdrew an amount under either of these plans. To determine the part of the contributions you made to your RRSP that you cannot deduct, go to **www.cra.gc.ca/hbp** or see Guide RC4112, *Lifelong Learning Plan (LLP)*, whichever applies.

Contributing to your spouse's or common-law partner's RRSP

This section applies to you if you contribute to an RRSP for your spouse or common-law partner. Generally, the total amount you can deduct on line 208 of your 2014 income tax and benefit return for contributions you make to your spouse's or common-law partner's RRSP and your RRSP cannot be more than your 2014 RRSP deduction limit.

Example
Joey's 2014 RRSP deduction limit is $10,000. Joey contributes $4,000 to his RRSP in 2014, and $6,000 to his common-law partner Ghislaine's RRSP in 2014. Joey deducts the $4,000 he contributed to his RRSP on line 208 of his 2014 income tax and benefit return. Although Joey contributed $6,000 to his common-law partner's RRSP in 2014, he decides to only deduct $5,500 of this contribution on his 2014 income tax and benefit return. He may be able to deduct the remaining $500 ($10,000 – $9,500) on a future year's income tax and benefit return. To find out what other options are available, see "Unused RRSP/PRPP/SPP contributions" on page 19.

If you cannot contribute to your RRSP because of your age, 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.

Contributions made after death – No contributions can be made to a deceased individual's RRSP after the date of death. However, the deceased individual's legal representative can make contributions to the surviving spouse's or common-law partner's RRSP in the year of death or during the first 60 days after the end of that year. Contributions made to a spouse's or common-law partner's RRSP can be claimed on the deceased individual's income tax and benefit return up to that individual's RRSP deduction limit for the year of death.

Example
Dave died in August 2014. His 2014 RRSP deduction limit is $7,000. Before he died, Dave did not contribute to either his RRSP or his wife's RRSP for 2014. His wife Paula is 66 years old in 2014. On Dave's behalf, his legal representative can contribute up to $7,000 to Paula's RRSP for 2014. The legal representative can then claim an RRSP deduction of up to $7,000 on line 208 of Dave's 2014 final income tax and benefit return.

> **Note**
> If you contributed amounts to your spouse's or common-law partner's RRSP in 2012, 2013, or 2014, you may have to include in your 2014 income all or part of the amount your spouse or common-law partner withdrew in 2014 from his or her spousal or common-law partner RRSP. For more information, see "Amounts from an SPP account or amounts from a spousal or common-law partner RRSP or RRIF" on page 31.

The HBP and the LLP – If your spouse or common-law partner participates in the HBP or LLP, you may not be able to deduct, for any year, all or part of the contributions you made to your spouse's or common-law partner's RRSP during the 89-day period just before your spouse or common-law partner withdrew an amount under either of these plans. To determine the part of the contributions you made to your spouse's or common-law partner's RRSP that you cannot deduct, go to **www.cra.gc.ca/hbp** or see Guide RC4112, *Lifelong Learning Plan (LLP)*, whichever applies.

If you have a payment arrangement contract with a financial institution to make RRSP contributions, you can use Form T1213, *Request to Reduce Tax Deductions at Source for Year(s)* ____, to request authorization for your employer to reduce your tax deductions at source.

Keeping track of your RRSP, PRPP and SPP contributions – Schedule 7

Use Schedule 7, *RRSP and PRPP Unused Contributions, Transfers, and HBP or LLP Activities*, to keep track of your RRSP, PRPP and SPP contributions.

If you made contributions to your RRSP or SPP, your spouse's or common-law partner's RRSP or SPP, or your PRPP from March 4, 2014 to March 2, 2015, and you are not deducting the total contributions on your 2014 income tax and benefit return, attach a completed Schedule 7 to your 2014 income tax and benefit return. If you have already filed your income tax and benefit return, complete Schedule 7 and send it to your tax centre with **your RRSP/PRPP/SPP receipts** and a note showing your name and social insurance number.

> **Note**
> Only your PRPP contributions are deductible on your income tax and benefit return. You cannot deduct any contributions made by your employer.

You may not have to complete Schedule 7. To find out, read the information at the top of the schedule. If you do have to complete it, you will find information below about lines 1, 2, 3, 6, 7, 10, 11, and 15 to 18.

Line 1 – Unused RRSP/PRPP/SPP contributions

These are amounts you contributed to your own RRSP/PRPP or SPP or to an RRSP for your spouse or common-law partner after 1990 but did not deduct on line 208 of any previous income tax and benefit return or designate as an HBP or LLP repayment. The total of these amounts is identified as amount (B) of your 2014 *RRSP Deduction Limit Statement* shown on your latest notice of assessment, notice of reassessment, or T1028, *Your RRSP Information for 2014*, 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, you can find out if you have unused RRSP/PRPP/SPP contributions by going to **www.cra.gc.ca/myaccount** or by calling our Tax Information Phone Service (TIPS). For more information, see "My Account" and "Tax Information Phone Service (TIPS)" on page 43.

Notes
If there are unused RRSP/PRPP/SPP contributions you made from March 2, 2013 to March 3, 2014, you should have filed a completed Schedule 7 with your 2013 income tax and benefit return. If you did not, you should submit your receipts and a completed copy of a 2013 Schedule 7 to your tax centre, **but do not include them with your income tax and benefit return for 2014**.

If there are unused contributions you made from January 1, 1991 to March 1, 2013, but did not show on a Schedule 7 for 2012 or earlier, contact us.

For information on unused PRPP contributions, see "Contributions to a PRPP" on page 39.

Lines 2 and 3 – Total RRSP and PRPP contributions

This total includes amounts you:

- contributed to your own RRSP or an RRSP for your spouse or common-law partner from March 4, 2014 to March 2, 2015;
- contributed to your account, or your spouse's or common-law partner's account, under an SPP from March 4, 2014 to March 2, 2015;
- contributed to your PRPP from January 1, 2014 to March 2, 2015 (do not include your employer's PRPP contributions);
- transferred to your own RRSP (see "Line 14 – Transfers" on page 16); and
- designated as HBP or LLP repayments (see "Lines 6 and 7 – Repayments under the HBP and the LLP" on page 16).

Include on these lines **all** contributions you made from January 1, 2015 to March 2, 2015, even if you are **not deducting** or **designating** them on your income tax and benefit return for 2014. Otherwise, we may reduce or disallow your claim for these contributions on your income tax and benefit return for a future year.

Tax Tip
Not including transfers, if you have made deductible RRSP contributions for 2014 from March 4, 2014 to March 2, 2015, or deductible PRPP contributions from January 1, 2014 to March 2, 2015, you do not have to claim the full amount on line 208 of your 2014 income tax and benefit return. Depending on your federal and provincial or territorial rates of tax for 2014, 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 10 of Schedule 7 and on line 208 of your 2014 income tax and benefit return. The contributions you do not claim for 2014 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 contributions you made on line 2 or 3 and line 245 of your 2014 Schedule 7.

Do not include the following amounts:

- Any unused RRSP/PRPP or SPP contributions you made after March 3, 2014, refunded to you or your spouse or common-law partner in 2014. Report the refund of RRSP contributions on line 129 of your income tax and benefit return. If you received a refund of your PRPP contributions, report those amounts on line 130. Refunded SPP contributions are reported on line 115 of your income tax and benefit return. You may be able to claim a deduction on line 232. For more information, see "Unused RRSP/PRPP/SPP contributions" on page 19.
- Part or all of the contributions you made to your RRSP/PRPP 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 **www.cra.gc.ca/hbp** or see Guide RC4112, *Lifelong Learning Plan (LLP)*.
- Any PRPP contributions made by your employer. For more information, see "Employer contributions" on page 40.
- Contributions you made to your RRSP used to cancel a withdrawal under the HBP or LLP.

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

- Any amount directly transferred to your RRSP if you did not receive an information slip 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 an RPP.
- The excess part of a direct transfer of a lump-sum payment from your RPP to an RRSP, a PRPP, an SPP or a RRIF you withdrew and are including on line 129 or line 130 of your income tax and benefit return for 2014 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 2013, you have to make a repayment for 2014. If you withdrew funds from your RRSP under the LLP before 2013, you may have to make a repayment for 2014. In either case, your 2014 minimum required repayment is shown on your latest notice of assessment, notice of reassessment, or T1028, *Your RRSP Information for 2014*.

To make a repayment for 2014, contribute to your **own** RRSP/PRPP/SPP from January 1, 2014 to March 2, 2015, and designate your contribution 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 2013 income tax and benefit return or that was refunded to you. **Do not send your repayment to us**. You **cannot deduct** any RRSP, SPP or PRPP contribution you **designate as an HBP or an LLP repayment** on Schedule 7. To view your HBP or LLP information, go to **www.cra.gc.ca/myaccount**.

> **Note**
> If you repay less than the minimum amount for 2014, you have to report the difference on line 129 of your income tax and benefit return.

Line 13 – RRSP/PRPP contributions you are deducting for 2014

Include on this line, amounts that you contributed to your or your spouse's or common-law partner's RRSP or SPP, or your PRPP that you will be deducting on your 2014 income tax and benefit return. This amount cannot exceed the lesser of the amount at line 9, **excluding transfers**, and the amount from line 12.

You can carry forward indefinitely any part of your RRSP deduction limit accumulated after 1990 that you do not use.

Your RRSP deduction limit for 2014 is shown on your latest notice of assessment, notice of reassessment, or line A of T1028, *Your RRSP Information for 2014*.

If you do not have your notice of assessment, notice of reassessment or T1028, you can find out your RRSP deduction limit for 2014 by going to **www.cra.gc.ca/myaccount** or by calling TIPS. For more information, see "My Account" and "Tax Information Phone Service (TIPS)" on page 43.

If you would like to calculate your RRSP deduction limit for 2014, use Chart 3 on pages 17 and 18.

> **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 income tax and benefit return for that year. If you want to keep your RRSP deduction limit up to date, you have to file an income tax and benefit return for that year.

Line 14 – Transfers

You may have reported income on line 115, 129, or 130 of your income tax and benefit return for 2014. If you contributed certain types of this income to your own RRSP on or before March 2, 2015, you can deduct this contribution, called a **transfer**, in addition to any RRSP contribution you make based on your RRSP deduction limit for 2014.

For example, if you received a retiring allowance in 2014, you would report it on line 130 of your income tax and benefit return. You can contribute to your RRSP 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 14 of Schedule 7.

For more information about amounts you can transfer, see "Chapter 6 – Transfers to registered plans or funds and annuities" on page 32.

Lines 18 to 21 – 2014 withdrawals under the HBP and the LLP

On line 18, enter the total of your HBP withdrawals for 2014 from box 27 of your T4RSP slips. Tick the box at line 19 if the address of the home you acquired with these withdrawals is the same as the address on page 1 of your income tax and benefit return.

On line 20, enter the total of your LLP withdrawals for 2014 from box 25 of your T4RSP slips. Tick the box at line 21 to designate that your spouse or common-law partner was 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 income tax and benefit return for the year you make your first withdrawal.

See guide RC4112, *Lifelong Learning Plan (LLP)* or go to **www.cra.gc.ca/hbp**, for more information about:

- when you have to make your repayments; and
- what rules apply when the person who made the withdrawal dies, turns 71 years of age, or becomes a non-resident.

2013 and earlier years – If you made contributions in the first 60 days of 2014 or an earlier year, and you did not claim them for the previous year, you should have completed and filed a Schedule 7 for that previous year. If you did not file a Schedule 7 when it was required, complete one and submit it to your tax centre.

By doing so, you will avoid having your deduction **reduced** or **disallowed** for contributions made in the first 60 days of the year or in an earlier year. If you have not already filed your RRSP receipts, submit them with your Schedule 7. If you did not receive a copy of Schedule 7 with your income tax and benefit package, you can get one by going to **www.cra.gc.ca/forms**, or by calling **1-800-959-8281**.

> **Note**
> You may have to pay a special tax if you have RRSP excess contributions. For more information, see "Tax on RRSP/PRPP/SPP excess contributions" on page 19.

Chart 3 – 2014 RRSP deduction limit

The line numbers in brackets refer to the line numbers on your 2013 income tax and benefit return.

Step 1 – Calculating your unused RRSP deduction room at the end of 2013

1. Enter your RRSP deduction limit for 2013* ... $ ______ 1
2. Enter the total RRSP, SPP and/or PRPP contributions, including employer PRPP contributions (do not include amounts you deducted for transfers of payments or benefits to an RRSP, or the excess amount you withdrew from your RRSP in connection with the certification of a provisional PSPA that you re-contributed to your RRSP in 2013) ... – ______ 2
3. Line 1 **minus** line 2. This is your unused RRSP deduction room at the end of 2013. This amount can be negative. Enter this amount on line 39. ... = $ ______ 3

Step 2 – Calculating your 2013 earned income (include each amount only once in this step)**

4. **Total** of lines 101 and 104 on your income tax and benefit return ... $ ______ 4
5. Royalties for a work or invention that you authored or invented (line 104) ... $ ______ 5
6. Net research grants you received (line 104) ... + ______ 6
7. Unemployment benefit plan payments (line 104) ... + ______ 7
8. Wage earner protection plan payments you received (line 104)... + ______ 8
9. **Add** lines 5 to 8 ... = $ ______ ► – ______ 9
10. Line 4 **minus** line 9 ... = $ ______ 10
11. Annual union, professional, or like dues (line 212) that relate to the employment earnings you reported on line 4 above ... $ ______ 11
12. Employment expenses (line 229) that relate to the employment earnings you reported on line 4 above ... + ______ 12
13. Line 11 **plus** line 12 ... = $ ______ ► – ______ 13
14. Line 10 **minus** line 13 (if negative, enter "0") ... = $ ______ ► $ ______ 14
15. Amount from line 9 above ... + ______ 15
16. **Net** income from a business you carried on alone or as an active partner (lines 135 to 143) Enter losses on line 21 below ... + ______ 16
17. Disability payments you received from the Canada Pension Plan or Quebec Pension Plan (line 152) ... + ______ 17
18. **Net** rental income from real property (line 126). Enter losses on line 23 below ... + ______ 18
19. Total taxable support payments you received in 2013. Also, the support payments you previously paid and deducted for the year in which you paid them but that were later repaid to you and that you included as income for 2013 (line 128) ... + ______ 19
20. **Add** lines 14 to 19 ... = $ ______ 20
21. Current-year loss from a business you carried on alone or as an active partner (lines 135 to 143) ... $ ______ 21
22. Amount included on line 16 above that represents the taxable portion of gains on the disposition of eligible capital property ... + ______ 22
23. Current-year rental loss from real property (line 126) ... + ______ 23
24. Enter the total deductible support payments you made in 2013, and the support payments you received and included as income for the year in which you received them that you later repaid in 2012 or the previous two years and deducted for 2013 (line 220) ... + ______ 24
25. **Add** lines 21 to 24 ... = $ ______ 25
26. Line 20 **minus** line 25. This amount is your 2013 earned income ... = $ ______ 26

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* If you had a net PSPA in 2013 or a previous year and your 2013 RRSP deduction limit is "0," leave lines 1 and 2 in Step 1 blank and enter your unused RRSP deduction room at the end of 2013 on line 3.

** Certain income you earned in 2013 while you were a non-resident of Canada qualifies as earned income. To find out the types of income that qualify, call the International Enquiries for Individuals and Trusts at one of the following numbers: **1-800-959-8281** (toll free within Canada and the United States), or **613-940-8495** (from outside Canada and the United States—we accept collect calls by automated response. You may hear a beep and experience a normal connection delay). For more information on residency, see Income Tax Folio S5-F1-C1, *Determining an Individual's Residence Status*.

Chart 3 – 2014 RRSP deduction limit (continued)

Step 3 – RRSP limit for 2014

27. Enter the amount from line 26 .... $ ________ × 18% ▶ = $ ________ 27

28. RRSP limit for 2014 .... $ 24,270 28

29. Enter the amount from line 27 or 28, **whichever is less** .... = $ ________ 29

Step 4 – Your 2013 pension adjustment (PA)

30. Enter your 2013 PA (the total from box 52 of your 2013 T4 slips and box 034 of your 2013 T4A slips)*** .... – ________ 30

31. Line 29 **minus** line 30 (if negative, enter “0”) .... = $ ________ 31

Step 5 – Your 2014 pension adjustment reversal (PAR)

32. Enter your PAR (the total from box 2 of your 2014 T10 slips) .... + $ ________ 32

33. Line 31 **plus** line 32 (enter this amount on line 40) .... = $ ________ 33

Step 6 – Your 2014 net past service pension adjustment (PSPA)

34. Enter your exempt PSPA for 2013 (the total from box 2 of your 2013 T215 slips) .... $ ________ 34

35. Enter your certified PSPA for 2014 (line A in Part 3 of Form T1004, *Applying for the Certification of a Provisional PSPA)* .... + ________ 35

36. Line 34 **plus** line 35 .... = $ ________ 36

37. Enter your qualifying withdrawals for 2014 (Part 3 of Form T1006, *Designating an RRSP Withdrawal as a Qualifying Withdrawal)* .... – ________ 37

38. Line 36 **minus** line 37. This amount is your 2014 net PSPA. (this amount can be negative; enter this amount on line 42) .... = $ ________ 38

Step 7 – Your 2014 RRSP deduction limit

39. Enter your 2013 unused RRSP deduction room from line 3 in Step 1 .... $ ________ 39

40. Enter the amount from line 33 .... + ________ 40

41. Line 39 **plus** line 40 .... = $ ________ 41

42. Enter your 2014 net PSPA from line 38 .... – ________ 42

43. Line 41 **minus** line 42. This amount is your 2014 RRSP deduction limit (if negative, enter “0”) .... = $ ________ 43

Step 8 – Your 2014 unused RRSP deduction room

44. Enter the amount from line 41 .... $ ________ 44

45. Enter the amount from line 42 (this amount can be negative) .... – ________ 45

46. Line 44 **minus** line 45 (this amount can be negative) .... = $ ________ 46

47. Enter the amount of RRSP, SPP and/or PRPP contributions, including employer PRPP contributions (cannot be more than the amount on line 43). Do not include amounts that you deduct for transfers of payments or benefits to an RRSP; or for the excess amount you withdrew from your RRSP in connection with the certification of a provisional PSPA that you re-contributed to your RRSP in 2014. .... ________ 47

48. Line 46 **minus** line 47. This amount is your 2014 unused RRSP deduction room that you can carry forward to 2015 (this amount can be negative) .... = $ ________ 48

*** If you are a “connected person” you may have to enter an amount on line 31 in addition to amounts from your T4 or T4A slips. If this applies to you, your employer will give you Form T1007, *Connected Person Information Return*. For more information on connected persons, see Interpretation Bulletin IT-124, *Contributions to Registered Retirement Savings Plans*.

If you participate in a foreign plan and your employer does not carry on a business in Canada, you may have to enter an amount on line 31 in addition to amounts from your T4 or T4A slips. To determine the amount you have to enter, call the International Enquiries for Individuals and Trusts at one of the following numbers: **1-800-959-8281** (toll free within Canada and the United States), or **613-940-8495** (from outside Canada and the United States—we accept collect calls by automated response. You may hear a beep and experience a normal connection delay).

Unused RRSP/PRPP/SPP contributions

This section applies to you if you did not use all of your RRSP/PRPP/SPP contributions as a deduction in the year you made them or, in the case of your RRSP contributions, in the preceding year. It does not apply to contributions that were designated as repayments under the HBP or the LLP, or contributions that were used to cancel an LLP or HBP withdrawal. Your unused RRSP contributions from previous years will be on your *RRSP Deduction Limit Statement* shown on your latest notice of assessment, notice of reassessment or T1028, *Your RRSP Information for 2014*. To report new unused contributions, you have to file Schedule 7, *RRSP and PRPP Unused Contributions, Transfers, and HBP or LLP Activities*, with your income tax and benefit return. For more information, see "Keeping track of your RRSP, PRPP and SPP contributions – Schedule 7" on page 14.

If you did not deduct all of the contributions you made to your RRSP/PRPP/SPP, or your spouse's or common-law partner's RRSP/SPP in 1991 and later years, you have two options: you can leave the unused contributions in the plan or you can withdraw them. In either case, you may have to pay a 1% per month tax on the part of your unused contributions that are excess contributions. For more information, see "Tax on RRSP/PRPP/SPP excess contributions" later on this page.

Withdrawing the unused contributions

If you withdraw the unused contributions, you have to include them as income on your income tax and benefit return. However, you may be able to deduct an amount equal to the withdrawn contributions that you include in your income, if you or your spouse or common-law partner received the unused contributions from an RRSP, a PRPP, an SPP or a RRIF:

- in the year you contributed them;
- in the following year; or
- in the year that you were sent a notice of assessment or notice of reassessment for the year you contributed them, or in the following year.

You can deduct the amount if you meet **all** of the following conditions:

- You have not deducted, for any year, the unused contributions that you made to your RRSP or SPP, your spouse's or common-law partner's RRSP or SPP, or your PRPP.
- You have not designated the withdrawal of the unused RRSP/PRPP/SPP contributions as a qualifying withdrawal to have your PSPA certified.
- No part of the withdrawn contributions was a lump-sum amount from an RPP, an SPP, a PRPP, or certain DPSP amounts that you transferred directly to an RRSP, an SPP, or a PRPP. For more information, see "Direct transfer of an RPP lump-sum amount" on page 36.

In addition, it has to be reasonable for us to consider that at least one of the following applies. You:

- reasonably expected to be able to fully deduct the RRSP/PRPP/SPP contributions for the year you made the contributions or the immediately preceding year; or
- did not make the RRSP/PRPP/SPP contributions intending to withdraw them and deduct an offsetting amount.

Withdrawal made using Form T3012A, *Tax Deduction Waiver on the Refund of your Unused RRSP, PRPP or SPP Contributions made in ____*. If you meet all of the previous conditions and have not already withdrawn the unused RRSP/PRPP/SPP contributions, you can withdraw them without having tax withheld. To do this, complete Form T3012A. This form cannot be used to withdraw unused RRSP contributions that were transferred to a RRIF. To make a withdrawal from a RRIF, see "Withdrawal made without Form T3012A" below.

If the unused RRSP contributions are withdrawn based on a Form T3012A we approved, do the following:

- Attach a copy of that form and the related T4RSP slip to your income tax and benefit return.
- Report the amount shown in box 20 of your or your spouse's or common-law partner's 2014 T4RSP slip on line 129 of your income tax and benefit return. For more information, see "Calculating the income you and your spouse or common-law partner have to report" on page 31.
- Deduct an amount on line 232 of your income tax and benefit return equal to the unused contributions withdrawn.

Withdrawal made without Form T3012A. If you withdraw unused RRSP contributions without Form T3012A, the issuer of the plan has to withhold tax. The amount you withdraw should be reported on line 129 of your income tax and benefit return if it appears in box 22 of the T4RSP slip. If the amount appears in box 16 and box 24 of the T4RIF slip and you are 65 years or older at the end of December 2014, report the amount from box 16 on line 115. Otherwise, report that amount on line 130.

In either case, claim the tax the issuer withheld on line 437 of your income tax and benefit return.

Complete Form T746, *Calculating Your Deduction for Refund of Unused RRSP, PRPP, and SPP Contributions*, to calculate the amount you can deduct for the withdrawal. For more information about claiming the deduction for the withdrawal of unused RRSP contributions, see line 232 in the *General Income Tax and Benefit Guide*.

Tax on RRSP/PRPP/SPP excess contributions

Generally, you have RRSP/PRPP/SPP excess contributions if your unused contributions from prior years and your current calendar year contributions are more than your RRSP deduction limit shown on your latest notice of assessment, notice of reassessment, or T1028, *Your RRSP Information for 2014*, **plus** $2,000.

> **Note**
> A contribution made by an individual in 2010 and later years to an account under an SPP is considered to be a contribution made by the individual to an RRSP.

The $2,000 is reduced when you have a negative RRSP deduction limit which may be due to a PSPA amount. Also, you can only qualify for the additional $2,000 amount if you were 19 or older at any time in 2014.

Generally, you have to pay a tax of 1% per month on your unused contributions that exceed your RRSP deduction limit by more than $2,000. Your notice of assessment or notice of reassessment will indicate that you may have to pay a 1% tax on RRSP/PRPP/SPP excess contributions if your unused RRSP/PRPP/SPP contributions exceed your RRSP deduction limit. For information about contributing to a PRPP, see "Contributions to a PRPP" on page 39.

> **Note**
> You may not have to pay the 1% tax on all of your excess contributions, if one of the following situations applies:
>
> - you withdrew the excess amounts; or
> - your contributions were **qualifying group plan amounts**, or from contributions you made before February 27, 1995.

Follow the six-step process described in Chart 4 on the next page to determine if you have to complete a T1-OVP, 2014 *Individual Tax Return for RRSP Excess Contributions*, to calculate the amount subject to tax and the tax payable.

If you determine that you have to pay this 1% tax, you have to file your completed T1-OVP return and pay the tax no later than 90 days after the end of the year in which you had the excess contributions.

Penalty – If you owe tax in a year and do not file your income tax and benefit return within 90 days after the end of that year, we will charge you a late-filing penalty. The penalty is 5% of your balance owing, plus 1% of your balance owing for each month that your income tax and benefit return is late, to a maximum of 12 months. Your late-filing penalty may be higher if we charged you a late-filing penalty on your T1-OVP return for any of three previous years.

Attach your payment to your completed T1-OVP return and submit it to your tax centre. If you do not pay your tax by the deadline, you may also have to pay arrears interest on any unpaid amount.

Interest – If you have a balance owing in a year, we charge compound daily interest starting on the 91st day (ordinarily April 1st) of the following year on any unpaid amounts owing for that year. This includes any balance owing if we reassess your income tax and benefit return. In addition, we will charge you interest on the penalties indicated in the previous section, starting on that 91st day.

Voluntary disclosure – You may have had to file a previous year income tax and benefit return, but you have not sent it or you sent us an incorrect income tax and benefit return. If so, you can voluntarily file or correct that income tax and benefit return under the Voluntary Disclosures Program, and pay only the taxes owing (plus interest) without penalty.

> **Note**
> This program does not apply to any income tax and benefit 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*.

Be sure to indicate clearly, on any disclosure you make, that you are submitting information under the Voluntary Disclosures Program.

Which return do you have to use?

- If you have RRSP/PRPP/SPP excess contributions made from February 27, 1995 to December 31, 2014, that are subject to tax, complete a T1-OVP-S, *2014 Simplified Individual Tax Return for RRSP Excess Contributions*, for each applicable tax year.
- If you have RRSP excess contributions made from January 1, 1991 to February 26, 1995 inclusively or, you made mandatory contributions to a group plan in 2013 or 2014 that are subject to tax, you must complete a T1-OVP, *2014 Individual Tax Return for RRSP Excess Contributions*, for each applicable tax year.

Waiver of the RRSP excess contribution tax – If you determined that you must pay a tax on your RRSP excess contributions, you may ask in writing that we waive the tax if:

- your excess contributions on which the tax is based arose due to a reasonable error; and
- you are taking, or have taken, reasonable steps to eliminate the excess contributions.

To consider your request, we will need a letter from you that explains:

- why you made excess contributions and why this is a reasonable error; and
- what steps you are taking, or have taken, to eliminate the excess contributions.

All supporting documents should be included with your letter, such as copies of your RRSP, PRPP, SPP, or RRIF account statements that identify the date you withdrew your excess contributions, as well as any other correspondence that shows that your excess contributions arose due to a reasonable error.

For more information on relief from the assessment of late-filing penalties and interest, see Information Circular IC07-1 *Taxpayer Relief Provisions*.

Chart 4 – Do you have to complete a 2014 T1-OVP return?

- If you follow the chart below and arrive at a point where it states, “you do not have to complete a 2014 T1-OVP,” you are not subject to the 1%-per-month tax.
- If your 2014 RRSP deduction limit includes a net PSPA for 2014 or your unused RRSP deduction room at the end of 2013 is a negative amount, complete a 2014 T1-OVP return to determine if you are subject to the 1%-per-month tax. If you are not subject to this tax for 2014, you may be subject to it for 2015.

Note

For the purposes of this questionnaire, a contribution made by an individual in 2010 and later years to an account under an SPP is considered to be a contribution made by an individual to an RRSP.

Situation	Action
Step 1 – Does one of these situations apply to you? ■ You contributed amounts to your PRPP, RRSP, or your spouse’s or common-law partner’s RRSP from January 1, 1991 to December 31, 2014, that you did not and will not deduct on line 208 on your 2014 or prior year income tax and benefit return. ■ A gift was made to your RRSP from January 1, 1991 to December 31, 2014. A gift is any amount that someone other than you or your spouse or common-law partner contributed to your RRSP.	■ If **one** of these situations **applies to you**, go to Step 2. ■ If **neither** of these situations **apply to you**, you do not have to complete a 2014 T1-OVP.
Step 2 – Is your 2014 RRSP deduction limit from your latest notice of assessment, notice of reassessment, or T1028, *Your RRSP Information for 2014*, more than the total of your unused RRSP/PRPP contributions (including gifts) made from January 1, 1991 to December 31, 2013, **plus** the total RRSP and PRPP contributions (including gifts and employer PRPP contributions) made during 2014?	■ If **no**, go to Step 3. ■ If **yes**, you do not have to complete a 2014 T1-OVP.
Step 3 – Were you younger than 19 at any time in 2014?	■ If **no**, go to Step 4. ■ If **yes**, you may be subject to tax on your unused RRSP/PRPP contributions. Complete a 2014 T1-OVP-S to determine the amount of this tax.
Step 4 – Are your unused RRSP/PRPP contributions (including gifts) made from January 1, 1991 to December 31, 2014, **less** than the total of your 2014 RRSP deduction limit from your latest notice of assessment or notice of reassessment **plus** $2,000?	■ If **no**, go to Step 5. ■ If **yes**, you do not have to complete a 2014 T1-OVP.
Step 5 – Do any of these situations apply to you? ■ At the end of 2014, all of your unused RRSP/PRPP contributions (including gifts) were made before February 27, 1995. ■ All of your unused RRSP/PRPP contributions (including gifts) were made from January 1, 1991 to February 26, 1995, and their total was $8,000 or less. ■ You did not contribute to an RRSP or PRPP from February 27, 1995 to December 31, 2014.	■ If **all** of these situations apply to you, you do not have to complete a 2014 T1-OVP. ■ If **one** of these situations **does not apply** to you, go to Step 6.
Step 6 – Were all the unused contributions mandatory contributions made in 2014 as a result of your participation in a qualifying group plan?	■ If **yes**, you do not have to complete a 2014 T1-OVP. ■ If **no**, you may be subject to tax on your unused RRSP contributions. Complete a 2014 T1-OVP to determine the amount of this tax.

Chapter 3 – RRIF contributions

This chapter provides general information about RRIFs and lists the types of property you can contribute to your RRIF. Usually, you can only contribute to your RRIF by directly transferring certain amounts you receive or are considered to have received.

You can have more than one RRIF and you can have **self-directed RRIFs**. The rules that apply to self-directed RRIFs are generally the same as those for RRSPs. For more information, see "Self-directed RRSPs" on page 12.

Property from an RRSP, PRPP or SPP

You can contribute to your RRIF by having property transferred directly from:

- your PRPP or unmatured RRSP;
- your matured RRSP, including a direct transfer of a commutation payment from your RRSP annuity; or
- an unmatured RRSP under which your current or former spouse or common-law partner is the annuitant, if you and your current or former spouse or common-law partner were living separate and apart at the time of the transfer and if the transfer is made:
  - under a decree, order, or judgment of a court, or under a written separation agreement; and
  - to settle rights arising out of your relationship on or after the breakdown of your relationship.

In addition, you can contribute to your RRIF any amounts you receive or are considered to have received from a deceased annuitant's RRSP, PRPP or SPP in the following situations:

- The annuitant under an RRSP, a PRPP or an SPP dies and, at the time of death, you were the deceased annuitant's spouse or common-law partner.
- You were a financially dependent child or grandchild of the deceased annuitant who depended on the annuitant because of an impairment in physical or mental functions. For more information, see Information Sheet RC4177, *Death of an RRSP Annuitant or a PRPP Member*, or Form T2019, *Death of an RRSP Annuitant – Refund of Premiums for Year ____*.

RPP amounts

You can contribute to your RRIF by directly transferring a lump-sum amount from an RPP under which:

- you are a member, if you are entitled to receive the lump-sum;
- your current or former spouse or common-law partner was the member, if you are entitled to receive the lump-sum because your current or former spouse or common-law partner died; or
- your current or former spouse or common-law partner is a member, if you are entitled to receive the lump-sum under the following conditions:
  - under a decree, order, or judgment of a court, or under a written separation agreement; and
  - to settle rights arising out of your relationship on or after the breakdown of your relationship.

Note
In some cases, the *Income Tax Act* limits how much can be transferred without tax consequences. For more information, see "Direct transfer of an RPP lump-sum amount" on page 36.

DPSP amounts

You will be able to contribute to your RRIF by directly transferring a lump-sum amount from:

- a DPSP under which you are a member, or former member, if you are entitled to receive the lump-sum;
- a DPSP under which your current or former spouse or common-law partner was the member, or former member, if you are entitled to receive the lump-sum because your current or former spouse or common-law partner died; or
- a DPSP under which your current or former spouse or common-law partner is a member, or former member, if you are entitled to receive the lump-sum:
  - under a decree, order, or judgment of a court, or under a written separation agreement; and
  - to settle rights arising out of your relationship on or after the breakdown of your relationship.

For exceptions to the direct transfer requirement and other rules, see Interpretation Bulletin IT-528, *Transfers of Funds Between Registered Plans*.

Property from another RRIF

You can contribute to your RRIF by directly transferring property from:

- another RRIF under which you are the annuitant; or
- a RRIF under which your current or former spouse or common-law partner is the annuitant, if the transfer is made:
  - under a decree, order, or judgment of a court, or under a written separation agreement; and
  - to settle rights arising out of your relationship on or after the breakdown of your relationship.

In addition, you can contribute to your RRIF any amount up to the eligible amount of the designated benefit you receive or are considered to have received from the deceased annuitant's RRIF in the following situations:

- the annuitant under a RRIF dies and, at the time of death, you were the deceased annuitant's spouse or common-law partner; or
- you were a financially dependent child or grandchild of the deceased annuitant who depended on the annuitant

because of an impairment in physical or mental functions.

For more information, see Information Sheet RC4178, *Death of a RRIF Annuitant*, or Form T1090, *Death of a RRIF Annuitant – Designated Benefit for Year ____*.

Specified pension plan (SPP) amounts

If you are a member of an SPP, you can contribute to your RRIF by directly transferring a lump-sum amount from an SPP.

You can also transfer a lump-sum amount from an SPP if you are entitled to it because your current or former spouse or common-law partner was a member of an SPP, and one of the following situations applies:

- your current or former spouse or common-law partner has died; or
- you and your current or former spouse or common-law partner are living separate and apart at the time of the transfer and you are entitled to receive the lump-sum:
  - under a decree, order or judgment of a court, or under a written separation agreement; and
  - to settle rights arising out of your relationship on or after the breakdown of your relationship.

For more information on transfers, see "Chapter 6 – Transfers to registered plans or funds and annuities" on page 32.

Chapter 4 – Anti-avoidance rules for RRSPs and RRIFs

The existing anti-avoidance rules applicable to RRSPs and RRIFs have been enhanced to prevent any aggressive tax planning.

The new rules largely adopt the existing tax-free savings account rules for non-qualified investments, prohibited investments and advantages, with some modifications.

The new rules impose a tax on non-qualified investments, prohibited investments and advantages provided in relation to an RRSP or RRIF.

Tax payable on non-qualified investments

The new rules apply to investments acquired after March 22, 2011. They also apply to pre-March 23, 2011 investments that first become non-qualified after March 22, 2011.

> **Note**
> An investment that was a non-qualified investment before March 23, 2011 will continue to be subject to the old rules that provided for either an income inclusion with an offsetting deduction or the 1% monthly tax.

If, in a calendar year, an RRSP or RRIF trust acquires property that was a non-qualified investment or if previously acquired property becomes non-qualified, a tax is imposed on the annuitant of an RRSP or a RRIF.

The tax is equal to 50% of the FMV of the property at the time it was acquired or it became non-qualified.

The tax is refundable in certain circumstances. For more information, see "Refund of taxes paid on non-qualified or prohibited investments" on page 24.

The annuitant is also liable for the 100% advantage tax on specified non-qualified investment income if this income is not withdrawn promptly.

> **Note**
> Income earned and capital gains realized by an RRSP or RRIF trust on non-qualified investments will continue to be taxable to the trust, regardless of when the investment was acquired. If an investment is both a non-qualified investment and a prohibited investment, it is treated as a prohibited investment only and the trust is not subject to tax on the investment earnings.

An annuitant subject to this tax is required to file Form RC339, *Individual Return for Certain Taxes for RRSPs or RRIFs for Tax Year 20__*. The return must be filed no later than **June 30** of the following year. Any tax owing must also be paid by that date.

Reporting requirements by the RRSP or RRIF trust

Financial institutions are required to report information to us and the annuitant when an RRSP or RRIF trust begins or ceases to hold a non-qualified investment in a year.

Financial institutions must, by no later than the end of February in the year following the year in which the non-qualified property was acquired or previously acquired property became non-qualified, provide relevant information to us and the annuitant. This information includes:

- a description of the non-qualified investment;
- the date that the non-qualified investment was acquired or disposed of (or became or ceased to be non-qualified), as applicable, and the FMV of the investment at that date; and
- the RRSP or RRIF contract or account number.

This information is necessary to enable the annuitant to determine the amount of any tax payable or of any possible refund of tax previously paid.

Tax payable on prohibited investments

The 50% tax on prohibited investments applies to investments acquired after March 22, 2011. The 50% tax also applies to pre-March 23, 2011 investments that first become prohibited after October 4, 2011. The transfer of a pre-March 23, 2011 prohibited investment between RRSPs or RRIFs of the same annuitant will not be treated as a post-March 22, 2011 acquisition and thus will not result in the investment being subject to the 50% tax.

If, in a calendar year, an RRSP or a RRIF trust acquires property that was a prohibited investment or if previously acquired property becomes prohibited, a tax is imposed on the annuitant of an RRSP or a RRIF.

The tax is equal to 50% of the FMV of the property at the time it was acquired or it became prohibited.

If the prohibited investment ceases to be a prohibited investment while it is held by the trust, the trust is considered to have disposed of and immediately re-acquired the property at its FMV.

The tax is refundable in certain circumstances. For more information, see "Refund of taxes paid on non-qualified or prohibited investments" on this page.

The annuitant is also liable for the 100% advantage tax on income earned and capital gains realized on prohibited investments.

The 100% advantage tax applies to income earned, and the portion of any realized capital gain that accrued, after March 22, 2011, regardless of when the prohibited investment generating the income or gain was acquired.

> **Note**
> If an investment is both a non-qualified investment and a prohibited investment, it is treated as a prohibited investment only.

An annuitant subject to this tax is required to file Form RC339, *Individual Return for Certain Taxes for RRSPs or RRIFs for Tax Year 20__*. The return must be filed no later than **June 30** of the following year. Any tax owing must also be paid by that date. If you determine that a particular non-qualified investment held by your RRSP or RRIF trust is also a prohibited investment for the trust, contact your plan issuer/carrier.

Tax payable on an advantage

The 100% tax on advantages generally applies to transactions occurring, income earned and capital gains accruing after March 22, 2011.

If the annuitant or a person not dealing at arm's length with the annuitant (including the annuitant's RRSP or RRIF) was provided with an advantage in relation to their RRSP or RRIF during the year, a tax is payable which is:

- in the case of a benefit, the FMV of the benefit;
- in the case of a loan or a debt, the amount of the loan or debt; and
- in the case of an RRSP strip, the amount of the RRSP strip.

The tax is payable by the RRSP or RRIF annuitant, unless the advantage is extended by the financial institution, in which case it is payable by the financial institution.

Transitional relief is available in respect of the advantage tax on prohibited investments held on March 23, 2011. For more information, see "Transitional relief" on this page.

An annuitant subject to this tax is required to file Form RC339, *Individual Return for Certain Taxes for RRSPs or RRIFs for Tax Year 20__*. The return must be filed no later than **June 30** of the following year. Any tax owing must also be paid by that date.

Transitional relief

Transitional relief is available if an annuitant held one or more prohibited investments on March 23, 2011 in their RRSP or RRIF and continues to hold the investments in their RRSP or RRIF in the tax year. The transitional relief provides that any income earned and capital gains accrued and realized after March 22, 2011 on these investments will not be subject to the 100% advantage tax, but instead will be included in the annuitant's regular income.

How to file for transitional relief

To take advantage of the transitional relief, the annuitant must file Form RC341, *Election on Transitional Prohibited Investment Benefit for RRSPs or RRIFs*. This election must have been filed with us on or before **March 2, 2013**.

The annuitant will be required to withdraw from their RRSP or RRIF within 90 days after the end of the tax year in which the income or gains are earned or realized, an amount equal to their transitional prohibited investment benefit for the year.

An individual's **transitional prohibited investment benefit** for a tax year is the total of any income earned and capital gains realized in the tax year on these prohibited investments held on March 23, 2011, less any capital losses realized on these investments in the tax year.

- The amount of a capital gain realized is the positive difference between the fair market value of the property when it is disposed of or when it ceases to be a prohibited investment (less reasonable costs of disposition, if any) and the fair market value of the property on March 22, 2011. The amount of a capital loss is the negative difference.
- Income is considered to be earned when it is recognized as income under general tax rules. For example, trust income is considered to be earned at the end of the tax year of the trust. Dividend income is considered to be earned when received (but for purposes of the advantage rules, the gross-up amount of dividends is to be disregarded).

The amount of the withdrawal will be treated as a regular RRSP or RRIF withdrawal, to be reported by the financial institution on a T4RSP or T4RIF slip, as applicable, for the year of the withdrawal, and included in the annuitant's income on their income tax and benefit return.

Refund of taxes paid on non-qualified or prohibited investments

If you disposed of a non-qualified or prohibited investment, reported or previously reported in Parts A and B of Form RC339, *Individual Return for Certain Taxes for RRSPs or RRIFs for Tax Year 20__*, you may be entitled to a refund of taxes paid if:

- the RRSP or RRIF trust disposes of the property in question before the end of the calendar year following the calendar year in which the tax arose; or
- the property ceases to be a non-qualified or prohibited investment before the end of the calendar year following the calendar year in which the tax arose.

However, no refund will be issued if it is reasonable to expect that the annuitant knew, or should have known, at the time the property was acquired by the RRSP or RRIF trust, that the property was, or would become a non-qualified or prohibited investment.

> **Note**
> If you disposed of a non-qualified or prohibited investment reported in Parts A and B in the same calendar (tax) year that the non-qualified or prohibited investment was acquired, then remittance of the tax is not required. However, remittance of the tax is required if it is reasonable to expect that the annuitant knew, or should have known, at the time the property was acquired by the RRSP or RRIF trust, that the property was, or would become, a non-qualified or prohibited investment.

How to claim a refund

To claim a refund, you must:

- send a letter explaining why you are requesting a refund (you can attach the letter to Form RC339); and
- attach the appropriate documents detailing the information relating to the acquisition and disposition of the non-qualified or prohibited property.

The documents must contain the following:

- name and description of the property;
- number of shares or units;
- date the property was acquired or became non-qualified or prohibited property; and
- date of the disposition or the date that the property became qualified or ceased to be prohibited.

How to request a waiver or a cancellation of taxes

We may waive or cancel all or part of the taxes if we determine it is fair to do so after reviewing all factors, including whether:

- the tax arose because of a reasonable error;
- the extent to which the transaction or series of transactions that gave rise to the tax also gave rise to another tax under the *Income Tax Ac*; and
- the extent to which payments have been made from the person's registered plan.

To consider your request, we need a letter that explains why the tax liability arose, and why it would be fair to cancel or waive all or part of the tax. Send your letter to the following address:

RRSP Return Processing Unit
Ottawa Technology Centre
875 Heron Road
Ottawa ON K1A 1A2

Chapter 5 – Amounts from an RRSP or a RRIF

If you have an RRSP or a RRIF, you probably have a certain amount of flexibility on the types of payments you can get from these plans.

Generally, an RRSP must mature by the last day of the year in which you turn 71. On maturity, the funds must be withdrawn, transferred to a RRIF, or used to purchase an annuity. There are no immediate tax implications when amounts are transferred to a RRIF or used to purchase an annuity. However, if you withdraw funds from your RRSP, tax will be withheld and the amount withdrawn has to be included in your income for the year it is withdrawn.

> **Note**
> SPPs do not have the same rules as an RRSP in regards to "maturing". Contact an SPP administrator for more information on amounts from an SPP. For information about PRPPs, see "Chapter 8 – Pooled registered pension plan" on page 39.

Sometimes there can be an **increase** in the FMV of an RRSP or a RRIF between the date of death and the date of final distribution to the beneficiary or estate. Generally, this amount has to be included in the income of the beneficiary or the estate for the year it is received. A T4RSP slip or T4RIF slip may be issued for this amount.

Sometimes, the FMV of the property of an unmatured RRSP or a RRIF can **decrease** between the date of death and the date of final distribution to the beneficiary or the estate. If the total of all the amounts paid from an unmatured RRSP or RRIF is less than the FMV of the unmatured RRSP or RRIF at the time of the annuitant's death, a deduction may be claimed on the final income tax and benefit return of the annuitant. The deductible amount will generally be calculated as the difference between:

- the FMV at the time of the death that was included in the deceased annuitant's income for the year of death; and
- the total of all the amounts paid from the unmatured RRSP or RRIF.

This applies where the final distribution from the unmatured RRSP or the RRIF occurs after 2008. For more information, see charts 6 and 7 on pages 28 and 29.

> **Note**
> The deduction will generally not be available if the unmatured RRSP **or** the RRIF held a non-qualified investment after the annuitant died or if the final distribution is made after the end of the year that follows the year in which the annuitant died. However, we may waive these conditions to allow the deduction for a deceased annuitant on a case-by-case basis. Form RC249, *Post-Death Decline in the Value of a RRIF, an Unmatured RRSP and Post-Death Increase or Decline in the Value of an PRPP – Final Distribution Made in 20__*, must accompany any request by the legal representative for an adjustment to the deceased annuitant's final income tax and benefit return.

Example 1
Mark died on August 12, 2014. When he died, the FMV of his unmatured RRSP was $185,000. The RRSP contract named Mark's estate as the sole beneficiary. A 2014 T4RSP slip was issued in Mark's name to report the $185,000 FMV of the RRSP in box 34, "Amounts deemed received on death." This amount was included in income on line 129 of Mark's 2014 final income tax and benefit return.

The RRSP property was distributed to Mark's estate on March 15, 2015. The FMV of that property was $150,000. The financial institution completed Form RC249, *Post-Death Decline in the Value of a RRIF, an Unmatured RRSP and Post-Death Increase or Decline in the Value of an PRPP – Final Distribution Made in 20__*.

The $35,000 difference between the $185,000 included in Mark's 2014 income, and the $150,000 that the estate received can be deducted on Mark's 2014 income tax and benefit return. This is because the RRSP did not hold any non-qualified investment at any time after death, and the RRSP was fully distributed by the end of the year following the year of death. Mark's legal representative should write and ask for an adjustment to the 2014 income tax and benefit return to allow the $35,000 post-death loss to be deducted on line 232. The completed Form RC249 must be sent with the request.

Example 2
Martin died on September 10, 2013. When he died the FMV of his unmatured RRSP was $185,000. The RRSP contract named Martin's spouse Elaine as the sole beneficiary. In February 2014, Elaine asked the financial institution to directly transfer all of the RRSP property to her RRSP. On February 15, 2014, when the RRSP was fully transferred, its FMV was $150,000.

As the transfer was completed by the end of the year following the year of death, no 2013 T4RSP slip was issued in Martin's name to report the $185,000. A 2014 T4RSP slip was issued to Elaine to report the $150,000 in box 18, "Refund of premiums." Elaine also received an RRSP receipt for the $150,000 transferred (contributed) to her RRSP.

The $185,000 FMV of the RRSP at the time of death was not included in income on Martin's 2013 final income tax and benefit return. Elaine includes in income on line 129 of her 2014 income tax and benefit return, the $150,000 reported as income on her 2014 T4RSP slip. She completes Schedule 7 and deducts the $150,000 transfer (contribution) on line 208.

No deduction can be claimed on Martin's 2013 final income tax and benefit return for the $35,000 post-death loss as the $185,000 was not included in his 2013 income.

The following charts contain information on amounts you can receive or that we consider you to receive from your RRSP or RRIF, or from a deceased individual's RRSP or RRIF. This chapter also provides information on spousal or common-law partner RRSPs and RRIFs.

Chart 5 – Amounts from your RRSP/PRPP, RRIF, or SPP

- Report your RRSP income on line 129 and any tax deducted (box 30 of the T4RSP slip) on line 437 of your income tax and benefit return.
- If you were 65 or older on December 31, 2014, report your RRIF, PRPP or SPP income on line 115 of your income tax and benefit return. In all other cases, report your RRIF, PRPP and SPP income (if received before turning 65 years old) on line 130. For more information, see line 115 in your *General Income Tax and Benefit Guide*. In **all** cases, claim any income tax deducted on line 437 of your income tax and benefit return.

Note

SPP and PRPP amounts are reported on a T4A slip and not a T4RSP slip. For more information, see "PRPP payments" on page 40. For more information on amounts from an SPP, contact your SPP administrator.

Description of amount	Information slip and box number	Will tax be withheld?
Withdrawal from an RRSP – You can withdraw amounts from your RRSP before it starts to pay you retirement income. If your spouse or common-law partner contributed to your RRSP, see note 1 below. You can withdraw unused contributions you made to an RRSP based on an approved Form T3012A, *Tax Deduction Waiver on the Refund of your Unused RRSP, PRPP or SPP Contributions made in ____*. If you transferred the unused contributions to your RRIF, see note 2 below.	T4RSP – Box 22 T4RSP – Box 20	Yes No
Annuity payments from an RRSP – When an RRSP matures, you can draw an annuity from that RRSP. You have to include the payments in your income. If you receive the annuity payments because your spouse or common-law partner died, the payments qualify for the pension income amount. In addition to receiving retirement income out of your RRSP, you can also choose to transfer the property to a RRIF or to buy yourself an eligible annuity. The value of all the property the plan holds is included in your income unless you draw an annuity from the matured RRSP, use the RRSP to buy yourself an eligible annuity, or transfer the funds to a RRIF. For more information about the pension income amount, see line 314 in your *General Income Tax and Benefit Guide*.	T4RSP – Box 16	No
Commutation payments from an RRSP – A commutation payment is a fixed or single lump-sum payment from your RRSP annuity that is equal to the current value of all or part of your future annuity payments from the plan. If your spouse or common-law partner contributed to your RRSP, see note 1 below.	T4RSP – Box 22	Yes
Minimum amount from a RRIF – Starting in the year after the year you establish a RRIF, you have to be paid a yearly minimum amount. The payout period under your RRIF is for your entire life. Your carrier calculates the minimum amount based on your age at the beginning of each year. However, you can elect to have the payment based on your spouse's or common-law partner's age. You must select this option when filling out the original RRIF application form. Once you make this election, you cannot change it. If you want more information, contact your RRIF carrier.	T4RIF – Box 16	No
Excess amount from a RRIF – In any year, you can be paid more than the minimum amount for that year. Amounts paid to you from a RRIF in a year that are more than the minimum amount for that year are called "excess amounts". Check with your carrier to make sure that your RRIF allows such payments. Under certain circumstances, you can directly transfer the excess amount from a RRIF. For more information, see "Excess amount from a RRIF" in chart 9 on page 35. The excess amount shown in box 24 of your T4RIF slip is for information purposes only. Only include the amount shown in box 16 of your slip on your income tax and benefit return. If you received the excess amount from your spousal or common-law partner RRIF, see note 1 below.	T4RIF – Box 16	Yes
Amounts deemed received on deregistration of an RRSP or a RRIF – If in 2014 your RRSP or RRIF was changed and it no longer satisfies the rules under which it was registered, it is no longer an RRSP or a RRIF. It is now an amended plan or fund. In such a case, we consider you to have received, in 2014, an amount that equals the FMV of all the property the plan or fund held at the time it ceased being an RRSP or a RRIF. If the deregistration was from your spousal or common-law partner RRSP or RRIF, see note 1 below.	T4RSP – Box 26 T4RIF – Box 20	Note 3
Other income and deductions from an RRSP or a RRIF – You may have to include other RRSP or RRIF amounts in your income, or you may be able to deduct other amounts for 2014. This applies if, in 2014, your RRSP or RRIF trust acquires or disposes of a non-qualified investment. It also applies if trust property was used as security for a loan, sold for an amount less than its FMV, or the trust acquired property for an amount more than its FMV. If the amount in box 28 of your T4RSP slip or in box 22 of your T4RIF slip appears in brackets (negative amount,) claim it on line 232 of your income tax and benefit return.	T4RSP – Box 28 T4RIF – Box 22	No

Note 1 If the RRSP from which you receive the withdrawal or commutation payment in 2014 is a spousal or common-law partner RRSP, or the RRIF from which you receive excess amounts in 2014 is a spousal or common-law partner RRIF, and your spouse or common-law partner made contributions to any of your RRSPs in 2012, 2013, or 2014, your spouse or common-law partner may have to include in income all or part of the amount received. For more information, see "Amounts from an SPP account or amounts from a spousal or common-law partner RRSP or RRIF" on page 31.

Note 2 If you made contributions to your RRSP, PRPP or SPP or to your spouse's or common-law partner's RRSP or SPP that you did not deduct for any year and those funds are transferred from that RRSP, PRPP or SPP to a RRIF, you may be allowed a deduction for amounts you or your spouse or common-law partner withdraws from that RRIF. Claim this deduction on line 232 of your income tax and benefit return. For more information, see "Unused RRSP/PRPP/SPP contributions" on page 19.

Note 3 Tax will be withheld only if the amount is paid in the year of deregistration.

Chart 6 – Amounts from a deceased annuitant's RRSP

- In all cases, tax will not be withheld. Report the amount on line 129 of the income tax and benefit return.
- You can rollover the proceeds of a deceased annuitant's RRSP, PRPP or SPP to the RDSP of a financially dependent infirm child or grandchild. For the special transitional rules, go to **www.cra.gc.ca/rdsp**.
- See "Death of a PRPP member" on page 41 for more information about amounts from a deceased annuitants' PRPP. For more information on amounts from a deceased member's SPP, contact the SPP administrator.

Description of amount	T4RSP box number	Slip issued in the name of, and to be reported by
Payments from a matured RRSP		
If the surviving spouse or common-law partner is:		
■ **the beneficiary of the RRSP**, as specified in the RRSP contract, the remaining annuity payments under the RRSP become payable to the annuitant's surviving spouse or common-law partner and he or she will begin to receive the annuity payments; or	Box 16	Surviving spouse or common-law partner
■ **the beneficiary of the estate**, the spouse or common-law partner and legal representative can jointly elect in writing to treat amounts the RRSP paid to the estate as being paid to the spouse or common-law partner. The surviving spouse or common-law partner must attach a copy of the written election to his or her income tax and benefit return. The election has to specify that the surviving spouse or common-law partner is electing to become the annuitant of the RRSP. If such an election is made, no T4RSP slip will be issued in the name of the estate even if the estate received the amounts.	Box 16	Surviving spouse or common-law partner
For all other beneficiaries – Annuity payments from an RRSP registered after June 29, 1978, that are to be paid to a beneficiary other than the RRSP annuitant's surviving spouse or common-law partner, have to be commuted. This commutation payment is not taxable in the beneficiary's hands. The FMV of the property the RRSP held at the time of the annuitant's death is included in the deceased annuitant's income for the year of death. The amount reported on the deceased annuitant's final income tax and benefit return may be reduced if, at the time of death, you were a financially dependent child or grandchild of the annuitant and an amount is paid from the RRSP to you or to the estate of which you are a beneficiary. For more information, see Information Sheet RC4177, *Death of an RRSP Annuitant or a PRPP Member*, and Form T2019, *Death of an RRSP Annuitant – Refund of Premiums for Year ____*.	Box 34	Deceased annuitant
Income earned in the RRSP after the annuitant dies that the beneficiary receives.	Box 28	Beneficiary
Income earned in the RRSP after the annuitant dies that the estate receives.	Box 28	Estate
Property from an unmatured RRSP		
Transfer to the surviving spouse or common-law partner (named as beneficiary in the RRSP contract) – If, **by** the end of the year following the year of death of the annuitant, **all** of the property the RRSP held is paid to you as the deceased annuitant's spouse or common-law partner (as specified in the RRSP contract), and that property is directly transferred to your RRSP, claim a deduction equal to the amount transferred to your RRSP on line 208 of your income tax and benefit return. If the amount is directly transferred to your RRIF or directly transferred to an issuer to buy yourself an eligible annuity, claim a deduction equal to the amount transferred on line 232 of your income tax and benefit return.	Box 18	Surviving spouse or common-law partner
For all other situations – The FMV of the property the RRSP held at the time of death is included in the deceased annuitant's income for the year of death.	Box 34	Deceased annuitant's final income tax and benefit return
The amount reported on the deceased annuitant's final income tax and benefit return may be reduced if:		
■ You were the spouse or common-law partner of the annuitant at the time of death, and an amount is paid from the unmatured RRSP to you or to the estate of which you are the beneficiary.	Box 18 or Box 28	Surviving spouse or common-law partner or estate
■ You were, at the time of death, a financially dependent child or grandchild of the annuitant and an amount is paid from the unmatured RRSP to you or to the estate of which you are a beneficiary. For more information, see Information Sheet RC4177, *Death of an RRSP Annuitant or a PRPP Member*, and Form T2019, *Death of an RRSP Annuitant – Refund of Premiums for Year ____*.	Box 28	Child/grandchild or estate
■ There is a decrease in the FMV of an unmatured RRSP between the date of death and the date of final distribution to the beneficiary or the estate, For more information, see Information Sheet RC4177, *Death of an RRSP Annuitant or PRPP Member*, and Form RC249, *Post-Death Decline in the Value of a RRIF, an Unmatured RRSP and Post-Death Increase or Decline in the Value of an PRPP – Final Distribution Made in 20__*.	Box 18	Deceased annuitant's final income tax and benefit return
Income earned in the RRSP after the annuitant dies that the beneficiary receives.	Box 28	Beneficiary
Income earned in the RRSP after the annuitant dies that the estate receives.	Box 28	Estate

Chart 7 – Amounts from a deceased annuitant's RRIF

- In all cases, tax will not be withheld.
- If you received the amounts because your spouse or common-law partner died, report these amounts on line 115 of your income tax and benefit return. In all other cases, report the amounts on line 130 of your income tax and benefit return.

Description of amount	T4RIF box number	Slip issued in the name of, and to be reported by
Spouse or common-law partner is designated as the new annuitant – If the RRIF annuitant made a written election in the RRIF contract or in the will to have the RRIF amounts continue to the spouse or common-law partner after death, the surviving spouse or common-law partner becomes the annuitant after death and will begin to get the RRIF amounts as the new annuitant. The spouse or common-law partner can become the annuitant of the RRIF after the deceased annuitant's death, even if the deceased annuitant did not make this election in the RRIF contract or in the will. This is the case if the legal representative consents to the spouse or common-law partner becoming the annuitant, and if the RRIF carrier agrees to continue the amounts under the deceased annuitant's RRIF to the surviving spouse or common-law partner.	Box 16	Surviving spouse or common-law partner
Spouse or common-law partner is designated as beneficiary of the RRIF – If, by the end of the year following the year of death of the annuitant, **all** of the property the RRIF held is paid to you (as specified in the RRIF contract) as the deceased annuitant's spouse or common-law partner, and the eligible amount is directly transferred to your RRSP, claim a deduction equal to the transferred amount on line 208 of your income tax and benefit return. If the amount is directly transferred to your RRIF or directly transferred to an issuer to buy an eligible annuity, claim a deduction equal to the transferred amount on line 232 of your income tax and benefit return. The eligible amount is shown in box 24 of your T4RIF slip, and this is the maximum amount that can be directly transferred.	Box 16 and Box 24	Surviving spouse or common-law partner
For all other situations – On line 130 of the deceased annuitant's final income tax and benefit return, include the FMV of the property the RRIF held at the time of death.	Box 18	Deceased annuitant's final income tax and benefit return
The amount reported on the deceased annuitant's final income tax and benefit return may be reduced if one of the following conditions applies:		
■ You were the spouse or common-law partner of the annuitant at the time of death and an amount is paid from the RRIF to you or to the estate of which you are a beneficiary. – Effective July 1, 2011, you can rollover the proceeds of a deceased annuitant's RRIF to the RDSP of a financially dependent infirm child or grandchild. For the special transitional rules, go to **www.cra.gc.ca/rdsp**.	Box 16 or Box 22	Surviving spouse or common-law partner or estate
■ You were, at the time of death, a financially dependent child or grandchild of the annuitant and an amount is paid from the RRIF to you or to the estate of which you are a beneficiary. For more information, see Information Sheet RC4178, *Death of a RRIF Annuitant*, and Form T1090, *Death of a RRIF Annuitant – Designated Benefit for Year* ____.	Box 22	Child/grandchild or estate
– Effective July 1, 2011, if you were a financially dependent infirm child or grandchild you can rollover the proceeds of a deceased annuitant's RRIF to your RDSP.	Box 22	Deceased annuitant's final income tax and benefit return
■ There is a decrease in the FMV of a RRIF between the date of death and the date of final distribution to the beneficiary or the estate. See Information Sheet RC4178, *Death of a RRIF Annuitant*, and Form RC249, *Post-Death Decline in the Value of a RRIF, an Unmatured RRSP and Post-Death Increase or Decline in the Value of an PRPP – Final Distribution Made in 20__*.	n/a	Deceased annuitant's final income tax and benefit return
Income earned in the RRIF after the annuitant dies that the beneficiary receives.	Box 22	Beneficiary
Income earned in the RRIF after the annuitant dies that the estate receives.	Box 22	Estate

Transfers to registered disability savings plans

For deaths occurring after March 3, 2010, the existing RRSP rollover rules are extended to allow a rollover of a deceased individual's RRSP and PRPP proceeds to the RDSP of the deceased individual's financially dependent child or grandchild with an impairment in physical or mental functions. These rules also apply for RRIF proceeds, certain lump-sum amounts paid from RPPs, and certain amounts from SPPs.

Note
The total amount of RRSP, RRIF, RPP, SPP, and PRPP proceeds rolled over to an RDSP cannot exceed the beneficiary's available RDSP contribution room. The rolled over proceeds will reduce the beneficiary's RDSP contribution room, but will not be eligible for any Canada Disability Savings Grants.

Eligible individual – An eligible individual is a child or grandchild of a deceased annuitant under an RRSP, a RRIF, or of a deceased member of an RPP, SPP or PRPP, who was financially dependent on the deceased for support at the time of the deceased's death by reason of an impairment in physical or mental functions. The eligible individual must also be the beneficiary under the RDSP into which the eligible proceeds will be paid.

For more information on the RDSP and the special transitional rules, go to **www.cra.gc.ca/rdsp**.

The following chart shows what you have to do when there is a rollover to an RDSP. Use Form RC4625, *Rollover to a registered disability savings plan (RDSP) under paragraph 60(m)*, or the form provided by your RDSP issuers to document the transaction.

RDSP Rollover

Rollover from:	**Deceased individual**	**Eligible individual** (see definition above)
RRSP – Beneficiary named in the contract	n/a	The refund of premiums is shown in box 28 of a T4RSP slip. Enter this amount on line 129 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your income tax and benefit return.
RRSP – No beneficiary named in the contract	The refund of premiums is shown in box 28 of a T4RSP slip. On the deceased's final income tax and benefit return, enter this amount on line 129 and claim a deduction equal to the amount transferred on line 232. **Note** The deceased annuitant's legal representative and the qualified beneficiary must have designated the amount the annuitant's estate received from the RRSP to have been received by the qualified beneficiary as a refund of premiums. Form T2019 must be attached to the deceased's final income tax and benefit return.	Enter the refund of premiums transferred to the RDSP on line 130 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your income tax and benefit return. When there is no beneficiary named in the contract, the dependent child or grandchild will not receive a T4RSP slip. However, Forms T1-ADJ, RC4625, and T2019 will have to be filed to have the deceased income tax and benefit return adjusted to allow an eligible deduction on line 232. When there is no beneficiary named in the contract, the recipient of the annuity will be unknown and so the income is recorded as "Other income" in box 28.
RRIF – Beneficiary named in the contract	n/a	The designated benefit is shown in box 22 of a T4RIF slip. Enter this amount on line 130 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your income tax and benefit return.
RRIF – No beneficiary named in the contract	The designated benefit is shown in box 22 of a T4RIF slip. On the deceased's final income tax and benefit return, enter this amount on line 130 and claim a deduction equal to the amount transferred on line 232. **Note** The deceased annuitant's legal representative and the qualified beneficiary must have designated the amount the annuitant's estate received from the RRIF to have been received by the qualified beneficiary as a designated benefit. Form T1090 must be attached to the deceased's final income tax and benefit return.	Enter the designated benefit transferred to the RDSP on line 130 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your income tax and benefit return. When there is no beneficiary named in the contract, the dependent child or grandchild will not receive a T4RIF slip. However, Forms T1-ADJ, RC4625, and T1090 will have to be filed to have the deceased income tax and benefit return adjusted to allow an eligible deduction on line 232.
RPP	n/a	The amount is shown in box 018 on T4A slip, Enter this amount on line 130 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your income tax and benefit return.
SPP	n/a	The amount is shown in box 018 of a T4A slip. Enter this amount on line 130 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your income tax and benefit return.
PRPP	n/a	The amount is shown in box 194 of a T4A slip. Enter this amount on line 130 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the PRPP administrator to your income tax and benefit return.

Locked-in RRSP

A locked-in RRSP is a plan containing funds transferred from an RPP for a member of the RPP. **Under the pension laws of certain provinces**, locked-in RRSPs are sometimes called locked-in retirement accounts (LIRAs). This means that the member cannot receive the transferred funds. They either have to stay in the plan or be transferred to another locked-in RRSP to provide the member with a retirement income.

You cannot withdraw funds from a locked-in RRSP. The money has to stay in the RRSP and will be used to buy a life annuity at retirement age.

> **Note**
> You may be able to withdraw funds from a locked-in RRSP under special circumstances. For more information, contact your RRSP issuer.

However, under the pension laws of certain provinces, pension funds or funds from a locked-in RRSP can be transferred to a locked-in RRIF. These locked-in RRIFs are sometimes called life income funds or locked-in retirement income funds.

Your employer or pension plan administrator can answer any questions you have about locked-in funds.

> **Note**
> Do not confuse locked-in RRSPs with fixed-term investments in an RRSP. A fixed-term investment, such as a guaranteed investment certificate, can have a locked-in interest rate for the term of the certificate.

LIRAs and locked-in RRIFs are taxed in the same manner as regular RRSPs and RRIFs.

Amounts from an SPP account or amounts from a spousal or common-law partner RRSP or RRIF

This section applies to you if you receive income from an SPP account to which your spouse or common-law partner contributed.

This section also applies to you if you receive income from a spousal or common-law partner RRSP or a spousal or common-law partner RRIF. This section may also apply to you if you contributed to your spouse's or common-law partner's RRSPs.

A spousal or common-law partner RRSP is any of your RRSPs:

- to which your spouse or common-law partner contributed;
- that received amounts or transfers of property from your RRSPs to which your spouse or common-law partner had contributed; or
- that received amounts or transfers of property from your RRIFs to which you had transferred amounts from your spousal or common-law partner RRSPs.

A spousal or common-law partner RRIF is any of your RRIFs that received amounts or transfers of property from:

- a spousal or common-law partner RRSP; or
- any of your other spousal or common-law partner RRIFs.

Calculating the income you and your spouse or common-law partner have to report

If you contributed to any spousal or common-law partner RRSPs or your spouse's account under an SPP in 2012, 2013, or 2014, you may have to include in your 2014 income all or part of:

- amounts your spouse or common-law partner received in 2014 from any of his or her SPPs or unmatured spousal or common-law partner RRSPs;
- commutation payments your spouse or common-law partner received in 2014 from any of his or her SPPs or matured spousal or common-law partner RRSPs;
- amounts we consider your spouse or common-law partner to have received in 2014 from any of his or her SPPs or deregistered spousal or common-law partner RRSPs; and
- amounts your spouse or common-law partner received, or those we consider he or she received, in 2014 from any of his or her spousal or common-law partner RRIFs that are more than the minimum amount for the year.

To determine the amount to include in your income or your spouse's or common-law partner's income, your spouse or common-law partner (the annuitant) should complete Form T2205, *Amounts from a Spousal or Common-law Partner RRSP, SPP or RRIF to Include in Income for ____*.

> **Tax Tip**
> If you want to ensure that you do not have to include any amount in your income when your spouse or common-law partner withdraws funds from a spousal or common-law partner RRSP or spousal or common-law partner RRIF, make sure you have not contributed to any spousal or common-law partner RRSPs in the year your spouse or common-law partner withdraws the funds, or in either of the two preceding years. Otherwise, you (the contributor) will probably have to include in your income the funds your spouse or common-law partner (the annuitant) withdraws.

Example
In May 2012, Joshua started contributing to his wife Keri's RRSPs. He contributed the following amounts to her RRSPs:

Year	Amount
2012	$ 2,000
2013	2,000
2014	+ 1,000
Total	$ 5,000

In 2014, Keri withdrew $4,000 from her spousal or common-law partner RRSPs. Before 2014, she had not withdrawn any amounts from her spousal or common-law partner RRSPs.

Keri determines that Joshua has to include $4,000 in his income on line 129 of his 2014 income tax and benefit return, since the amount Joshua has to include as income is the **lesser of**:

- amounts he contributed to all spousal or common-law partner RRSPs for his wife in 2012, 2013, and 2014 ($5,000); and
- amount his wife withdrew from her spousal or common-law partner RRSPs in 2014 ($4,000).

Keri does not include any amount in her income for this withdrawal.

Exceptions – The rule that requires you, the contributor, to include certain amounts from spousal or common-law partner RRSPs, spousal or common-law partner RRIFs or, a spouse's account under an SPP as income **does not** apply to the following situations:

- At the time of payment, or when we consider the payment to have been received, you and your spouse or common-law partner were living separate and apart because of the breakdown of your relationship.
- At the time of payment, or when we consider the payment to have been received, you or your spouse or common-law partner were non-residents of Canada.
- The amount is a commutation payment that is transferred directly for your spouse or common-law partner to another RRSP, a RRIF, an SPP or to an issuer to buy an eligible annuity that cannot be commuted for at least three years.
- The contributor dies in the year of payment or the year we consider the payment to have been received.
- We consider the deceased annuitant to have received the amount because of death.

In any such case, the annuitant spouse or common-law partner includes the payment in income for the year he or she receives it or is considered to have received it.

Tax deducted – In all cases, the tax deducted has to be claimed by the individual to whom the slip is issued. In most cases, the information slip issued for the withdrawal will be in the name of the annuitant. However, report the income according to the calculations completed in Parts 1 and 2 of Form T2205, *Amounts from a Spousal or Common-law Partner RRSP, SPP, or RRIF to Include in Income for____*.

For more information, see Interpretation Bulletin IT-307, *Spousal or Common-Law Partner Registered Retirement Savings Plans.*

Chapter 6 – Transfers to registered plans or funds and annuities

You can transfer certain amounts to an RPP, an RRSP, a RRIF, a DPSP, an SPP, or a PRPP. You can also use certain amounts from an RPP, an RRSP, a RRIF, an SPP or a PRPP to buy yourself an eligible annuity.

You have to transfer certain amounts directly. For other amounts, you can transfer them either directly or indirectly. This chapter provides information about the rules on these transfers.

The three charts in this chapter list the most common types of amounts that you can transfer and the types of plans or funds to which you can transfer them. Chart 8 covers amounts that you can transfer either directly or indirectly. Chart 9 covers amounts that you have to transfer directly. Chart 10 covers amounts that you transfer because of the breakdown of your relationship.

> **Note**
> If you are a non-resident of Canada, see Form NRTA1, *Authorization for Non-Resident Tax Exemption*, for more information on transfers.

Registered education savings plan accumulated income payments

Investment earnings in an RESP can be paid out to an individual other than the beneficiary. These payments are called accumulated income payments (AIPs) and are included in the individual's income. An additional 20% tax is also applied to these payments.

However, you can reduce the AIP subject to the special 20% tax if you are the original subscriber or the spouse or common-law partner of the deceased original subscriber (if there is no other subscriber) and you meet **both** of the following conditions:

- You contribute an amount not more than the amount of the AIPs (to a lifetime maximum of $50,000 of AIPs) to your RRSP, or to your spouse's or common-law partner's RRSP, in the year the AIPs are received or in the first 60 days of the following year.
- Your RRSP deduction limit allows you to deduct the amount contributed to your or your spouse's or common-law partner's RRSP on line 208 of your income tax and benefit return. You must claim the RRSP deduction for the year in which the AIPs are received.

You cannot reduce the AIPs subject to tax if you became a subscriber because of the death of the original subscriber.

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

Other transfers

Depending on the source of income, the following amounts can also be transferred to your RPP, SPP, PRPP or RRSP:

- certain lump-sum amounts from a non-registered pension plan that relate to services rendered throughout a period while a non-resident of Canada;
- eligible pension income from an estate or a testamentary trust; and
- amounts received from foreign retirement arrangements, such as United States Individual Retirement Accounts (IRAs).

For more information on these types of transfers, see Interpretation Bulletin IT-500, *Registered Retirement Savings Plans – Death of an Annuitant*, or IT-528, *Transfers of Funds Between Registered Plans*. For information on how to report the income, see your *General Income Tax and Benefit Guide*.

Notes

For the purposes of this chapter, and unless otherwise indicated, an individual's account under an SPP is considered to be an RRSP after 2009.

An individual's account in a PRPP, unless otherwise indicated, is considered to be an RRSP after 2012.

Chart 8 – Amounts that you can transfer directly or indirectly

- To deduct an amount, you have to make the contributions to a plan or fund in the year you receive the amount or no later than 60 days after the end of that year.
- If you transfer the amount to your RRSP, you must be 71 years of age or younger at the end of the year you transfer the funds. You also have to complete Schedule 7, *RRSP and PRPP Unused Contributions, Transfers, and HBP or LLP Activities* and file it with your 2014 income tax and benefit return. If you need a Schedule 7, you can get one at **www.cra.gc.ca/forms** or by calling **1-800-959-8281**.

Type of property	Can be transferred to your:						Instructions
	RPP	RRSP	RRIF	Annuity	PRPP	SPP*	
Retiring allowance	**Yes**	**Yes**	**No**	**No**	**Yes**	**Yes**	■ A retiring allowance is an amount you receive on or after retirement from an office or employment in recognition of long service. It includes payment for unused sick leave and amounts you receive for loss of office or employment, whether as a payment of damages or a payment under an order or judgment of a tribunal. ■ You can transfer only the eligible part of your retiring allowance to your own RPP, SPP, RRSP or PRPP. The eligible part is $2,000 for each year or part-year of service before 1996 in which you were employed by the employer or a person related to that employer from whom you received the retiring allowance. You can also transfer an additional $1,500 for each year or part-year of service before 1989 in which you had earned no pension or DPSP benefit from employer contributions that were either vested in you at the time of payment or that were previously paid to you. ■ For 2009 and prior years, box 26 of your T4A slip shows the **eligible** portion of your retiring allowance. Box 27 shows the part of your retiring allowance that is **not eligible**. For 2014, the **eligible** portion of your retiring allowance will be reported in box 66 of your T4 slip and box 67 will show the part of your retiring allowance that **is not eligible**. On a T3 slip, the **eligible** part of a retiring allowance appears in box 47. ■ Report the retiring allowance shown in boxes 66 and 67 of your 2014 T4 slip, or in box 26 of your T3 slip on line 130 of your income tax and benefit return. Similarly, report the retiring allowance shown in boxes 26 and 27 of your T4A slip, or in box 26 of your T3 slip for 2009 and prior years on line 130 of your income tax and benefit return for the year in which you received the retiring allowance. Claim a deduction for the amount you transfer to your RPP on line 207 of your income tax and benefit return. Claim a deduction for the amount you transfer to your RRSP on line 208 of your income tax and benefit return. Write the amount of the transfer on line 14 of Schedule 7. ■ You cannot transfer the eligible part of your retiring allowance to your spouse's or common law partner's RRSP. You may be able to contribute amounts you received from your retiring allowance to your own or your spouse's or common law partner's RRSP, up to the limits explained in Chapter 2. ■ If you transfer the amount to your RPP, you may have a PA. For more information, contact your plan administrator. **Note** No tax is withheld if your employer directly transfers the eligible part of your retiring allowance.
Amounts paid from an RRSP, RRIF upon death of the annuitant	**No**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	If, at the time of death, you are the deceased annuitant's spouse or common-law partner, or you are a financially dependent child or grandchild of the annuitant because of an impairment in physical or mental functions, you can transfer, on a tax-deferred basis, certain amounts paid from the annuitant's RRSP or RRIF. You can rollover the proceeds to a RDSP of a financially dependent infirm child or grandchild. For special transitional rules, go to **www.cra.gc.ca/rdsp**. ■ If you are the child or grandchild of the deceased annuitant, and are not financially dependent because of an impairment in physical or mental functions, you can only transfer the amounts to a term annuity. For more information on these transfers, see Information Sheets RC4177, *Death of an RRSP Annuitant or PRPP Member*, and RC4178, *Death of a RRIF Annuitant*. No tax is withheld at source on these payments. For more information, see "Chart 6 – Amounts from a deceased annuitant's RRSP" on page 28 or "Chart 7 – Amounts from a deceased annuitant's RRIF" on page 29.

Chart 8 – Amounts that you can transfer directly or indirectly (continued)

Type of property	Can be transferred to your:						Instructions
	RPP	RRSP	RRIF	Annuity	PRPP	SPP*	
Lump-sum paid from an RPP, SPP or PRPP upon death of the member	**No**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	If, at the time of death, you are a child or grandchild of the deceased member, and are financially dependent on the member because of an impairment in physical or mental functions, you can transfer, on a tax-deferred basis, certain amounts paid from the member's RPP, PRPP or, account under an SPP. You can rollover the proceeds to your RDSP if you are an eligible individual**. If you are the child or grandchild of the deceased member, and are not financially dependent on the member because of an impairment in physical or mental functions, you can only transfer the amounts to a term annuity.

* Transfers may be limited by an SPP administrative authority. Verify with your plan administrator for any possible limits.

** See definition on page 29

Chart 9 – Amounts that you have to transfer directly

- If you receive any of the types of amounts listed below (for example in cash or by cheque), you have to include them in your income for the year you receive them and you cannot transfer them on a tax-deferred basis. Instead, if you want to transfer these amounts to another registered plan or fund and defer the tax, make sure you inform the payer to transfer them directly.
- If you transfer the amount to your RRSP, you must be 71 or younger at the end of the year in which you transfer the funds.
- You do not have to use the forms listed in this chart. The institution that transfers your amounts may use other types of documents to record the transfer. The institution has to provide you with confirmation of the details of the transfer

Type of property	Can be transferred to your:						Instructions	Form*
	RPP	RRSP	RRIF	PRPP	Annuity	SPP		
RPP lump-sum	**Yes**	**Yes**	**Yes**	**Yes**	**No**	**Yes**	■ This includes a lump-sum amount you are entitled to receive from your RPP or from your current or former spouse's RPP or common-law partner's RPP because your current or former spouse or common-law partner has died. ■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return. ■ If you transfer an excess RPP lump-sum amount, see "Excess transfer of an RPP lump-sum amount" on the next page.	T2151
DPSP lump-sum	**Yes**	**Yes**	**Yes**	**Yes**	**No**	**Yes**	■ This includes a lump-sum amount you are entitled to receive from your DPSP or from your current (or former) spouse's or common-law partner's DPSP because your current (or former) spouse or common-law partner has died. ■ You can also transfer this amount to another DPSP. ■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2151
RRSP commutation payment	**No**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	■ The commutation payment is shown in box 22 of your T4RSP slip. Report it on line 129 of your income tax and benefit return. ■ If you transfer the amount to your RRSP, claim a deduction for the amount you transfer on line 208 of your income tax and benefit return. If you transfer the amount to your RRIF or to an issuer to buy an eligible annuity, claim a deduction for the amount you transfer on line 232. ■ Attach receipts to your income tax and benefit return showing the amount transferred.	T2030
Property from an unmatured RRSP	**Yes**	**Yes**	**Yes**	**Yes**	**No**	**Yes**	■ This is an amount you are entitled to receive from an RRSP that has not yet started to pay you retirement income. ■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2033
Property from a RRIF	**Yes**	**No**	**Yes**	**Yes**	**No**	**No**	■ This is an amount you transfer from one of your RRIFs to another of your RRIFs or to a money purchase provision of an RPP under which you had been a member. ■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2033
Excess amount from a RRIF	**No**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	■ The excess amount is shown in boxes 16 and 24 of your T4RIF slip unless it is directly transferred to another RRIF for you. Report the total amount shown in box 16 on your income tax and benefit return. ■ See line 115 of your *General Income Tax and Benefit Guide* for details on how to report this income. ■ If the excess amount is directly transferred to your RRSP, claim a deduction for the amount you transfer on line 208 of your income tax and benefit return. If the excess amount is directly transferred to an issuer to buy an eligible annuity, claim a deduction for the amount you transfer on line 232. ■ The excess amount directly transferred to another of your RRIFs should not be reported on your T4RIF slip. Do not report the amount transferred as income on your income tax and benefit return, and do not claim any deduction for the amount transferred.	T2030 T2033
SPP lump-sum	**No**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	■ This includes a lump-sum amount you receive from an SPP (such as the Saskatchewan Pension Plan) as a member. It also includes a lump-sum amount you receive as the current or former spouse or common-law partner of a member if the member has died. ■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2033
Property from a PRPP	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	■ This is an amount you are entitled to receive from a PRPP that has not yet started to pay you retirement income. It also includes a lump-sum amount you receive as the current or former spouse or common-law partner of a member if the member has died. ■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2033

* You can find the titles of the forms on page 42.

Chart 10 – Transferring amounts received because of a breakdown of the marriage or common-law partnership

- **In all cases, the transfer must be direct**. If you receive any of the types of amounts listed below (for example in cash or by cheque), you have to include them in your income for the year you receive them and you cannot transfer them tax-free. Instead, if you want to transfer these amounts tax-free to another registered plan or fund, make sure you inform the payer to transfer them directly.
- In all cases, you must be entitled to the amount under a decree, order, or judgment of a court, or under a written agreement relating to a division of property between you and your current or former spouse or common-law partner in settlement of rights arising from the breakdown of your relationship.
- If you transfer the amount to your RRSP, you must be 71 or younger at the end of the year you transfer the funds.

Type of property	Can be transferred to your:						Instructions	Form*
	RPP	RRSP	RRIF	PRPP	Annuity	SPP		
RPP lump-sum	**Yes**	**Yes**	**Yes**	**Yes**	**No**	**Yes**	■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2151
DPSP lump-sum	**Yes****	**Yes****	**Yes****	**Yes**	**No**	**Yes**	■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2151
Property from an unmatured RRSP	**No**	**Yes****	**Yes**	**Yes**	**No**	**Yes**	■ You and your current or former spouse or common-law partner have to be living separate and apart at the time of the transfer because of the breakdown of your relationship. ■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2220
Property from a RRIF	**No**	**Yes**	**Yes**	**Yes**	**No**	**Yes**	■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2220
SPP lump-sum	**No**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	■ You and your current or former spouse or common-law partner have to be living separate and apart at the time of the transfer because of the breakdown of your relationship. ■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2220
Property from a PRPP	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	■ You and your current or former spouse or common law partner have to be living separate and apart at the time of the transfer because of the breakdown of your relationship. ■ Do not claim a deduction for the amount you transfer, and do not report any amount on your income tax and benefit return.	T2220

* You can find the titles of the forms on page 42.

** You and the RRSP issuer have to complete Form T2220 for this time of transfer. The RRSP issuer reports the transfer in box 35 of the T4RSP or T4RIF slip issued in your name. Do not report any amount on your income tax and benefit return.

Direct transfer of an RPP lump-sum amount

In most cases, if you transfer an RPP lump-sum amount directly to another RPP, SPP, RRSP, PRPP or to a RRIF, you do not have to include any part of the amount in your income, and you cannot deduct it. However, the *Income Tax Act* limits the amount you may transfer on a tax-deferred basis from a defined benefit provision of an RPP to a money purchase provision of an RPP, an RRSP, or a RRIF.

Excess transfer of an RPP lump-sum amount

If the amount you transfer is more than the limit, you have to include the excess transfer in your income. Your T4A slip shows the excess transfer as pension income in box 018, which you report on line 130 of your income tax and benefit return.

If you made the excess transfer to your RRSP for 2014, we consider you to have contributed it to the RRSP in the year in which you transferred it. Even if the excess transfer is made to your RRIF, we still consider you to have contributed it to your RRSP. In both cases, the carrier will give you an RRSP receipt for this contribution.

You can deduct these RRSP contributions on line 208 of your income tax and benefit return, up to your RRSP deduction limit for the year in which you made the transfer. If you cannot deduct the contributions because they are more than your RRSP deduction limit for the year, you can leave them in your RRSP or your RRIF and deduct them for future years up to your RRSP deduction limit for those years.

> **Note**
> You may be subject to the 1%-per-month tax on the part of your unused RRSP contributions that are excess contributions during the period these contributions stay in the RRSP or the RRIF. For more information, see "Tax on RRSP/PRPP/SPP excess contributions" on page 19.

Withdrawal from an RRSP or a RRIF – If you withdraw an excess transfer amount from an RRSP or a RRIF in 2014, and we consider you to have contributed an excess transfer to your RRSP, a deduction is available if you meet both of the following conditions:

- you did not previously deduct the excess amount as an RRSP contribution; and
- you included the excess amount in your income for the year you received it.

You can use Form T1043, *Deduction for Excess Registered Pension Plan Transfers You Withdrew from an RRSP or RRIF*, to calculate your deduction. Deduct the amount on line 232 of your income tax and benefit return.

> **Note**
> You **cannot** use Form T3012A, *Tax Deduction Waiver on the Refund of your Unused RRSP, PRPP or SPP Contributions made in ____.* , to withdraw unused contributions for an excess RPP lump-sum amount transferred to the RRSP or RRIF.

Chapter 7 – PAs, PARs, and PSPAs

Pension adjustments (PAs)

The following is an overview of PAs under RPPs and DPSPs. If you want to know how your PA is calculated or why you have a PA, contact your employer or plan administrator.

Your PA for a year is the total pension credits for the year under a DPSP or a defined benefit or money purchase provision of an RPP of which you are a member. You may also have a pension credit if you participate in a foreign plan. The pension credit is a measure of the value of the benefits that accrued to you during the year under these arrangements.

Does your employer have to report a PA for you?

Your employer usually has to report a PA for you even if your benefit is not yet vested.

Where is your PA shown on your T4 or T4A slip?
Your PA appears in box 52 of your T4 slip, or in box 034 of your T4A slip. If you worked for more than one employer in 2014 and each employer sponsors their own RPP or DPSP, you may have more than one PA for 2014. Enter the total of your 2014 PAs from your T4 or T4A slips on line 206 of your 2014 income tax and benefit return.

What does your PA affect?

Your PA for a year reduces your RRSP deduction limit for the following year. Your PA does not affect your income. If you contribute to an RRSP, PRPP or an SPP, your PA may indirectly affect the income taxes you pay or the refund you receive for the following year, because it reduces your RRSP deduction limit for the following year. For more information on how to calculate your RRSP deduction limit, see "Calculating your 2014 RRSP deduction limit" on page 13.

You can find your 2014 RRSP deduction limit on your latest notice of assessment or notice of reassessment. If you receive a certified Form T1004 after we send you your notice, we may reduce your 2014 RRSP deduction limit. In such a case, we will usually send you a T1028, *Your RRSP Information for 2014*, and give you your revised 2014 RRSP deduction limit when we have updated our records.

You can also find out your RRSP deduction limit by registering for My Account. Once you've registered, you can access your *RRSP Deduction Limit Statement* online. For more information, see "My Account" on page 43.

If you participate in a foreign plan, you may have to report an amount similar to a PA that will reduce your RRSP deduction limit for the following year. To determine the amount you have to report, call the International Enquiries for Individuals and Trusts at one of the following numbers: **1-800-959-8281** (toll free within Canada and the United States), or **613-940-8495** (from outside Canada and the United States—we accept collect calls by automated response. You may hear a beep and experience a normal connection delay).

For more information concerning PAs, see Guide T4084, *Pension Adjustment Guide*.

Pension adjustment reversals (PARs)

A PAR restores your RRSP deduction limit when you end your membership in an RPP or a DPSP in certain circumstances. Your plan administrator or trustee will report a PAR for you if the amount you receive from the plan is **less** than the total PAs and PSPAs that were previously reported for you. You will only have a PAR under a DPSP or a money purchase provision of an RPP if you are not fully vested at termination.

Your plan administrator or trustee will send you a T10, *Pension Adjustment Reversal (PAR)* slip that shows your PAR amount in box 2. Do not report this amount on your income tax and benefit return. Your plan administrator or trustee will send us a copy of your T10 slip. We use that copy to increase your RRSP deduction limit for the year.

If you have a PAR for a termination in 2014, it increases your 2014 RRSP deduction limit. In such a case, we will usually send you a T1028, *Your RRSP Information for 2014*, and give you your revised 2014 RRSP deduction limit when we have updated our records.

For more information on PAR, see Guide RC4137, *Pension Adjustment Reversal Guide*.

If you do not receive a T1028 and you want to confirm your 2014 RRSP deduction limit, go to **www.cra.gc.ca/myaccount**, or call our Tax Information Phone Service (TIPS) at **1-800-267-6999**.

The TIPS RRSP service is available from mid-September to April 30. For RRSP information, you will be asked to provide your social insurance number, your month and year of birth, and the total income you reported on line 150 of your 2013 income tax and benefit return.

Past service pension adjustments (PSPAs)

The following is an overview of PSPAs. If you have questions about how your PSPA is calculated or why you have a PSPA, contact your employer or plan administrator.

A PSPA is an amount your RPP administrator calculates when benefits relating to a previous period of pensionable service are improved or when you are credited with a new period of pensionable past service. A PSPA only occurs if the improved benefits or the new past service benefits relate to a period of service after 1989. A PSPA is the sum of the additional pension credits that would have been included in your PA if the upgraded benefits had actually been provided, or the additional service credited in those previous years.

Types of PSPAs

The plan administrator calculates your PSPA and determines whether we have to certify the PSPA before the RPP can provide the past service benefits. There are two types of PSPAs: **certifiable** PSPAs, and PSPAs that are **exempt from certification** (exempt PSPAs). In most cases, the plan administrator has to report each PSPA to us, whether exempt or certifiable.

> **Note**
> Certifiable PSPAs are also applicable to small plans with fewer than 10 members.

Exempt PSPAs – An exempt PSPA usually occurs when all or almost all plan members receive past service benefit upgrades. In most cases, when an employer provides past service benefits and there is an exempt PSPA that is more than zero, the plan administrator has to report the PSPA to us and to the plan member. For exempt PSPAs, the plan administrator has to complete a T215 slip, *Past Service Pension Adjustment (PSPA) Exempt from Certification*. Do not attach the T215 slip to your income tax and benefit return.

An exempt PSPA will not reduce your RRSP deduction limit until the year following the year of the past service event. For details on how to calculate your RRSP deduction limit, see "Calculating your 2014 RRSP deduction limit" on page 13.

Certifiable PSPAs – A certifiable PSPA usually occurs if you, as a plan member, decide to buy a period of past service that is pensionable service under your RPP.

We have to certify most PSPAs that are more than zero and do not meet the conditions for exemption outlined above. We have to certify the PSPA before you have the right to receive the benefits under the plan. A certified PSPA will reduce your RRSP deduction limit for the year in which it is certified.

Your plan administrator applies for PSPA certification by submitting a completed Form T1004, *Applying for the Certification of a Provisional PSPA*. Since the *Income Tax Act* has limits on the PSPA amount for past service benefits that we can certify, we will apply these limits to the information on Form T1004 and determine if we can certify the PSPA.

Cost of past service benefits

The amount it costs you to pay for past service benefits will likely not equal the PSPA associated with the benefits, since a PSPA reflects a general measure of the value of the past service benefits rather than the actual cost to fund the benefits.

Usually, you can pay for the cost of past service benefits by:

- making a lump-sum contribution;
- making instalment contributions; or
- directly transferring amounts from certain other registered plans. In this case, transfers may reduce the PSPA amount your plan administrator has to report to us.

In some cases, your employer may fund all or part of the cost of the past service benefits.

Qualifying transfers – Generally, a qualifying transfer is a direct transfer of a lump-sum amount from an unmatured RRSP, a money purchase provision of an RPP, an SPP, or a DPSP. You can make a qualifying transfer to pay for all or part of the cost of the past service benefits related to the PSPA. If you make a qualifying transfer, the amount you transfer will reduce the PSPA amount the plan administrator has to report. Do not report your qualifying transfer amount as income and do not deduct it.

What happens if we cannot certify your PSPA?

If we cannot certify your PSPA because the PSPA amount is more than the allowable limit, you may still be able to obtain certification if you agree to make a qualifying RRSP withdrawal. We will send you Form T1006, *Designating an RRSP Withdrawal as a Qualifying Withdrawal*. Complete this form and return it to us within 30 days.

To speed up the certification process, your plan administrator can review the certification formula before sending Form T1004 to us. If your plan administrator knows that we will not certify the PSPA, the administrator may ask you in advance if you want to designate an RRSP qualifying withdrawal. If you choose to do so, the administrator may ask you to complete Form T1006, and will send it to us with the certification request. If you cannot or choose not to make an RRSP qualifying withdrawal, we will not certify the PSPA.

If you choose not to proceed with Form T1006, you have the following options:

- make a qualifying withdrawal, which will have the effect of increasing your RRSP room;
- make a qualifying transfer, which will have the effect of reducing the amount of the PSPA;
- buy the amount of service that the RRSP room plus the additional $8,000 (allowance for a shortfall) could purchase; or
- wait and buy back the service at a later date when you have sufficient RRSP room.

For more information, see Guide T4104, *Past Service Pension Adjustment Guide*, section 6.4, "PSPAs requiring certification."

Qualifying withdrawal – Generally, a qualifying withdrawal is an amount you withdraw from your RRSP or SPP, and include in your income for the year you withdraw it. You have to meet a number of conditions before we will consider the amount to be a qualifying withdrawal. If you meet these conditions, you can designate the withdrawal and we can certify the PSPA. We outline these conditions in Part 3 of Form T1006, which you use to designate a qualifying withdrawal.

Net PSPA

Your net PSPA for 2014 reduces the amount of RRSP contributions you can deduct for 2014. Your 2014 net PSPA is the total of:

- your exempt PSPAs for 2013 (total from box 2 of your T215 slips);

plus

- your certified PSPAs for 2014 (Form T1004, Part 3, line A);

minus

- your RRSP qualifying withdrawals (Form T1006, Part 3).

Your RRSP deduction limit may be reduced by the net PSPA or similar amount for the year if you participated in a foreign plan or specified retirement arrangement and your past service benefits accruing under the plan were improved.

For more information, see Guide T4104, *Past Service Pension Adjustment Guide*.

If you do not receive a T1028 and you want to confirm your 2014 RRSP deduction limit, go to **www.cra.gc.ca/myaccount**, or call our Tax Information Phone Service (TIPS) at **1-800-267-6999**.

The TIPS RRSP service is available from mid-September to April 30. For RRSP information, you will be asked to provide your social insurance number, your month and year of birth, and the total income you reported on line 150 of your 2013 income tax and benefit return.

Chapter 8 – Pooled registered pension plan

A pooled registered pension plan (PRPP) is a new, accessible, straightforward retirement savings option for individuals, including self-employed individuals.

A PRPP enables its members to benefit from lower administration costs that result from participating in a large, pooled pension plan. It's also portable, so it moves with its members from job to job.

This chapter has general information about participating in and contributing to a PRPP. It provides information about who is eligible to join, how to transfer funds on a tax-deferred basis and what you can deduct on your income tax and benefit return. For more information, go to **www.cra.gc.ca/prpp**.

Eligibility

Effective January 1, 2013, if you have a valid Canadian social insurance number (SIN), you can participate in a PRPP if you:

- are employed or self-employed in the Nunavut, Yukon or Northwest Territories;
- work in a federally regulated business or industry for an employer who chooses to participate in a PRPP; or
- live in a province that has the required provincial standards legislation in place.

> **Note**
> The *Pooled Registered Pension Plan Act* applies to PRPPs within the legislative authority of the federal government. Each province must enact its own legislation for PRPPs to be available to individuals not covered in the criteria above.

Participation

You can be enrolled into a PRPP by:

- your employer (if your employer chooses to participate in a PRPP); or
- a PRPP administrator (such as a bank or insurance company).

Once enrolled, a PRPP account is created under your SIN. You choose the amounts to be contributed from your pay cheque. Your contributions, your employers' contributions, and any lump-sum contributions, are all pooled together and credited to your account.

Since the amount that can be contributed is based on the earned income you report on your income tax and benefit returns from prior years, it is important to file a income tax and benefit return each year when participating in the PRPP to keep your RRSP deduction limit up-to-date.

Contributions to a PRPP

Similar to RRSPs, the maximum amount that you and your employer can both contribute to a PRPP in a given tax year without tax implications is determined by your RRSP deduction limit that appears on your latest notice of assessment or notice of reassessment, or on a T1028, *Your RRSP Information for 2014*. You can also find out your 2014 RRSP deduction limit by going to **www.cra.gc.ca/myaccount**, or call our Tax Information Phone Service (TIPS) at **1-800-267-6999**.

Any PRPP contributions you make that are not deducted on your income tax and benefit return are referred to as unused RRSP/PRPP contributions.

It is important for you to know how much unused contribution room you have available in a given tax year. For more information, see "Keeping track of your RRSP, PRPP and SPP contributions – Schedule 7" on page 14.

Employer PRPP contributions, combined with your PRPP, SPP and RRSP contributions, as well as contributions to your spouse's or common-law partner's RRSP or SPP that are above your RRSP deduction limit, may be considered excess contributions. Excess RRSP/PRPP contributions you make may be subject to a tax of 1% per month for every month they are left in the account. If you withdraw the unused contributions from your PRPP, an offsetting deduction may be claimed. For more information, see "Withdrawing the unused contributions" on page 19.

> **Note**
> Unlike RRSPs and SPPs, you cannot contribute to your spouse's or common-law partner's PRPP.

Member contributions

You can make voluntary contributions to your PRPP between January 1 in a given year and 60 days into the following year, up until the end of the year in which you turn 71.

You can deduct **your** contributions on your income tax and benefit return but your deduction must not exceed the difference between your RRSP deduction limit and the employer's contributions to your PRPP. **You cannot deduct employer PRPP contributions on your income tax and benefit return.**

Example
Each year, Ben contributes the maximum amount to his RRSPs and deducts this amount on line 208 of his income tax and benefit return. In 2014, he becomes a member of a PRPP and he and his employer agree to make regular contributions throughout the year. Ben knows his RRSP deduction limit for 2014 is $10,000, so he agrees to contribute $5,000 and his employer agrees to contribute $5,000. When completing his 2014 income tax and benefit return, Ben must remember that he will not include all $10,000 of the contributions at line 208 as he has done in prior years-he can only deduct up to $5000 of the contributions he made to his own PRPP. This is because only his PRPP contributions are deductible. Since the employer's contributions are not included in his income, they are not deductible on Ben's income tax and benefit return.

Notes
You can designate contributions you have made to your PRPP as repayments to the Home Buyers' Plan (HBP) or the Lifelong Learning Plan (LLP). Complete Schedule 7, *RRSP and PRPP Unused Contributions, Transfers and HBP or LLP Activities* and include it with your income tax and benefit return.

Even if you are no longer employed, you can still contribute to your PRPP as long as you still have RRSP contribution room available.

Employer contributions

An employer can make voluntary contributions to your PRPP in the year or within 120 days after the end of the year. Contributions are not included in your income and are not deductible on your income tax and benefit return. Only **your** contributions to your PRPP are deductible at line 208.

Contributions on tax-exempt income

For the purposes of contributing to a PRPP, the *Income Tax Act* allows tax-exempt income earned by an Indian (as defined by the *Indian Act*), to be included in the calculation of his or her RRSP deduction limit for the year. Though his or her PRPP contributions made against tax-exempt income are not tax-deductible, they can be used as a repayment under the HBP or the LLP. For more information, see "Lines 6 and 7 – Repayments under the HBP and the LLP" on page 16.

PRPP transfers

Where it is permissible, you can ask your PRPP administrator to directly transfer funds from one registered plan to another on a tax-deferred basis. Since you are not receiving an amount from the PRPP, you will not have to include the amount of the transfer as income on your income tax and benefit return.

Transfers to a PRPP

You can directly transfer amounts to your PRPP from another PRPP that you hold. You can also transfer amounts to your PRPP from your RRSP, RRIF, or DPSP under which you are the annuitant or member.

You can also transfer funds to your PRPP account from the same plans belonging to your spouse or common-law partner when you are entitled to those amounts because of a breakdown of the marriage or common-law partnership or death.

Transfers from a PRPP

You can directly transfer amounts from your PRPP funds to another PRPP that you hold. You can also transfer amounts from your PRPP to your RRSP or RRIF under which you are the annuitant.

The same transfers can be made for your spouse or common-law partner if he or she is entitled to the amount because of a breakdown of the marriage or common law partnership or death.

For deaths occurring after March 3, 2010, the existing RRSP rollover rules are extended to allow a rollover of a deceased member's PRPP proceeds to the RDSP of an eligible individual.

Amounts can also be transferred to a licensed annuity provider to acquire a qualifying annuity. However, if PRPP amounts are transferred to purchase a qualifying annuity, and there is an amount paid out of the annuity in the year, the amount paid out is to be included in the income tax and benefit return of the annuitant for the year of transfer.

PRPP payments

Payments from a PRPP are considered to be pension income and are eligible for pension income splitting and the pension income amount if you are:

- the PRPP member aged 65 years or older; or
- the spouse or common law partner of a deceased PRPP member.

If you receive payments from a PRPP, it is taxable on your income tax and benefit return in the year you receive them. Since benefits such as old age security or guaranteed income supplements are calculated on the income you report on your income tax and benefit return each year, your benefits may be reduced accordingly.

PRPP withdrawals

While the *Income Tax Act* places no restrictions on withdrawing funds from your PRPP account at any time, it does place limits on the credits available to you depending on your age when you receive payments. For example, if you receive payments from your PRPP before you are 65 years old, you will not be eligible for pension income splitting or the pension income amount.

The *Pooled Registered Pension Plans Act* also limits the distributions (withdrawals) that you can make to ensure that your PRPP funds are available for your retirement. Similar to other RPPs, the funds in your PRPP are generally "locked-in" and cannot be withdrawn before you retire from employment.

You cannot for example, withdraw amounts from your PRPP to participate in the HBP or LLP. For more information, see "PRPP life events" below or visit the Office of the Superintendent of Financial Institutions Canada's website for information about pension unlocking.

PRPP life events

Although the legislation indicates that the funds within a PRPP are to be used for retirement purposes, the *Income Tax Act* does provide for certain situations where the funds are distributed prior to retirement age, and to someone other than the PRPP member.

Death of a PRPP member

Similar to other registered retirement plans, when a PRPP member dies, all property held in the PRPP account is deemed to have been distributed immediately before the date of death. The FMV of the assets held in the account is included on the deceased member's final income tax and benefit return.

In the case of the death of a member who had a spouse or common-law partner, the deceased member's spouse or common-law partner becomes the qualifying survivor of the plan, taking over ownership and future direction of the PRPP account for the deceased. The qualifying survivor is then entitled to receive a lump-sum amount from the PRPP or can choose to transfer the amount directly, on a tax-deferred basis, into another investment plan such as another PRPP, RRSP, SPP, RRIF or RPP. For more information, see "PRPP transfers" on page 40.

> **Note**
> The qualifying survivor who receives payments from the PRPP account is eligible for pension income splitting or the pension income amount regardless of their age.

Financially-dependent child or grandchild

In the case of a PRPP member who has a financially-dependent child or grandchild, the child or grandchild is deemed to be a qualifying survivor, and is eligible to receive the funds from the deceased's member's PRPP account. Since payments made out of the PRPP are taxable, the child or grandchild would include the amount received on his or her income tax and benefit return.

If the financially-dependent child or grandchild has a physical or mental infirmity and is eligible for the disability tax credit, the lump sum amount from the deceased's PRPP can be directly transferred or "rolled over" on a tax-deferred basis, into an RDSP for an **eligible individual**.

Breakdown of marriage or common-law partnership

A spouse or common-law partner or former spouse or common-law partner of a PRPP member who is entitled to the funds from the member's PRPP account as a result of a breakdown of the marriage or common-law partnership, may transfer the lump sum amount to:

- another registered plan, such as another PRPP, RRSP, SPP, RRIF or RPP of the individual; or
- purchase a qualifying annuity.

Related forms and publications

Guides

RC4112	*Lifelong Learning Plan (LLP)*
RC4137	*Pension Adjustment Reversal Guide*
RC4460	*Registered Disability Savings Plan*
T4084	*Pension Adjustment Guide*
T4104	*Past Service Pension Adjustment Guide*

Information sheets

RC4092	*Registered Education Savings Plans*
RC4177	*Death of an RRSP Annuitant or a PRPP Member*
RC4178	*Death of a RRIF Annuitant*

Forms

NRTA1	*Authorization for Non-Resident Tax Exemption*
RC96	*Lifelong Learning Plan (LLP) Request to Withdraw Funds from an RRSP*
RC249	*Post-Death Decline in the Value of a RRIF, an Unmatured RRSP and Post-Death Increase or Decline in the Value of an PRPP – Final Distribution Made in 20__*
RC267	*Employee Contributions to a United States Retirement Plan for 2014 – Temporary Assignments*
RC268	*Employee Contributions to a United States Retirement Plan for 2014 – Cross-Border Commuters*
RC269	*Employee Contributions to a Foreign Pension Plan or Social Security Arrangement for 2014 – Non-United States Plans or Arrangements*
RC339	*Individual Return for Certain Taxes for RRSPs or RRIFs for Tax Year 20__*
RC4625	*Rollover to a Registered Disability Savings Plan (RDSP) Under Paragraph 60(m)*
T1-OVP	2014 *Individual Tax Return for RRSP Excess Contributions*
T1-OVP-S	2014 *Simplified Individual Tax Return for RRSP Excess Contributions*
T746	*Calculating Your Deduction for Refund of Unused RRSP, PRPP, and SPP Contributions*
T1004	*Applying for the Certification of a Provisional PSPA*
T1006	*Designating an RRSP Withdrawal as a Qualifying Withdrawal*
T1007	*Connected Person Information Return*
T1036	*Home Buyers' Plan (HBP) Request to Withdraw Funds from an RRSP*
T1043	*Deduction for Excess Registered Pension Plan Transfers You Withdrew from an RRSP or RRIF*
T1090	*Death of a RRIF Annuitant – Designated Benefit for Year* ____
T1171	*Tax Withholding Waiver on Accumulated Income Payments from RESPs*
T1172	*Additional Tax on Accumulated Income Payments from RESPs*
T2019	*Death of an RRSP Annuitant – Refund of Premiums for Year* ____
T2030	*Direct Transfer Under Subparagraph 60(l)(v)*
T2033	*Direct Transfer under Subsection 146.3(14.1) or 146(21), or Paragraph 146(16)(a) or 146.3(2)(e)*
T2078	*Election Under Subsection 147(10.1) in Respect of a Single Payment Received from a Deferred Profit-Sharing Plan*
T2151	*Direct Transfer of a Single Amount Under Subsection 147(19) or Section 147.3*
T2205	*Amounts from a Spousal or Common-law Partner RRSP, SPP, or RRIF to Include in Income for* ____
T2220	*Transfer from an RRSP, RRIF, PRPP, or SPP to Another RRSP, RRIF, or SPP on Breakdown of Marriage or Common-law Partnership*
T3012A	*Tax Deduction Waiver on the Refund of your Unused RRSP, PRPP or SPP Contributions made in* ____.

Interpretation bulletins and income tax folios

IT-124	*Contributions to Registered Retirement Savings Plans*
IT-167	*Registered Pension Funds or Plans – Employee's Contributions*
IT-307	*Spousal or Common-Law Partner Registered Retirement Savings Plan*
IT-320	*Qualified Investments – Trusts Governed by Registered Retirement Savings Plans, Registered Education Savings Plans and Registered Retirement Income Funds*
IT-337	*Retiring Allowances*
IT-412	*Foreign Property of Registered Plans*
IT-499	*Superannuation or Pension Benefits*
IT-500	*Registered Retirement Savings Plans – Death of an Annuitant*
IT-528	*Transfers of Funds Between Registered Plans*
S5-F1-C1	*Determining an Individual's Residence Status*

Information circulars

IC00-1	*Voluntary Disclosure Program*
IC07-1	*Taxpayer Relief Provisions*
IC31-1	*Pooled Registered Pension Plans*
IC72-22	*Registered Retirement Savings Plans*
IC77-1	*Deferred Profit-Sharing Plans*
IC78-18	*Registered Retirement Income Funds*
IC93-3	*Registered Education Savings Plans*

For more information

What if you need help?

If you need more information after reading this guide, visit **www.cra.gc.ca** or call **1-800-959-8281**.

Forms and publications

To get our forms and publications, go to **www.cra.gc.ca/forms** or call **1-800-959-8281**.

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.

You can use either your CRA user ID and password, or the same sign-in information you use for other online services (for example, online banking) to log in to My Account.

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

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**.

Tax Information Phone Service (TIPS)

For personal and general tax information by telephone, use our automated service, TIPS, by calling **1-800-267-6999**.

> **Notes**
> You can call TIPS to determine the amount of RRSP contributions you can deduct for 2014.

TIPS RRSP service is available from mid-September to April 30. For RRSP information, you will be asked to provide your social insurance number, your month and year of birth, and the total income you reported on line 150 of your 2013 income tax and benefit return.

Teletypewriter (TTY) users

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

Our service complaint process

If you are not satisfied with the **service** that you have received, contact the CRA employee you have been dealing with or call the telephone number that you were given. If you are not pleased with the way your concerns are addressed, you can ask to discuss the matter with the employee's supervisor.

If the matter is not settled, you can then file a service complaint by completing Form RC193, *Service-Related Complaint*. If you are still not satisfied, you can file 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 been subject to reprisal, complete 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 individuals on topics such as the income tax and benefit return, students, and tax measures for persons with disabilities. To watch our videos, go to **www.cra.gc.ca/videogallery**.

Your opinion counts

If you have comments or suggestions that could help us improve our publications, send them to:

Taxpayer Services Directorate
Canada Revenue Agency
395 Terminal Avenue
Ottawa ON K1A 0L5