



Canada Revenue
Agency

Agence du revenu
du Canada

Canada Revenue Agency General Income Tax and Benefit Guide

2011

Is this guide for you?

This guide will help you complete your 2011 income tax and benefit return. It is important to use the package for the province or territory where you lived at the end of the year so that your provincial or territorial tax and credits can be calculated properly. To make sure you are using the correct package, see “Which tax package should you use?” on page 7.

If you have a visual impairment, you can get our publications in braille, large print, etext (CD), or MP3 by going to www.cra.gc.ca/alternate or by calling 1-800-959-2221. You can also get your personalized correspondence in these formats by calling 1-800-959-8281.

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What's new for 2011?

We list the major changes below, including income tax changes that have been announced but were not law at the time of printing. If they become law as proposed, they will be effective for 2011 or as of the dates given. For more information about these and other changes, see the areas outlined in colour in this guide.

Split income of a child under 18 – A child under 18 may be subject to the tax on split income in respect of dividends on shares of a corporation. After March 21, 2011, any capital gain from the disposition of those shares to a person who does not deal at arm's length with the child, will be deemed to be a dividend. This deemed dividend is subject to the tax on split income and is considered to be an other than eligible dividend for the purposes of the dividend tax credit. For more information about split income of a child under 18, see page 11.

Saskatchewan pension plan (SPP) income (line 115) – SPP income is eligible for the pension income amount and you and your spouse or common-law partner may be able to split the income from the plan. Report your SPP income on line 115. For more information, see lines 115, 210, and 314. You can also visit www.saskpension.com for more information about the SPP.

SPP contributions (line 208) – For 2010 and later tax years, SPP contributions are generally subject to the same rules as registered retirement savings plan (RRSP) contributions. The annual contribution limit to the SPP has increased to \$2,500 from \$600. Contributions to an SPP are limited by your RRSP contribution room for the calendar year. Claim your SPP contributions on line 208.

Taxable capital gains (line 127) – Donations of certain flow-through share properties may give rise to a deemed capital gain that is subject to an inclusion rate of 50%. For more information, see Pamphlet P113, *Gifts and Income Tax*.

Exploration and development expenses (line 224) – The cost of acquiring oil sands leases and other oil sands or shale resource property after March 21, 2011, will generally be treated as a Canadian oil and gas property expense, which is deductible at the rate of 10% per year on a declining balance basis.

Development expenses incurred for the purpose of bringing in new oil sands or shale mines will be treated as a Canadian development expense, and will be deductible at the rate of 30% per year on a declining balance basis. This measure will be phased in for expenses incurred after March 21, 2011 (certain exceptions apply).

For more information, see Form T1229, *Statement of Resource Expenses and Depletion Allowance*.

Volunteer firefighters' amount (line 362) – As a volunteer firefighter, you may be able to claim an amount of \$3,000. For more information, see page 38.

Children's arts amount (line 370) – You can claim an amount for eligible expenses paid for the registration or membership of your child in a prescribed program of artistic, cultural, recreational, or developmental activity. For more information, see page 39.

Allowable amount of medical expenses for other dependants (line 331) – The maximum \$10,000 limit per eligible dependant has been removed. For more information, see page 46.

Investment tax credit (line 412) – Eligibility for the mineral exploration tax credit has been extended to flow-through share agreements entered into before April 1, 2012. For more information about investment tax credits, see page 48.

Canada Child Tax Benefit (CCTB) – If you are eligible to receive CCTB payments, you must notify the Canada Revenue Agency of any change to your marital status by the end of the month following the month in which your status changes. However, in the case of separation, do not notify us until you have been separated for more than 90 consecutive days. For more information, go to www.cra.gc.ca/cctb.

Beginning July 2011, each eligible parent in a shared custody situation will get half of the child benefit and credit payments for that child every month that they qualify. For more information, see Booklet T4114, *Canada Child Benefits*.

Canada Pension Plan (CPP) contributions – As of January 1, 2012, the rules for contributing to the CPP changed. The changes apply to you if you are an employee or self-employed, you are 60 to 70 years of age, and you are receiving a CPP or Quebec Pension Plan (QPP) retirement pension. For more information, go to www.cra.gc.ca/cpp. To find out how the changes may affect your CPP benefits, go to www.servicecanada.gc.ca/cppchanges.

Students – More examination fees now qualify for the tuition amount. In addition, the minimum duration of courses taken at a university outside Canada has been reduced to three consecutive weeks for amounts claimed on line 323. For more information, see Pamphlet P105, *Students and Income Tax*.



National Register of Electors (the Register)

The Register contains the name, sex, date of birth, address, and unique identifier of eligible electors (Canadian citizens who are 18 years of age or older) and is used to produce electoral lists and to communicate with electors for federal elections or referendums. Note that inclusion in the Register is at the option of the elector. Consenting to provide your information to Elections Canada will help ensure you are correctly registered.

Elections Canada will only use the information you provide for purposes permitted under the *Canada Elections Act*. The *Canada Elections Act* allows for the electoral lists produced from the Register to be shared with provincial/territorial electoral agencies for uses permitted under their respective legislation. The *Canada Elections Act* also provides for electoral lists that do not include date of birth information to be shared with members of Parliament, registered political parties and candidates at election time.

Response instructions (responding to questions is optional)

If you are a Canadian citizen, tick the “Yes” box next to question A (“Are you a Canadian citizen?”) on page 1 of your return. If you are not a Canadian citizen, tick the “No” box next to question A.

If you are a Canadian citizen, and you would like to authorize the Canada Revenue Agency (CRA) to give your name, address, date of birth, and Canadian citizenship status to Elections Canada, tick the “Yes” box next to question B (“As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors?”) on page 1 of your return. If you are a Canadian citizen but do not authorize the CRA to give this information to Elections Canada, tick the “No” box next to question B.

This information is not used by the CRA for the purpose of processing your return.

If you tick “Yes” to both questions

- You authorize the CRA to give only your name, address, date of birth, and Canadian citizenship status to Elections Canada to ensure that your information is up to date.
- If you are an eligible elector who is not already in the Register, Elections Canada will accept this as your request to have your information added to it.

Notes

The CRA updates the information provided to Elections Canada every month. Your authorization remains in effect until you file your next return. Therefore, if you move during this period, and you advise the CRA of your new address, the CRA will advise Elections Canada the next time information is provided.

If, during the year, you change your mind about the CRA sending your information to Elections Canada, contact the CRA at **1-800-959-8281** to have your consent removed. However, your information will remain on the Register. To remove your information from the Register, see “Removal from the Register” below.

If you tick “No” to one or both questions (or do not make a choice)

- The CRA will not give any of your information to Elections Canada.
- **You will not lose your right to vote.**
- Elections Canada **will not remove** your information from the Register if it is already there.
- If there is an election or referendum and you are not already registered, in order to vote, you will have to take the necessary steps to be added to the electoral list. More information can be obtained directly from Elections Canada.

Removal from the Register

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

Deceased persons

If the return is being completed for a person who consented to provide information to Elections Canada on his or her last return but has since died, the CRA will notify Elections Canada to remove the person’s name from the Register.

For more information contact Elections Canada

Telephone: **1-800-463-6868** toll free in Canada and the United States

Teletypewriter: **1-800-361-8935** (for individuals with a hearing or speech impairment) toll free in Canada and the United States

Internet: **www.elections.ca**

General information

Before you start

Do you have to file a return?

You must file a return for 2011 if **any** of the following situations apply:

- You have to pay tax for 2011.
- We sent you a request to file a return.
- You and your spouse or common-law partner elected to split pension income for 2011. For more information, see lines 115, 116, 129, and 210.
- You received Working Income Tax Benefit (WITB) advance payments in 2011.
- You disposed of capital property in 2011 (for example, if you sold real estate or shares) or you realized a taxable capital gain (for example, if a mutual fund or trust attributed amounts to you, or you are reporting a capital gains reserve you claimed on your 2010 return).
- You have to repay any of your Old Age Security or Employment Insurance benefits. For more information, see Line 235.
- You have not repaid all amounts withdrawn from your registered retirement savings plan (RRSP) under the Home Buyers' Plan or the Lifelong Learning Plan. For more information, see Guide RC4135, *Home Buyers' Plan (HBP)*, or Guide RC4112, *Lifelong Learning Plan (LLP)*.
- You have to contribute to the Canada Pension Plan (CPP). This can apply if, for 2011, the total of your net self-employment income and pensionable employment income is more than \$3,500. For more information, see Line 222.
- You are paying Employment Insurance premiums on self-employment and other eligible earnings. For more information, see lines 317 and 430.

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

- You want to claim a refund.
- You want to claim the WITB for 2011.
- You want to apply for the GST/HST credit (including any related provincial credit) (see page 10). For example, you may be eligible if you turn 19 before April 2013.
- You or your spouse or common-law partner want to begin or continue receiving Canada Child Tax Benefit payments (see page 6).
- You have incurred a non-capital loss (see Line 236) in 2011 that you want to be able to apply in other years.
- You want to carry forward or transfer the unused part of your tuition, education, and textbook amounts (see Line 323).

- You want to report income for which you could contribute to an RRSP in order to keep your RRSP deduction limit (see page 23) for future years up to date.
- You want to carry forward the unused investment tax credit on expenditures you incurred during the current year (see Line 412).

What date is your return for 2011 due?

Generally, your return for 2011 has to be filed **on or before April 30, 2012**.

Note

If you file your return after April 30, 2012, your GST/HST credit (including any related provincial credit), Canada Child Tax Benefit payments (including those from certain related provincial or territorial programs), and Old Age Security benefit payments may be delayed.

Self-employed persons – If you or your spouse or common-law partner carried on a business in 2011 (other than a business whose expenditures are primarily in connection with a tax shelter), your return for 2011 has to be filed **on or before June 15, 2012**. However, if you have a balance owing for 2011, you still have to pay it **on or before April 30, 2012**. For more information about how to make your payment, see Line 485.

Deceased persons

If you are the legal representative (the executor, administrator, or liquidator) of the estate of an individual who died in 2011, you may have to file a return for 2011 for that individual. For more information about your filing requirements and options, and to know what documents are required, see Guide T4011, *Preparing Returns for Deceased Persons*, and Information Sheet RC4111, *What to do following a death*.

Note

If you received income in 2011 for a person who died in 2010 or earlier, do not file an individual return for 2011 for that income on behalf of that person. However, you may have to file a *T3 Trust Income Tax and Information Return* for the estate.

Exception to the due date of your return

When the due date falls on a Saturday, a Sunday, or a holiday recognized by the CRA, we consider your return to be filed on time or your payment to be made on time if we receive it or it is postmarked on the next business day. For more information, go to www.cra.gc.ca/dates-ind.

What penalties and interest do we charge?

Late-filing penalty

If you owe tax for 2011 and do not file your return for 2011 **within the dates** we specify under "What date is your return for 2011 due?" in the previous section, we will charge you a late-filing penalty. The penalty is 5% of your

2011 balance owing, **plus 1%** of your balance owing for each full month your return is late, to a maximum of **12 months**.

If we charged a late-filing penalty on your return for 2008, 2009, or 2010, your late-filing penalty for 2011 may be **10%** of your 2011 balance owing, **plus 2%** of your 2011 balance owing for each full month your return is late, to a maximum of **20 months**.

Tax Tip

Even if you cannot pay the full amount of your balance owing on or before April 30, 2012, you can avoid the late-filing penalty by filing your return on time.

We may waive or cancel this penalty as well as any interest that may apply if you file your return late because of circumstances beyond your control. If this happens, complete Form RC4288, *Request for Taxpayer Relief*, and mail it to the intake centre responsible for your province or territory of residence (intake centre addresses are provided on Form RC4288). Only requests relating to tax years ending in any of the 10 calendar years before the year in which you make the request will be considered. For example, a request made in 2012 must relate to the 2002 or a later tax year to be considered. For more information, see Information Circular IC07-1, *Taxpayer Relief Provisions*.

Repeated failure to report income penalty

If you failed to report an amount on your return for 2011, **and** you also failed to report an amount on your return for 2008, 2009, or 2010, you may have to pay a federal and provincial/territorial repeated failure to report income penalty. The federal and provincial/territorial penalties are each **10%** of the amount you failed to report on your return for 2011.

However, if you voluntarily tell us about an amount you failed to report, we may waive these penalties. For more information, see "What is a voluntary disclosure?" on page 58, or go to www.cra.gc.ca/voluntarydisclosures.

False statements or omissions penalty

You may have to pay a penalty if you knowingly or under circumstances amounting to gross negligence, have made a false statement or omission on your 2011 return.

The penalty is equal to the greater of:

- \$100; and
- 50% of the understatement of tax and/or the overstatement of credits related to the false statement or omission.

However, if you voluntarily tell us about an amount you failed to report and/or an overstatement of credits, we may waive this penalty. For more information, see "What is a voluntary disclosure?" on page 58, or go to www.cra.gc.ca/voluntarydisclosures.

Interest

If you have a balance owing for 2011, we charge compound daily interest starting May 1, 2012, on **any unpaid amounts owing** for 2011. This includes any balance owing if we

reassess your return. In addition, we will charge you interest on the penalties explained in the previous sections, starting the day after your return is due.

When will we pay interest?

We will pay you compound daily interest on your tax refund for 2011. The calculation will start on whichever of the following three dates is **latest**:

- May 31, 2012;
- the 31st day after you file your return; or
- the day after you overpaid your taxes.

Social insurance number (SIN)

Your SIN is the authorized number for income tax purposes under section 237 of the *Income Tax Act* and is used under certain federal programs. You have to give it to anyone who prepares information slips (such as a T3, T4, or T5 slip) for you. Each time you do not give it when you are supposed to, you may have to pay a \$100 penalty. Check your slips. If your SIN is missing or is incorrect, inform the slip preparer. You also have to give it to us when you ask us for personal tax information.

Your SIN card is **not** a piece of identification, and it should be kept in a safe place. For more information, or to get an application for a SIN, contact Service Canada, or visit www.servicecanada.gc.ca. You can find the addresses and telephone numbers of their offices on their Web site.

Canada Child Tax Benefit (CCTB) and Child Disability Benefit (CDB)

If you are responsible for the care and upbringing of a child who is under 18 years of age, you can apply for the CCTB for that child. Apply as soon as possible after the child is born or begins to live with you.

You can apply by:

- using **Apply for child benefits** on My Account at www.cra.gc.ca/myaccount;
- sending a completed Form RC66, *Canada Child Benefits Application*; or
- giving your consent on the provincial/territorial birth registration form. For more information about this service, see Booklet T4114, *Canada Child Benefits*.

This information is also used to apply for payments from certain related provincial or territorial programs.

In addition to the CCTB, you can also receive a CDB if your child meets the criteria for the disability amount and we have approved Form T2201, *Disability Tax Credit Certificate*, for that child.

The CCTB and the CDB are based on the net income (line 236) shown on your return and, if applicable, your spouse's or common-law partner's return **minus** any amount you or your spouse or common-law partner reported on lines 117 and 125. If you or your spouse or common-law partner deducted an amount on line 213, and/or the amount for a repayment of registered disability

savings plan income included on line 232, we will **add** these amounts to your or your spouse's or common-law partner's net income. Therefore, to qualify for these benefits, **you both have to file a return every year**, even if there is no income to report.

To view your CCTB account, go to www.cra.gc.ca/myaccount. For more information about the CCTB or the CDB, go to www.cra.gc.ca/benefits, see Booklet T4114, *Canada Child Benefits*, or call us at 1-800-387-1193.

Universal Child Care Benefit (UCCB)

If you are responsible for the care of a child under six years of age, you may be eligible to receive \$100 per month for each qualified dependant.

Enrolment for the UCCB is processed through the CCTB application. For more information about how to apply, read the previous section called "Canada Child Tax Benefit (CCTB) and Child Disability Benefit (CDB)."

While the UCCB is **taxable**, it will not be included when we calculate your GST/HST credit (including any related provincial credit), your CCTB payments (including those from certain related provincial or territorial programs), the social benefits repayment (line 235), the refundable medical expense supplement (line 452), or the Working Income Tax Benefit (WITB) (line 453). Read the instructions for line 117 to find out how to report the UCCB.

To view your UCCB account, go to www.cra.gc.ca/myaccount. For more information about the UCCB, go to www.cra.gc.ca/uccb, see Booklet T4114, *Canada Child Benefits*, or call us at 1-800-387-1193.

Which tax package should you use?

Generally, you have to use the package for the province or territory where you resided on December 31, 2011. However, there are exceptions (see the next section) such as if you had **residential ties** (see the definition below) in another place. You should have received the package you need based on our records.

If you resided in Quebec on December 31, 2011, use the package for residents of Quebec to calculate your federal tax only. You will also need to file a provincial income tax return for Quebec.

Residential ties – These ties include where your home (owned or leased) and personal property are and where your spouse or common-law partner or dependants reside. Other ties that may be relevant include social ties, driver's licence, bank accounts or credit cards, and provincial or territorial hospitalization insurance. For more information, see Interpretation Bulletin IT-221, *Determination of an Individual's Residence Status*.

Exceptions

In the following situations, you should use the package specified:

A. If, on December 31, 2011, you had **residential ties** (see the definition in the previous section) in more than one province or territory, use the package for the

province or territory where you have your most important residential ties. For example, if you usually reside in Ontario, but were going to school in Alberta or Quebec, you would use the package for Ontario.

- B. If you are filing a return for a person who died in 2011, use the package for the province or territory where that person resided at the time of death.
- C. If you emigrated from Canada in 2011, use the package for the province or territory in which you resided on the date you left. Mail your tax return to the International Tax Services Office, Post Office Box 9769, Station T, Ottawa ON K1G 3Y4 CANADA.
- D. If you lived outside Canada on December 31, 2011, but maintained significant **residential ties** (see the definition in the previous section) with Canada, you may be considered a **factual resident** of Canada. Use the package for the province or territory where you kept your residential ties. You also have to complete Schedule D, *Information About Your Residency Status*, (Form T1248) and attach it to your return. Mail your tax return to the International Tax Services Office, Post Office Box 9769, Station T, Ottawa ON K1G 3Y4 CANADA. If, under a tax treaty, you are considered to be a resident of another country, this may not apply. For more information, contact us.
- E. Generally, if you did not maintain significant **residential ties** (see the definition in the previous section) with Canada, and on December 31, 2011, you lived outside Canada and were a government employee, a member of the Canadian Forces or their overseas school staff, or working under a Canadian International Development Agency program, you may be considered a **deemed resident** of Canada. Use the package for **non-residents and deemed residents of Canada**. This may also apply to your dependent children and other family members.
- F. If you stayed in Canada for 183 days or more in 2011, you did not establish significant **residential ties** (see the definition in the previous section) with Canada, and, under a tax treaty, you were not considered a resident of another country, you will be considered a **deemed resident** of Canada. Use the package for **non-residents and deemed residents of Canada**.
- G. If, throughout 2011, you did not have significant **residential ties** (see the definition in the previous section) with Canada and neither E nor F applies, you may be considered a **non-resident** of Canada for tax purposes. Use the package for **non-residents and deemed residents of Canada**.

However, if you earned income from employment in a province or territory, or earned income from a business with a permanent establishment in a province or territory, use the package for that province or territory. Also, complete Schedule D, *Information About Your Residency Status*, (Form T1248) and attach it to your return.

How can you get the tax package you need?

To find out how to get a General forms book and guide for a particular province or territory, go to www.cra.gc.ca/forms. In addition, you can get the package for **non-residents and deemed residents of Canada** from us or any Canadian embassy, high commission, or consulate.

Other publications you may need

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

- If you were a non-resident and you earned income from employment or a business with a permanent establishment in Canada, get Guide T4058, *Non-Residents and Income Tax*.
- If you were a non-resident and you received rental income from real property in Canada, get Guide T4144, *Income Tax Guide for Electing Under Section 216*.
- If you were a non-resident and you received certain other kinds of income from Canada (including pensions and annuities), get Pamphlet T4145, *Electing Under Section 217 of the Income Tax Act*.
- If you were a newcomer to Canada in 2011, get Pamphlet T4055, *Newcomers to Canada*.
- If you emigrated from Canada during 2011, get Guide T4056, *Emigrants and Income Tax*.
- If you will be outside Canada for an extended period, get Pamphlet T4131, *Canadian Residents Abroad*.

For more information, contact the International Tax Services Office at **1-800-267-5177**. If you are calling from outside Canada and the United States, call **613-952-3741**. We accept collect calls.

Getting started

Gather all the documents you need to complete your return. This includes information slips (such as T3, T4, T4A, and T5 slips) and receipts for any deductions or credits you plan to claim. Refer to the guide as you find lines on the return that apply to you, or see the backs of your information slips for more instructions.

You can file electronically or file a paper return (see page 56). No matter how you file, see “What do you include with your return and what records do you keep?” on page 56.

What if you are missing information?

If you have to file a return for 2011, as explained on page 5, make sure you file it **on time** (see page 5) even if some slips or receipts are missing. You are responsible for reporting your income from all sources to avoid possible interest and/or penalties that may be charged. If you know you will not be able to get a slip by the due date, attach a note to your paper return stating the payer’s name and address, the type of income involved, and what you are doing to get the slip. Use any pay stubs or statements you may have to estimate the income to report and any related deductions and credits you can claim. **Enter the estimated amounts on the appropriate lines of your return.** Attach the pay stubs or statements to your paper return. If you are filing electronically, keep all your documents in case we ask to see them.

Note

You should have received most of your slips and receipts by the end of February. However, T3, T5013, and T5013A slips do not have to be sent before the end of March.

Identification, income, and deductions

Identification

Follow the instructions on the return to complete this area. Incomplete or incorrect information may delay the processing of your return and any refund, credit, or benefit, such as any GST/HST credit and Canada Child Tax Benefit payments you may be entitled to receive.

Personal label

If you have a personal label, attach it to your return. If your name, address, or social insurance number (SIN), or your spouse's or common-law partner's SIN, is incorrect, put a line through the wrong information, and print your changes clearly on the label.

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

Information about your residence

On the first line, enter the province or territory where you lived or of which you were considered to be a factual resident on December 31, 2011. We need to know this to calculate your taxes and credits correctly. For more information, see "Which tax package should you use?" on page 7.

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

On the third line, if you were **self-employed** in 2011, enter the province or territory where you had a permanent business establishment.

On the last line, if you **became** or **ceased** to be a resident of Canada **for income tax purposes** during 2011, enter your date of entry or departure.

Marital status

Tick the box that applied to your status on December 31, 2011. Tick "Married" if you had a spouse, or "Living common-law" if you had a common-law partner (see the definitions in the next sections). You still have a spouse or common-law partner if you were living apart for reasons other than a breakdown in your relationship. Tick one of the other boxes only if **neither** of the first two applied.

Notes

If your marital status changes during the year, and you are entitled to any GST/HST credit, or Working Income Tax Benefit (WITB) advance payments, be sure to let us know by sending us a completed Form RC65, *Marital Status Change*.

Under proposed changes, if your marital status changes, and you are entitled to receive Canada Child Tax Benefit (CCTB) payments, you must tell us by the end of the month following the month in which your status changes. However, in the case of separation, do not notify us until you have been separated for more than 90 consecutive days. Let us know by going to www.cra.gc.ca/myaccount, or by sending us a completed Form RC65, *Marital Status Change*.

Spouse

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

Common-law partner

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

- has been living with you in a conjugal relationship for at least 12 continuous months;
- is the parent of your child by birth or adoption; or
- 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.

In addition, an individual immediately becomes your common-law partner if you previously lived together in a conjugal relationship for at least 12 continuous months and you have resumed living together in such a relationship. Under proposed changes, this condition will no longer exist. The effect of this proposed change is that a person (other than a person described in b) or c)) will be your common-law partner only after your **current** relationship with that person has lasted at least 12 continuous months. This proposed change will apply to 2001 and later years.

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

Information about your spouse or common-law partner

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

- your spouse's or common-law partner's **social insurance number** if it is not on the label or if you are not attaching a label;
- your spouse's or common-law partner's **first name**;
- **your spouse's or common-law partner's net income** – enter the amount from line 236 of your spouse's or common-law partner's return, or the amount it would be if he or she filed a return. Enter this amount **even if it is zero**. We use this information to calculate the GST/HST credit and certain other credits and benefits;

Note

Even though you show this amount on your return, your spouse or common-law partner may still have to file a return for 2011. For more information, see page 5.

- **your spouse's or common-law partner's Universal Child Care Benefit (UCCB)** – enter the amount from line 117 of your spouse's or common-law partner's return, or the amount it would be if he or she filed a return. Although this amount is included in your spouse's or common-law partner's net income, we will subtract this amount to calculate certain credits and benefits; and
- **your spouse's or common-law partner's UCCB repayment** – enter the amount from line 213 of your spouse's or common-law partner's return, or the amount it would be if he or she filed a return. Although this amount is deducted in the calculation of your spouse's or common-law partner's net income, we will add this amount to calculate certain credits and benefits.

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

To receive this credit, including any related provincial credit, **you have to apply for it**, even if you received it last year. **Complete the application area on page 1 of your return for 2011.** Your credit is based on the number of children you have and your net income added to the net income of your spouse or common-law partner (if you have one), **minus** any amount you or your spouse or common-law partner reported on lines 117 and 125. If you or your spouse or common-law partner deducted an amount on line 213, and/or the amount for a repayment of registered disability savings plan income included on line 232, we will **add** these amounts to your or your spouse's or common-law partner's net income.

This information is also used to calculate any payments from certain related provincial programs. Net income is the amount on line 236 of a person's return, or the amount it would be if the person filed a return.

In the "Identification" area on page 1 of your return, enter your marital status and, if it applies, the information about your spouse or common-law partner (including his or her net income, **even if it is zero**). Otherwise, your application may be delayed. Either you or your spouse or common-law partner can receive the credit, but not both of you. **No matter which one of you applies, the credit will be the same.**

To view your GST/HST credit account, go to www.cra.gc.ca/myaccount. For more information about the GST/HST credit and related provincial credits, go to www.cra.gc.ca/benefits, see Booklet RC4210, *GST/HST Credit*, or call 1-800-959-1953.

Foreign income

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

How do you report foreign income and other amounts?

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

Tax Tip

If you paid foreign taxes on foreign income you received, do not reduce the amount you report by the amount of tax the foreign country withheld. However, you may be able to claim a foreign tax credit when you calculate your federal and provincial or territorial taxes. For more information, see Form T2209, *Federal Foreign Tax Credits*, and Form T2036, *Provincial or Territorial Foreign Tax Credit*.

Foreign property

On page 2 of your return, there is a question for you to answer about owning or holding foreign property at any time in 2011. This refers to:

- foreign property you owned; and
- your share of foreign property in which you had an interest.

Tick "Yes" if the total cost of all these properties was more than CAN\$100,000 in 2011. Attach a completed copy of Form T1135, *Foreign Income Verification Statement*, to your paper return. If you are filing your return electronically, send Form T1135 to the address mentioned in the instructions on the form.

Note

Foreign property does not include:

- property in your registered retirement savings plan (RRSP), registered retirement income fund (RRIF), or registered pension plan (RPP);
- mutual funds registered in Canada that contain foreign investments;
- property you used or held exclusively in the course of carrying on your active business; or
- your personal-use property.

Form T1135 contains more information about filing and a complete list of the different kinds of foreign property.

Shares of a non-resident corporation

If you (either alone or with related persons) held 10% or more of the shares of a non-resident corporation, you may have to file an additional return. For more information, see

Form T1135, *Foreign Income Verification Statement*, or contact us.

Loans and transfers to non-resident trusts

In 2011 or a previous year, you may have loaned or transferred funds or property to a non-resident trust. If so, you may have to complete and file Form T1141, *Information Return in Respect of Transfers or Loans to a Non-Resident Trust*. For more information, see Form T1141.

Beneficiaries of non-resident trusts

In 2011, you may have received funds or property from, or been indebted to, a non-resident trust under which you were a beneficiary. If so, you may have to complete and file Form T1142, *Information Return in Respect of Distributions from and Indebtedness to a Non-Resident Trust*. For more information, see Form T1142.

Total income

You have to report as income most amounts you received in 2011.

Amounts that are not taxed

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

- any GST/HST credit or Canada Child Tax Benefit payments, as well as those from related provincial or territorial programs;
- child assistance payments and the supplement for handicapped children paid by the province of Quebec;
- compensation received from a province or territory if you were a victim of a criminal act or a motor vehicle accident;
- lottery winnings;
- most gifts and inheritances;
- amounts paid by Canada or an ally (if the amount is not taxable in that country) for disability or death due to war service;
- most amounts received from a life insurance policy following someone's death;
- most payments of the type commonly referred to as strike pay you received from your union, even if you perform picketing duties as a requirement of membership; and

Note

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

- most amounts received from a Tax-Free Savings Account (TFSA). For more information, go to www.cra.gc.ca/tfsa, or see Guide RC4466, *Tax-Free Savings Account (TFSA), Guide for Individuals*.

Retroactive lump-sum payments

If you received a lump-sum payment of eligible income in 2011, parts of which were for previous years after 1977, you have to report the whole payment on the appropriate line of your return for 2011.

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

Eligible income includes:

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

To ask us to apply this calculation, attach to your paper return all completed copies of Form T1198, *Statement of Qualifying Retroactive Lump-Sum Payment*, that payers have given you. We will tell you the results on your notice of assessment or notice of reassessment.

Loans and transfers of property

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

For more information, see interpretation bulletins IT-510, *Transfers and Loans of Property Made After May 22, 1985 to a Related Minor*, and IT-511, *Interspousal and Certain Other Transfers and Loans of Property*.

Split income of a child under 18

Certain income of a child who was born in 1994 or later is not subject to the rules discussed under "Loans and transfers of property" in the previous section. It is subject to a special tax, but it also qualifies for a deduction. This applies to the following amounts received directly or through a trust (other than a mutual fund trust) or partnership:

- shareholder benefits that relate to shares that are not listed on a designated stock exchange; and

- dividends from shares (not including those in a mutual fund corporation or listed on a designated stock exchange).

Note

A child under 18 may be subject to the tax on split income in respect of dividends on shares of a corporation. Under proposed changes, after March 21, 2011, any capital gain from the disposition of those shares to a person who does not deal at arm's length with the child, will be deemed to be a dividend. This deemed dividend is subject to the tax on split income and is considered to be an other than eligible dividend for the purposes of the dividend tax credit.

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

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

The special tax and deduction do not apply if:

- the income is from property the child inherits from a parent;
- the income is from property inherited by the child from anyone else and, during the year, he or she is enrolled full-time in a post-secondary institution or qualifies for the disability amount (line 316 of Schedule 1);
- the child was a non-resident of Canada at any time in the year; or
- neither of the child's parents was a resident of Canada at any time in the year.

How to report

The child still reports the income on the appropriate lines of his or her return. However, he or she can claim a deduction on line 232 for this income. The special tax is included in the calculation of his or her federal and provincial or territorial taxes. To calculate this tax, complete Form T1206, *Tax on Split Income*. Attach the form to the child's paper return.

Tax shelters

To claim deductions, losses, or credits from tax shelter investments, attach to your paper return any applicable T5003 slips and a completed Form T5004, *Claim for Tax Shelter Loss or Deduction*. Also, if applicable, attach any T5013A slips. Your form must show the tax shelter identification number.

Tax Tip

For information about how to protect yourself against tax schemes, go to www.cra.gc.ca/alert.

Line 101 – Employment income

Enter the total of amounts shown in box 14 of all your T4 slips. If you have not received your slip by early April,

or if you have any questions about an amount on a slip, contact your employer. For more information, see "What if you are missing information?" on page 8.

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

If you received payments from a wage-loss replacement plan shown in box 14 of your T4 slips, you may not have to report the full amount on your return. Report the amount you received minus the contributions you made to the plan if you did not use them on a previous year's return to calculate the amounts to report. For more information, see Interpretation Bulletin IT-428, *Wage Loss Replacement Plans*.

Notes

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

If you received a housing allowance as a member of the clergy, the allowance may be shown in box 14 of your T4 slips. If so, subtract the amount of the allowance from the amount shown in box 14, and enter the difference on line 101. Report the allowance on line 104.

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

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

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

Tax Tip

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

Emergency volunteers

In 2011, you may have received a payment from a government, municipality, or other public authority for your work as a volunteer ambulance technician, firefighter, or search, rescue, or other emergency worker. If so, the T4 slips issued by such an authority will generally show only the taxable part of the payment, which is the part that is more than \$1,000. However, if that authority employed you (other than as a volunteer) for the same or similar duties, the whole payment will be taxable.

Volunteer firefighters

The exempt part of a payment for your work as a volunteer firefighter is shown in box 87 of your T4 slips. Under proposed changes, you cannot claim both this exemption and the volunteer firefighters' amount. If you are claiming the exemption, report only the amount shown in box 14 of your T4 slips. If you claim the \$3,000 volunteer firefighters'

amount, add the amounts shown in boxes 87 and 14 of your T4 slips and enter the result on line 101. For more information about the volunteer firefighters' amount, see Line 362.

Security option benefits

Report taxable benefits you received in (or carried forward to) 2011 on certain security options you exercised. If you report any taxable benefits, see Line 249 for more information.

For eligible securities under option agreements exercised **up to and including** 4:00 p.m. Eastern standard time on March 4, 2010, that were not granted by a Canadian controlled private corporation (CCPC), an income deferral of the taxable benefit may have been allowable subject to an annual limit of \$100,000 on the fair market value of the eligible securities.

If you exercised an option for eligible securities **after** 4:00 p.m. Eastern standard time, on March 4, 2010, that was not granted by a CCPC, the election to defer the benefit is no longer available for those securities.

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

Commissions (box 42)

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

If you are a self-employed commission salesperson, see Guide T4002, *Business and Professional Income*, to determine how to report your commission income and claim your expenses.

Line 104 – Other employment income

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

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

Notes

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

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

- **Net research grants** – Subtract your expenses from the grant you received and report the net amount on this line. Your expenses cannot be more than your grant. Attach to your paper return a list of your expenses. For more information, see Pamphlet P105, *Students and Income Tax*.

- **Clergy's housing allowance** – Report the amount shown in box 30 on your T4 slips. You may be entitled to claim a deduction on line 231.

Note

If the allowance is shown in box 14 of your T4 slips, subtract the amount of the allowance from the amount shown in box 14 and enter the difference on line 101. Enter the allowance on line 104. You may be entitled to claim a deduction on line 231.

- **Foreign employment income** – Report your earnings in Canadian dollars (see "How do you report foreign income and other amounts?" on page 10). The amount on your United States W-2 slip may have been reduced by contributions to a "401(k), 457 or 403(b) plan, *US Medicare* and *Federal Insurance Contributions Act (FICA)*." If this is the case, you must add these contributions to your foreign employment income on line 104 on your Canadian return. Based on the new Protocol between Canada and the United States, these contributions may be deductible. For more information, see Line 207.

- **Income-maintenance insurance plans (wage-loss replacement plans)** – This income is shown in box 107 of your T4A slips. You may not have to report the full amount on your return. Report the amount you received, minus contributions you made to the plan after 1967, if you did not use them on a previous year's return to calculate the amount to report. For more information, see Interpretation Bulletin IT-428, *Wage Loss Replacement Plans*.

- **Veterans' benefits** – Report the amount shown in box 127 of your T4A slip.

- **Certain GST/HST and QST (Quebec sales tax) rebates** – If you are an **employee** who paid and deducted employment expenses in 2010 or earlier, you may have received a GST/HST or QST rebate in 2011 for those expenses. If so, report on line 104 the rebate you received. However, a rebate on which you can claim capital cost allowance is treated differently. For more information, see Guide T4044, *Employment Expenses*.

- **Royalties** – Report these amounts on this line if you received them for a work or invention of yours. Report other royalties (other than those included on line 135) on line 121.

- **Amounts you received under a supplementary unemployment benefit plan (a guaranteed annual wage plan)** – Report the amount shown in box 152 of your T4A slips.

- **Taxable benefit for premiums paid to cover you under a group term life-insurance plan** – Report the amount shown in box 119 of your T4A slips.

- **Employee profit-sharing plan** – Report the amount shown in box 35 of your T4PS slips.

- **Medical premium benefits** – Report the amount shown in box 118 of your T4A slips.

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

Line 113 – Old Age Security pension (OAS)

Enter the amount shown in box 18 of your T4A(OAS) slip. For more information about how to report the amount shown in box 21, see Line 146. If you have not received your T4A(OAS) slip, visit www.servicecanada.gc.ca, or call 1-800-277-9914.

Notes

You may have to repay OAS benefits (see Line 235) if the result of the following calculation is more than \$67,668:

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

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

If, at any time in 2011 you were a non-resident of Canada receiving an OAS pension, you may also have to complete Form T1136, *Old Age Security Return of Income*. For more information, see Guide T4155, *Old Age Security Return of Income Guide for Non-Residents*, or contact the International Tax Services Office. To get Form T1136 and Guide T4155, go to www.cra.gc.ca/forms.

Line 114 – CPP or QPP benefits

Enter the total Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) benefits shown in box 20 of your T4A(P) slip. This amount is the total of the amounts shown in boxes 14 to 18. If your T4A(P) slip has an amount shown in box 16, 17, or 18, read the following sections that apply to you. If you have not received your T4A(P) slip, visit www.servicecanada.gc.ca, or call 1-800-277-9914.

Lump-sum benefits – If you received a lump-sum CPP or QPP payment in 2011, parts of which were for previous years, you have to report the whole payment on line 114 of your return for 2011. We will **not** reassess the returns for the previous years to include this income. However, if the total of the parts that relate to previous years is \$300 or more, we will calculate the tax payable on those parts as if you received them in those years **only** if the result is better for you. If you received a letter from Service Canada showing amounts that apply to previous years, attach it to your paper return. We will tell you the results on your notice of assessment or notice of reassessment.

CPP or QPP disability benefit (box 16)

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

CPP or QPP child benefit (box 17)

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

CPP or QPP death benefit (box 18)

If you received this amount and you are a beneficiary of the deceased person's estate, you can choose to report it on line 114 of your own return or on a T3 *Trust Income Tax and Information Return* for the **estate**. Do not report it on the deceased person's individual return. The taxes payable may be different, depending on which return you use. For more information, see Guide T4013, *T3 Trust Guide*.

Line 115 – Other pensions or superannuation

Enter on line 115 any other pensions or superannuation you received, such as amounts shown in box 016 of your T4A slips and box 31 of your T3 slips. Report on line 130 any amount shown in box 018 of your T4A slips or box 22 of your T3 slips.

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

Annuity and registered retirement income fund (RRIF), including life income fund, payments

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

- If you were 65 years of age or older on December 31, 2011, report it on line 115.
- Regardless of your age, if you received it because your spouse or common-law partner died, report it on line 115.
- Otherwise, report on line 130 the amount shown in box 024 or box 133 of your T4A slips or box 16 or 20 of your T4RIF slips. Report on line 121 the amount shown in box 19 of your T5 slips.

Note

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

Saskatchewan Pension Plan (SPP)

Report on line 115 SPP payments shown in box 016 of your T4A slip. For more information about the SPP, visit www.saskpension.com.

SPP payments are eligible for the pension income amount (see Line 314).

Tax Tips

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

You may also be able to jointly elect with your spouse or common-law partner to split your pension, annuity, and

RRIF (including life income fund) payments you reported on line 115 if **both** of the following apply:

- you were both residents of Canada on December 31, 2011 (or were residents of Canada on the date of death); **and**
- you and your spouse or common-law partner were not, because of a breakdown in your marriage or common-law relationship, living separate and apart from each other at the end of the year and for a period of 90 days commencing in the year.

To make this election, you and your spouse or common-law partner **must** complete Form T1032, *Joint Election to Split Pension Income*.

Note

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

Pensions from a foreign country

Report in Canadian dollars the **gross amount** of your foreign pension income you received in 2011. See “How do you report foreign income and other amounts?” on page 10. Attach a note to your paper return identifying the type of pension you received and the country it came from. In some cases, amounts you receive may not be considered pension income, and you may have to report them elsewhere on your return.

United States individual retirement arrangement (IRA) – If, during 2011, you received amounts from an IRA or converted the IRA to a “Roth” IRA, contact us.

Tax Tip

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

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

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

Line 116 – Elected split-pension amount

If you and your spouse or common-law partner have jointly elected to split your spouse’s or common-law partner’s eligible pension income by completing Form T1032, *Joint Election to Split Pension Income*, you (the pension transferee) must enter on this line the elected split-pension amount from line E of Form T1032.

File Form T1032 by your filing due date for the year (see “What date is your return for 2011 due?” on page 5). This form **must** be attached to **both** your and your spouse’s or

common-law partner’s paper returns. The information provided on the forms **must** be the **same**. If you are filing electronically, keep your election form in case we ask to see it.

Note

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

Line 117 – Universal Child Care Benefit (UCCB)

If you had a spouse or common-law partner on December 31, 2011, the one of you with the **lower** net income must report the UCCB. Enter on line 117 the amount shown in box 10 of the RC62 slip.

If you were a single parent on December 31, 2011, you can choose one of the following options:

- Include **all** UCCB amounts you received in 2011 in the income of the dependant for whom the amount for an eligible dependant (line 305 of Schedule 1) is being claimed. If there is **no** claim for an eligible dependant, you can choose to include all UCCB amounts in the income of a child for whom you received the UCCB. If you choose this option, **enter on line 185**, located below and to the left of line 117, the amount shown in box 10 of the RC62 slip. Do not enter the amount on line 117.
- Include **all** UCCB amounts you received in 2011 in your own income. If you choose this option, enter on line 117 the amount shown in box 10 of the RC62 slip. Do not enter the amount on line 185.

Note

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

In 2011, you or your spouse or common-law partner may have repaid an amount included in your or your spouse’s or common-law partner’s income for a previous year. If this applies to you, see Line 213.

Lump-sum benefits – If you received the UCCB in 2011 as a lump-sum, parts of which were for a previous year, you must report the full amount of the payment in 2011. Read the instructions above on how to report this income.

We will **not** reassess the returns for the previous years to include this income. However, if you have to report on line 117 a UCCB lump-sum payment you received in 2011, and the total of the parts that relate to previous years is \$300 or more, we will calculate the tax payable on those parts as if you received them in those years only if the result is better for you. Box 10 of the RC62 slip will show the breakdown of the payment as it applies to each year. We will tell you the results on your notice of assessment or notice of reassessment.

Note

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

Line 119 – Employment Insurance and other benefits

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

Note

You may have to repay some of the benefits you received (see Line 235) if the result of the following calculation is more than \$55,250:

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

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

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

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

How to report

Complete Part I of Schedule 4.

Enter on **line 180** the taxable amount of dividends (**other than eligible dividends**) as shown in box 11 of T5 slips, box 25 of T4PS slips, box 32 of T3 slips, and box 51-1 of T5013 or T5013A slips.

Enter on **line 120** the taxable amount of **all** dividends from taxable Canadian corporations, as shown in boxes 11 and 25 of T5 slips, boxes 25 and 31 of T4PS slips, boxes 32 and 50 of T3 slips, and boxes 51-1 and 52-1 of T5013 or T5013A slips.

If you did not receive an information slip, you must calculate the taxable amount of **other than eligible dividends** by multiplying the actual amount of dividends (other than eligible) you received by **125%**. Report the result on **line 180**.

You must also calculate the taxable amount of **eligible dividends** by multiplying the actual amount of eligible dividends you received by **141%**. Report the combined total of eligible and other than eligible dividends on **line 120**.

Dividends received from taxable Canadian corporations qualify for the dividend tax credit, which can reduce the amount of tax you pay. You can claim this credit when you calculate your federal and provincial or territorial taxes. Read the instructions for line 425 on page 50.

Report on line 121 any foreign dividends you received.

Notes

Special rules apply for income from property (including shares) one family member lends or transfers to another. For more information, see “Loans and transfers of property” on page 11.

If a child who was born in 1994 or later is reporting certain dividends, see “Split income of a child under 18” on page 11.

Tax Tip

In some cases, it may be better for you to report **all** the taxable dividends your spouse or common-law partner received from taxable Canadian corporations. You can do this only if, by including the dividends in your income, you will be able to claim or increase your claim for the spouse or common-law partner amount (line 303 of Schedule 1).

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

Line 121 – Interest and other investment income

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

The amounts to report include those shown in boxes 13, 14, and 15 of T5 slips, box 25 of T3 slips, and boxes 50 and 55 of T5013 or T5013A slips. You also have to report the interest on any tax refund you received in 2011, which is shown on your notice of assessment or notice of reassessment.

If you received foreign interest or dividend income, make sure you report it in Canadian dollars. For more information, see “How do you report foreign income and other amounts?” on page 10.

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

If, as a shareholder in a foreign corporation, you received certain shares in another foreign corporation, you may not have to report any amount in income for receiving those shares. For more information, get Form T1135, *Foreign Income Verification Statement*, or contact us.

Notes

Special rules apply for income from most property (including money) one family member lends or transfers to another. For more information, see “Loans and transfers of property” on page 11.

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

If a child who was born in 1994 or later is reporting certain investment income, see "Split income of a child under 18" on page 11.

How to report

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

Example

Sally and Roger received a T5 slip from their joint bank account showing the \$400 interest they earned in 2011. Sally had deposited \$4,000 and Roger had deposited \$1,000 into the account.

Roger reports \$80 interest, calculated as follows:

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

Sally reports \$320 interest, calculated as follows:

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

Bank accounts

Report interest paid or credited to you in 2011, even if you did not receive an information slip. You may not receive a T5 slip for amounts under \$50.

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

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

The amount of income you report is based on the interest you earned during each complete investment year. For example, if you made a long-term investment on July 1, 2010, report on your return for 2011 the interest that accumulated to the end of June 2011, even if you do not receive a T5 slip. Report the interest from July 2011 to June 2012 on your 2012 return.

Note

Your investment agreement may specify a different interest rate each year. If so, report the amount shown on your T5 slips, even if it is different from what the agreement specifies or what you received. The issuer of your investment can tell you how this amount was calculated.

For most investments you made **in 1990 or later**, you have to report the interest each year, as you earn it. For information about reporting methods for investments made

in 1989 or earlier, use **Info-Tax**, one of our **TIPS** services (see page 62), or see Interpretation Bulletin IT-396, *Interest Income*.

Canada Savings Bonds

Interest on a regular interest ("R") bond is paid annually until the bond matures or you cash it in. Interest on a compound interest ("C") bond is not paid until you cash it in. For both kinds of bonds, report the amount shown on the T5 slips.

Treasury bills (T-bills)

If you disposed of a T-bill at maturity in 2011, you have to report as interest the difference between the price you paid and the proceeds of disposition shown on your T5008 slips or account statement.

If you disposed of a T-bill before maturity in 2011, you may also have to report a capital gain or loss. For more information, see Guide T4037, *Capital Gains*.

Earnings on life insurance policies

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

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

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

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

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

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

Notes

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

If a child who was born in 1994 or later is reporting certain limited or non-active partnership income, see "Split income of a child under 18" on page 11.

If you have a tax shelter, see "Tax shelters" on page 12.

How to report

- Complete Part III of Schedule 4.
- Attach to your paper return a T5013 or T5013A slip. If you did not receive one, attach a copy of the partnership's financial statement. For more information, see lines 135 to 143.

Note

You may have to make Canada Pension Plan contributions on the net income you report on line 122. For more information, see Line 222.

Line 125 – Registered disability savings plan (RDSP) income

If you have received income from an RDSP in 2011, enter the amount shown in box 131 of your T4A slips. For more information, go to www.cra.gc.ca/rdsp, see Information Sheet RC4460, *Registered Disability Savings Plan*, or contact us.

Note

The RDSP income you report will **not** be included in the calculation of your GST/HST credit, your Canada Child Tax Benefit (CCTB) payments (including those from certain related provincial or territorial programs), the social benefits repayment (line 235), the refundable medical expense supplement (line 452), or the Working Income Tax Benefit (WITB) (line 453).

Line 126 – Rental income

Enter your gross rental income on line 160 and your net rental income or loss on line 126. If you have a loss, show the amount in brackets. If you were a member of a partnership, you should also report any amount shown in boxes 23 and 26 of your T5013 or T5013A slips or any amount the partnership allocated to you in its financial statements.

You have to include with your paper return a statement (you can use Form T776, *Statement of Real Estate Rentals*) showing your rental income and expenses for the year. If it applies, also include your T5013 slips or a copy of the partnership's financial statement.

For more information about rental activities, see Guide T4036, *Rental Income*, which includes Form T776.

If you have a tax shelter, see "Tax shelters" on page 12.

Line 127 – Taxable capital gains

You may have a capital gain or loss when property is disposed of, such as when real estate or shares (including those in mutual funds) are sold. Generally, if the total of your gains for the year is more than the total of your losses, you have to report 50% of the difference as income. However, if the total of your losses for the year is more than the total of your gains, you cannot deduct the difference on your return for the year. See the next section called "How to report."

You may have a deemed taxable capital gain if you are electing for the special relief in respect of the gains from a disposition of eligible securities on which you elected in a previous year to defer the security option benefits. For more information, see Form RC310, *Election for Special Relief for Tax Deferral Election on Employee Security Options*, and Guide T4037, *Capital Gains*.

If you have a capital gain or loss from selling or redeeming your mutual fund units or shares, get Information Sheet RC4169, *Tax Treatment of Mutual Funds for Individuals*, for more information.

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

When you donate capital property to a registered charity, we consider you to have disposed of the property at its fair market value. As a result, you may have to report a capital gain or loss for that property. There are special rules for donations of certain property. For more information, see Guide T4037, *Capital Gains*, and Pamphlet P113, *Gifts and Income Tax*.

For donations of publicly traded securities, the inclusion rate of zero has been extended to any capital gain realized on the exchange of shares of the capital stock of a corporation for those publicly listed securities donated. This treatment is subject to certain conditions. In cases where the exchanged securities are partnership interests, a special calculation is required to determine the capital gain to be reported. For more information about exchangeable securities, see Pamphlet P113, *Gifts and Income Tax*.

Under proposed changes, donations of certain flow-through share properties may give rise to a deemed capital gain that is subject to an inclusion rate of 50%. For more information, see Pamphlet P113, *Gifts and Income Tax*.

How to report

Complete Schedule 3, and attach it to your paper return. Generally, if all of your gains or losses are shown on T4PS, T5, T5013, or T5013A slips, enter the total of amounts on line 174 of Schedule 3. If they are shown on T3 slips, enter the total of amounts on line 176. Also attach these documents to your paper return. If your securities transactions are shown on an account statement or a T5008 slip, use the information on these documents to help you complete Schedule 3. For more information about these and other capital dispositions, see Guide T4037, *Capital Gains*.

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

Notes

You may have incurred a net capital loss in 2011 you want to apply against taxable capital gains you reported on your 2008, 2009, or 2010 return. For more information and to carry back the loss, get Form T1A, *Request for Loss Carryback*, and Guide T4037, *Capital Gains*. Attach a completed Form T1A to your paper return (or send one

to us separately). Do not file an amended return for the year or years to which you want to apply the loss.

If you are completing a return for a person who died in 2011, see Guide T4011, *Preparing Returns for Deceased Persons*, for more information about special rules that apply to claiming these losses.

Tax Tip

You may be able to claim a deduction for your capital gains. For more information, see Line 254.

Line 128 – Support payments received

Enter on **line 156** the total of **all** taxable and non-taxable support payments you received for yourself and/or for a child (or, if you are the payer, the payments that were repaid to you under a court order) in 2011. Enter on **line 128** only the **taxable** amount.

Note

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

Tax Tips

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

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

Line 129 – RRSP income

Enter on line 129 the total of amounts shown in boxes 16, 18, 28, and 34 of all your T4RSP slips. Also report amounts shown in boxes 20, 22, and 26, unless your spouse or common-law partner made a contribution to your RRSP. For more information, see “RRSPs for spouse or common-law partner” in the next section.

Note

If you report a refund of RRSP premiums shown in box 28 of your T4RSP slips, and you rolled over an amount to a registered disability savings plan (RDSP), you may be able to claim a deduction. See Line 232 for more information. For more information about RDSPs, go to www.cra.gc.ca/rdsp or see Guide T4040, *RRSPs and Other Registered Plans for Retirement*.

Tax Tips

If unused RRSP contributions you made after 1990 were refunded to you or your spouse or common-law partner in 2011, you may be able to claim a deduction on line 232. For more information, see Line 232.

RRSP annuity payments you report on line 129 (shown in box 16 of your T4RSP slips) qualify for the pension income amount if you were 65 years of age or older on December 31, 2011, or if you received the payments because of the death of your spouse or common-law partner (see Line 314).

You may also be able to jointly elect with your spouse or common-law partner to split your RRSP annuity payments you reported on line 129, if you meet **all** of the following conditions:

- you were 65 years of age or older on December 31, 2011, **or** you received the payments because of the death of your spouse or common-law partner;
- you were both residents of Canada on December 31, 2011 (or were residents of Canada on the date of death); **and**
- you and your spouse or common-law partner were not, because of a breakdown in your marriage or common-law relationship, living separate and apart from each other at the end of the year and for a period of 90 days commencing in the year.

To make this election, you and your spouse or common-law partner **must** complete Form T1032, *Joint Election to Split Pension Income*.

Note

If you elected to split your RRSP annuity payments with your spouse or common-law partner, you (the pensioner) must still report the full amount on line 129, but you can claim a deduction for the elected split-pension amount. For more information, see Line 210.

RRSPs for spouse or common-law partner

Your spouse or common-law partner may have to report some or all of the RRSP income shown in boxes 20, 22, or 26 of your T4RSP slips if he or she contributed to **any** of your RRSPs in 2009, 2010, or 2011. In that case, your T4RSP slips should have “Yes” ticked in box 24 and your spouse’s or common-law partner’s social insurance number shown in box 36.

To calculate the amount from an RRSP for a spouse or common-law partner that each of you has to report, **complete Form T2205, Amounts from a Spousal or Common-Law Partner RRSP or RRIF to Include in Income**. Both you and your spouse or common-law partner should include this form with your paper returns. However, only the person shown as the annuitant (recipient) on the T4RSP slips can claim the income tax deducted (box 30) and should attach the slips to his or her paper return.

Note

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

For more information, see Guide T4040, *RRSPs and Other Registered Plans for Retirement*.

Repayments under the Home Buyers’ Plan (HBP) and the Lifelong Learning Plan (LLP)

If, in previous years, you withdrew funds from your RRSP under the HBP or the LLP, you may have to make a repayment for 2011. The minimum repayment is shown on your notice of assessment or notice of reassessment for

2010. To make a repayment, you have to contribute to your RRSP **from January 1, 2011, to February 29, 2012**, and designate your contribution as a repayment on line 6 or 7 of Schedule 7 (see page 24). **Do not send your repayment to us.**

If you repay less than the minimum amount for 2011, you have to report the difference on line 129 of your return.

Example

Kevin withdrew funds under the HBP in 2006. His minimum required repayment for 2011 was \$800. The only RRSP contribution he made from January 1, 2011, to February 29, 2012, was \$500 on June 18, 2011. He designated it on line 6 of Schedule 7 as a repayment under the HBP and included \$300 in his income on line 129 (\$800 minimum required repayment minus \$500 repaid and designated).

For more information, including the rules that apply when the person who made the withdrawal dies, turns 71 years of age, or becomes a non-resident, see Guide RC4135, *Home Buyers' Plan (HBP)* or Guide RC4112, *Lifelong Learning Plan (LLP)*.

To view your HBP or LLP information, go to www.cra.gc.ca/myaccount.

Line 130 – Other income

Use this line to report taxable income that is not reported anywhere else on the return. To find out if an amount is taxable, contact us. **Make sure the amount you are reporting on line 130 is not a type of income that should have been reported on lines 101 to 129.** In the space to the left of line 130, specify the type of income you are reporting. If you have more than one type of income, attach a note to your paper return giving the details.

Note

Special rules apply for income from property one family member lends or transfers to another. For more information, see "Loans and transfers of property" on page 11.

Scholarships, fellowships, bursaries, and artists' project grants

Elementary and secondary school scholarships and bursaries are not taxable.

Post-secondary school scholarships, fellowships, and bursaries are not taxable if you received them for your enrolment in a program that entitles you to claim the full-time education amount in 2010, 2011, or 2012. If you are not eligible for the full-time or part-time education amount, enter on line 130 the part of the post-secondary scholarships, fellowships, and bursaries you received in the year that is more than \$500.

Notes

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

equivalent) degree. Post-doctoral fellowships are taxable.

Under proposed changes, if you have received a scholarship, fellowship, or bursary received in connection with a part-time program for which you can claim the part-time education amount for that program, the scholarship exemption is equal to the amount of tuition paid for the program plus the costs of program-related materials.

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

For more information, go to www.cra.gc.ca/students, or see Pamphlet P105, *Students and Income Tax*.

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

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

For more information, see Pamphlet P105.

Apprenticeship incentive grant

If you received an apprenticeship incentive grant in 2011, report the amount shown in box 130 of your T4A slip on line 130.

For more information, visit www.servicecanada.gc.ca, or call 1-866-742-3644.

Apprenticeship completion grant

If you received an apprenticeship completion grant in 2011, report the amount shown in box 130 of your T4A slip on line 130.

For more information, visit www.servicecanada.gc.ca, or call 1-866-742-3644.

Lump-sum payments

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

If, in 2011, you received a lump-sum payment that included amounts you earned in previous years, you have to report the whole payment on line 130 of your return for 2011. However, you can ask us to apply a reduced tax rate to the part relating to amounts you earned before 1972 by attaching a note to your paper return. We will tell you the results on your notice of assessment or notice of reassessment.

Retiring allowances (severance pay)

A retiring allowance includes an amount paid as severance pay. Report the amount shown in boxes 66 and 67 of your T4 slips. Also, report any retiring allowance shown in box 26 of your T3 slips.

Note

You may be able to deduct legal fees you paid to get a retiring allowance. For more information, see Line 232.

Tax Tip

You may be able to transfer part or all of your retiring allowances to your RRSP. See “Line 11 – Transfers” on page 25.

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

A death benefit is an amount you receive after a person’s death for that person’s employment service. It is shown in box 106 of your T4A slips or box 26 of your T3 slips.

You may not have to pay tax on up to \$10,000 of the benefit you received. If you are the only one to receive a death benefit, report the amount you receive that is more than \$10,000. Even if you do not receive the full death benefit in one year, the total tax-free amount for all years cannot be more than \$10,000.

To find out what to report if anyone else also received a death benefit for the same person, use **Info-Tax**, one of our **TIPS** services (see page 62), or see Interpretation Bulletin IT-508, *Death Benefits*.

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

Other kinds of income

Also report the following income on line 130:

- amounts distributed from a retirement compensation arrangement shown on your T4A-RCA slips (for more information, see the backs of your slips);
- training allowances or any other amount shown in box 028 of your T4A slips (other than amounts already mentioned for this line and lines 104, 115, and 125);
- payments from a trust shown in box 26 of your T3 slips;
- payments from a registered education savings plan shown in box 040 (also see Line 418) or 042 of your T4A slips;
- certain annuity payments (see Line 115);
- payments from a Tax-Free Savings Account (TFSA) shown in box 134 of your T4A slips; and
- designated benefits from a registered retirement income fund shown in box 22 of your T4RIF slips, or the registered pension plan amount shown in box 018 of your T4A slips if you rolled over an amount to a registered disability savings plan (RDSP). See Line 232 for information about the corresponding deduction. For more information about RDSPs, go to www.cra.gc.ca/rdsp or see Guide T4040, *RRSPs and Other Registered Plans for Retirement*.

Lines 135 to 143 – Self-employment income

Enter on the appropriate line your gross and net income or loss from self-employment. If you have a loss, show it in

brackets. Include with your paper return a statement showing your income and expenses.

You have to file Form T1139, *Reconciliation of 2011 Business Income for Tax Purposes*, with your return for 2011 if you want to keep a year-end that does not finish on December 31, 2011. However, if you filed Form T1139 with your return for 2010, you may have to complete the version of this form for 2011. For more information, see Guide RC4015, *Reconciliation of Business Income for Tax Purposes*.

Notes

You may have to make Canada Pension Plan contributions on your self-employment earnings (see Line 222).

You may be able to enter into an agreement with the Canada Employment Insurance Commission through Service Canada to participate in the Employment Insurance (EI) program for access to EI special benefits. For more information, contact Service Canada, or visit www.servicecanada.gc.ca.

If a child who was born in 1994 or later is reporting certain self-employment income, see “Split income of a child under 18” on page 11.

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

- T4002, *Business and Professional Income* (Form T2125, *Statement of Business or Professional Activities*);
- T4004, *Fishing Income* (Form T2121, *Statement of Fishing Activities*);
- T4003, *Farming Income* (Form T2042, *Statement of Farming Activities*);
- RC4060, *Farming Income and the AgriStability and AgriInvest Programs Guide* (Form T1163, *Statement A – AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Individuals*, and Form T1164, *Statement B – AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Additional Farming Operations*); and
- RC4408, *Farming Income and the AgriStability and AgriInvest Programs Harmonized Guide* (Form T1273, *Statement A – Harmonized AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Individuals*, and Form T1274, *Statement B – Harmonized AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Additional Farming Operations*).

Notes

If you are participating in the AgriStability and AgriInvest Programs and you are filing a paper return, use the envelope contained in your Guide RC4060 or Forms Book RC4408-2.

If you use your home for daycare, see Pamphlet P134, *Using Your Home for Daycare*, for more information.

Generally, if you were a limited or non-active partner, you enter your net income or loss on line 122. However, if your net income or loss is from a rental operation, enter the

amount on line 126. If it is from a farming operation, enter it on line 141.

If you were an active partner and received a T5013 or T5013A slip, report the amount from boxes 20, 21, 35, 37, 39, 41, and 43 on the applicable line of your return. This is your share of the partnership's net income or loss. Also report the partnership's gross income as shown in boxes 162, 164, 166, 168, and 170. Attach the T5013 or T5013A slip to your paper return. If you did not receive this slip, you should attach the applicable self-employment form indicated above or a copy of the partnership's financial statement.

For more information, contact our **Business enquiries** service. See "Contacting us" on page 59.

If you have a tax shelter, see "Tax shelters" on page 12.

Line 144 – Workers' compensation benefits

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

Note

In 2011, you may have repaid salary or wages originally paid to you by your employer in a previous year, in anticipation of workers' compensation benefits you would receive. This amount should be shown in box 77 of your T4 slips. In that case, you may be able to claim a deduction on line 229. For more information, contact us.

Line 145 – Social assistance payments

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

Notes

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

If you repay an amount that was shown on a T5007 slip or a *Relevé 5* slip in a previous year, the return for that year may be adjusted based on the amended slip provided. For more information, see "How do you change a return?" on page 57.

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

Line 146 – Net federal supplements

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

If your net income before adjustments (line 234) is \$67,668 or less, claim a deduction on line 250 for the net federal supplements you entered on line 146. If the amount on line 234 of your return is more than \$67,668, contact us to find out how much you can deduct on line 250.

Note

Your net income before adjustments on line 234 of your return will be reduced by the amounts entered on lines 117 and 125, and increased by any amount deducted on line 213 and/or the amount for a repayment of the registered disability savings plan income included on line 232, if required.

Net income

Line 206 – Pension adjustment

Enter on line 206 the total of all amounts shown in box 52 of your T4 slips or box 034 of your T4A slips. Generally, this total represents the value of the benefits you earned in 2011 under a registered pension plan (RPP) or a deferred profit-sharing plan (DPSP).

Do not report the pension adjustment (PA) amount as income, and do not deduct it on your return. Enter the amount on line 206. We will use it to calculate your registered retirement savings plan (RRSP) deduction limit for 2012, which we will show on your latest notice of assessment, notice of reassessment, or T1028, *Your RRSP Information for 2011*. For more information, see Line 208.

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

Notes

If you live in Canada and participated in a foreign pension plan in 2011, you may have to enter an amount on this line. For more information, contact us.

If you contributed to a foreign employer-sponsored pension plan or to a social security arrangement (other than a United States (U.S.) arrangement), see Form RC269, *Employee Contributions to a Foreign Pension Plan or Social Security Arrangement for 2011 – Non-United States Plans or Arrangements*.

If you were a U.S. resident working in Canada and contributed to a U.S. employer-sponsored retirement plan, see Form RC267, *Employee Contributions to a United States Retirement Plan for 2011 – Temporary Assignments*.

If you were a commuter from Canada and contributed to a U.S. retirement plan, see Form RC268, *Employee Contributions to a United States Retirement Plan for 2011 – Cross-Border Commuters*.

You can get these forms by going to www.cra.gc.ca/forms, or by contacting us.

Line 207 – Registered pension plan (RPP) deduction

Generally, you can deduct the total of all amounts shown in box 20 of your T4 slips, box 032 of your T4A slips, or on your union or RPP receipts. Contact us or see Guide T4040, *RRSPs and Other Registered Plans for Retirement*, to find out how much you can deduct if **any** of the following apply:

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

Notes

If you contributed to a foreign employer-sponsored pension plan or to a social security arrangement (other than a United States (U.S.) arrangement), see Form RC269, *Employee Contributions to a Foreign Pension Plan or Social Security Arrangement for 2011 – Non-United States Plans or Arrangements*.

If you were a U.S. resident working in Canada and contributed to a U.S. employer-sponsored retirement plan, see Form RC267, *Employee Contributions to a United States Retirement Plan for 2011 – Temporary Assignments*.

If you were a commuter from Canada and contributed to a U.S. retirement plan, see Form RC268, *Employee Contributions to a United States Retirement Plan for 2011 – Cross-Border Commuters*.

You can get these forms by going to www.cra.gc.ca/forms, or by contacting us.

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

Line 208 – RRSP deduction

This section gives general information about registered retirement savings plans (RRSPs). If you need more information after reading this section, see Guide T4040, *RRSPs and Other Registered Plans for Retirement*.

Generally, Saskatchewan Pension Plan (SPP) contributions are subject to the same rules as RRSP contributions. For more information about the SPP, visit www.saskpension.com.

To find out if you have to complete Schedule 7, read the information at the top of the schedule. For more information about completing Schedule 7, see “Schedule 7” on this page. To view your RRSP information, go to www.cra.gc.ca/myaccount.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your completed Schedule 7 (if applicable). Also send your official receipts for all amounts you contributed from

March 2, 2011, to February 29, 2012, including those you are not deducting on your return for 2011 and those you are designating as Home Buyers’ Plan (HBP) or Lifelong Learning Plan (LLP) repayments. For more information about HBP and LLP repayments, see Lines 6 and 7 on page 24.

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

Maximum contributions you can deduct

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

- the unused RRSP contributions identified as amount (B) of “Your 2011 RRSP Deduction Limit Statement” shown on your latest notice of assessment, notice of reassessment, or T1028, *Your RRSP Information for 2011*, **plus** the total of your RRSP contributions made from March 2, 2011, to February 29, 2012, (not including amounts you designate as HBP or LLP repayments – see Lines 6 and 7 on page 24); or
- your RRSP deduction limit for 2011 (see Line 10 on page 24) **plus** amounts you transfer (see Line 11 on page 25) to your RRSP on or before February 29, 2012.

Notes

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

If you contribute more to an RRSP than you can deduct, you may have to pay a tax of 1% per month. To pay this tax you must file a T1-OVP, *Individual Tax Return for RRSP Excess Contributions*, for each applicable tax year. For more information, see the section called “Tax on RRSP excess contributions” in Guide T4040, *RRSPs and Other Registered Plans for Retirement*.

Schedule 7

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

Line 1 – Unused RRSP contributions

These are amounts you contributed to your own RRSP or to an RRSP for your spouse or common-law partner after 1990 but did not deduct on line 208 of any previous return or designate as an HBP or an LLP repayment. The total of these amounts is identified as amount (B) of “Your 2011 RRSP Deduction Limit Statement” shown on your latest notice of assessment, notice of reassessment, or T1028, *Your RRSP Information for 2011*, if you showed them on a previous year’s Schedule 7.

If you do not have your notice of assessment or T1028, you can find out if you have unused RRSP contributions by

using **RRSP deduction limit**, one of our **TIPS** services (see page 62).

Notes

If there are unused RRSP contributions you made from March 2, 2010, to March 1, 2011, you should have filed a completed Schedule 7 with your 2010 paper return. If you did not, you should submit your receipts and a completed copy of a 2010 Schedule 7 to your tax centre, **but do not include them with your return for 2011**. For more information, see “How do you change a return?” on page 57.

If there are unused contributions you made from January 1, 1991, to March 1, 2010, but did not show on a Schedule 7 for 2009 or earlier, contact us.

Lines 2 and 3 – Total RRSP contributions

This total includes amounts you:

- contributed to your own RRSP or an RRSP for your spouse or common-law partner from March 2, 2011, to February 29, 2012;
- contributed to your own SPP or an SPP for your spouse or common-law partner from March 2, 2011 to February 29, 2012;
- transferred to your own RRSP (see Line 11 on page 25); and
- designated as HBP or LLP repayments (see Lines 6 and 7 in the next section).

Include on these lines **all** contributions you made from January 1, 2012, to February 29, 2012, even if you are **not deducting** or **designating** them on your return for 2011. Otherwise, we may reduce or disallow your claim for these contributions on your return for a future year.

Tax Tip

If you have made deductible RRSP contributions for 2011 (other than transfers) from March 2, 2011, to February 29, 2012, you do not have to claim the full amount on line 208 of your 2011 return. Depending on your federal and provincial or territorial rates of tax for 2011, 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 2011 return. The contributions you do not claim for 2011 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 from March 2, 2011, to February 29, 2012, on line 2 or 3 and line 245 of your 2011 Schedule 7.

Do not include the following amounts:

- Any unused RRSP contributions you made after March 1, 2011, refunded to you or your spouse or common-law partner in 2011. Report the refund on line 129 of your return for 2011. You may be able to claim a deduction on line 232.
- Part or all of the contributions you made to your RRSP or an RRSP for your spouse or common-law partner less than 90 days before either of you withdrew funds

from that RRSP under the HBP or the LLP. For more information, see Guide RC4135, *Home Buyers' Plan (HBP)* or Guide RC4112, *Lifelong Learning Plan (LLP)*.

Note

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

- Any payment directly transferred to your RRSP if you did not receive an information slip for it or if it is shown in box 35 of your T4RSP or T4RIF slips.
- The part of an RRSP withdrawal you recontributed to your RRSP and deducted on line 232. This would have happened if, in error, you withdrew more RRSP funds than necessary to obtain past-service benefits under a registered pension plan (RPP).
- The excess part of a direct transfer of a lump-sum payment from your RPP to an RRSP or registered retirement income fund (RRIF) you withdrew and are including on line 129 or 130 of your return for 2011 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 Home Buyers' Plan (HBP) before 2010, you have to make a repayment for 2011. If you withdrew funds from your RRSP under the Lifelong Learning Plan (LLP) before 2010, you may have to make a repayment for 2011. In either case, your 2011 minimum required repayment is shown on your latest notice of assessment, notice of reassessment, or T1028, *Your RRSP Information for 2011*.

Note

You cannot transfer funds from an SPP into an LLP or HBP. However, an SPP contribution can be designated as an LLP or an HBP repayment.

To make a repayment for 2011, contribute to your **own** RRSP from January 1, 2011, to February 29, 2012, 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 2010 return or that was refunded to you. **Do not send your repayment to us**. You **cannot deduct** any RRSP contribution you **designate as an HBP or an LLP repayment** on Schedule 7.

Note

If you repay less than the minimum amount for 2011, you have to report the difference on line 129 of your return.

Line 10 – RRSP contributions you are deducting for 2011

Your RRSP deduction limit for 2011 is shown on line A of your latest notice of assessment, notice of reassessment, or T1028, *Your RRSP Information for 2011*, if we sent you one. You can carry forward indefinitely any part of your RRSP deduction limit accumulated after 1990 that you do not use.

If you do not have your notice of assessment or T1028, you can find out your limit for 2011 by using **RRSP deduction limit**, one of our **TIPS** services (see page 62), or by contacting us.

If you would like to calculate your RRSP deduction limit for 2011, get Guide T4040, *RRSPs and Other Registered Plans for Retirement*.

Note

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

Line 11 – Transfers

You may have reported income on line 115, 129, or 130 of your return for 2011. If you contributed certain types of this income to your own RRSP on or before February 29, 2012, you can deduct this contribution, called a **transfer**, in addition to any RRSP contribution you make based on your “RRSP deduction limit for 2011.”

For example, if you received a retiring allowance in 2011, report it on line 130 of your 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 11 of Schedule 7.

For more information about amounts you can transfer, see Guide T4040, *RRSPs and Other Registered Plans for Retirement*.

Lines 15 to 18 – 2011 withdrawals under the HBP and the LLP

On line 15, enter the total of your HBP withdrawals for 2011 from box 27 of your T4RSP slips. In addition, tick the box at line 16 if the address of the home you acquired with these withdrawals is the same as the address on page 1 of your return.

On line 17, enter the total of your LLP withdrawals for 2011 from box 25 of your T4RSP slips. In addition, tick the box at line 18 to designate your spouse or common-law partner as the student for whom the funds were withdrawn. If you do not tick the box, you will be considered to be the student for LLP purposes. You can change the person you designate as the student only on the return for the year you make your first withdrawal.

Note

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

The guides RC4135, *Home Buyers’ Plan (HBP)*, and RC4112, *Lifelong Learning Plan (LLP)*, include more information about:

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

Line 210 – Deduction for elected split-pension amount

If you and your spouse or common-law partner have jointly elected to split **your** eligible pension income by completing Form T1032, *Joint Election to Split Pension Income*, you (the pensioner) can deduct on this line the elected split-pension amount from line E of Form T1032.

Form T1032 is to be filed by your filing due date for the year (see “What date is your return for 2011 due?” on page 5). This form **must** be attached to **both** your and your spouse’s or common-law partner’s paper returns. The information provided on the forms **must** be the **same**. If you are filing electronically, keep your election form in case we ask to see it.

Note

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

Line 212 – Annual union, professional, or like dues

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

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

Annual membership dues do not include initiation fees, licences, special assessments, or charges for anything other than the organization’s ordinary operating costs. You cannot claim charges for pension plans as membership dues, even if your receipts show them as dues. For more information, see interpretation bulletins IT-103, *Dues paid to a union or to a parity or advisory committee*, and IT-158, *Employees’ professional membership dues*.

The amount shown in box 44 of your T4 slips, or on your receipts, includes any GST/HST you paid.

Tax Tip

You may be eligible for a rebate of any GST/HST you paid as part of your dues (see Line 457).

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

Line 213 – Universal Child Care Benefit (UCCB) repayment

The person who reported the UCCB income in the previous year may deduct the related 2011 repayment amount on line 213. The amount of the UCCB repayment to deduct is shown in box 12 of the RC62 slip.

Line 214 – Child care expenses

You or your spouse or common-law partner may have paid for someone to look after your child so one of you could earn income, go to school, or conduct research in 2011. The expenses are deductible only if, at some time in 2011, the child was under 16 years of age or had a physical or mental impairment. Generally, only the spouse or common-law partner with the lower net income (**even if it is zero**) can claim these expenses.

Note

You may have paid an amount that would qualify to be claimed as child care expenses and the children's fitness amount or the children's arts amount (lines 365 and 370 of Schedule 1). If this is the case, you **must** first claim this amount as child care expenses. Any unused part can be claimed for the children's fitness amount or the children's arts amount as long as the requirements are met.

For more information, and to make your claim, get Form T778, *Child Care Expenses Deduction for 2011*. If you claimed child care expenses on your 2010 return, the tax package we mailed to you should include this form.

Tax Tips

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

If your child needs special attendant care or care in an establishment, see Guide RC4064, *Medical and Disability-Related Information*, for more information about different amounts you may be able to claim.

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

Line 215 – Disability supports deduction

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

Note

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

For a complete list of allowable expenses, see Form T929, *Disability Supports Deduction*. You cannot claim these expenses on this line if you or someone else will be

claiming them as medical expenses on line 330 or 331 of Schedule 1.

To calculate your claim, complete Form T929. For more information, see Form T929, or use **Info-Tax**, one of our **TIPS** services (see page 62).

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

Line 217 – Business investment loss

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

If you have a tax shelter, see "Tax shelters" on page 12.

Line 219 – Moving expenses

Generally, you can deduct moving expenses you paid in 2011 if **both** of the following apply:

- You moved to work, or to run a business, or you moved to study courses as a student in full-time attendance enrolled in a post-secondary program at a university, college, or other educational institution.
- You moved at least 40 kilometres closer to your new work or school.

Notes

If you moved before 2011 but could not claim all your expenses on your return for that year or later, you may be able to claim the remaining expenses on your return for 2011.

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

Your deduction is limited to the amount of net eligible income you earned at the new location. Also, you **cannot** deduct moving expenses against certain non-taxable scholarship, fellowship, bursary, prize, and research grant income. For more information, see page 20.

For more information, and to calculate how much you can deduct, get Form T1-M, *Moving Expenses Deduction*, by going to www.cra.gc.ca/forms, or by calling 1-800-959-2221. If you move, let us know your new address **as soon as possible**.

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

Line 220 – Support payments made

Enter on **line 230** the **total** of all deductible **and** non-deductible support payments for a spouse or common-law partner, or for a child, you made (or, if you are the payee, that you repaid under a court order) in 2011. Claim on **line 220** only the **deductible** amount.

Note

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

To avoid your claim being delayed or disallowed, you should register your written agreement or court order (including any amendments) with us by completing and sending us Form T1158, *Registration of Family Support Payments*.

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

Line 221 – Carrying charges and interest expenses

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

- fees to manage or take care of your investments (other than administration fees you paid for your registered retirement savings plan or registered retirement income fund), including safety deposit box charges;
- fees for certain investment advice (see Interpretation Bulletin IT-238, *Fees Paid to Investment Counsel*) or for recording investment income;
- fees to have someone complete your return, but only if you have income from a business or property, accounting is a usual part of the operations of your business or property, and you did not use the amounts claimed to reduce the business or property income you reported (see Interpretation Bulletin IT-99, *Legal and Accounting Fees*);
- most interest you pay on money you borrow for investment purposes, but generally only as long as you use it to try to earn investment income, including interest and dividends. However, if the only earnings your investment can produce are capital gains, you cannot claim the interest you paid. For more information, contact us; and
- legal fees you paid relating to support payments that your current or former spouse or common-law partner, or the natural parent of your child, will have to pay to you. Legal fees you paid to try to make child support payments non-taxable must be deducted on line 232. For more information, see Guide P102, *Support Payments*.

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

- the interest you paid on money you borrowed to contribute to a registered retirement savings plan, a registered education savings plan, a registered disability savings plan, or a Tax-Free Savings Account (TFSA);
- the interest part of your student loan repayments (although you may be able to claim a credit on line 319 on Schedule 1 for this amount);
- subscription fees paid for financial newspapers, magazines, or newsletters;

- brokerage fees or commissions you paid when you bought or sold securities. Instead, you use these costs when you calculate your capital gain or capital loss. For more information, see Guide T4037, *Capital Gains*, and Interpretation Bulletin IT-238, *Fees Paid to Investment Counsel*; and
- legal fees you paid to get a separation or divorce or to establish custody of or visitation arrangements for a child.

Policy loan interest – To claim interest paid during 2011 on a policy loan made to earn income, have your insurer complete Form T2210, *Verification of Policy Loan Interest by the Insurer*, on or before the date your return is due.

Refund interest – If we paid you interest on an income tax refund, report the interest in the year you receive it, as we explain at line 121 in this guide. If we then reassessed your return and you repaid any of the refund interest in 2011, you can deduct the amount you repaid, up to the amount you had reported as income.

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

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

If you have a tax shelter, see “Tax shelters” on page 12.

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

You can claim **half** of the total of your Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) contributions **from Schedule 8**. You can also claim, on line 310 of Schedule 1, an amount for the **other half**.

You can claim contributions you:

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

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

Note

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

Making additional CPP contributions

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

How to calculate your contributions

Complete Schedule 8 to calculate your CPP or QPP contributions, and attach it to your paper return. If you were a member of a partnership, include on line 1 of Schedule 8 only **your share** of the net profit. You cannot use self-employment or partnership losses to reduce the CPP or QPP contributions you paid on your employment earnings.

If you **were not** a resident of **Quebec on**

December 31, 2011, enter on line 222 and on line 310 of Schedule 1, in dollars and cents, the amount from line 11 of Schedule 8. Enter on line 421 the amount from line 10 of Schedule 8.

If you **were** a resident of **Quebec on December 31, 2011**, enter on line 222 and on line 310 of Schedule 1, in dollars and cents, the amount from line 10 of Schedule 8. Line 421 does not apply to you.

Notes

We will prorate your CPP or QPP contribution and show the correct amount on your notice of assessment in certain situations, such as if, in 2011, you:

- were a CPP participant and turned 18 or 70 years of age or received a CPP retirement or disability pension; or
- were a QPP participant and turned 18 years of age or received a QPP disability pension.

If you are filing a return for a person who died in 2011, we will also prorate the CPP or QPP.

Request for refund of CPP contributions

Under the *Canada Pension Plan*, all requests for a refund of CPP over-contributions must be made within four years after the end of the year for which the request is being made.

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

If you were a resident of **Quebec** on December 31, 2011, you have to pay PPIP premiums if either of the following conditions applies:

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

Complete Schedule 10 to calculate your PPIP premiums, and attach it to your paper return. Under proposed changes, you can claim, on this line, 43.770% of the total of your PPIP premiums. Enter on this line, in dollars and cents, the amount from line 7 of Schedule 10. Also, enter the same amount on your provincial income tax return for Quebec.

Line 224 – Exploration and development expenses

If you invested in a petroleum, natural gas, or mining venture in 2011 but did not participate actively, you can deduct your expenses on this line. If you participated actively, follow the instructions for line 135.

How to claim

Complete Form T1229, *Statement of Resource Expenses and Depletion Allowance*, using the information the principals of the venture give you, such as T5, T101, T5013 or T5013A slips. Read the instructions on the backs of these slips.

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

Attach Form T1229 and your T5, T101, T5013, and T5013A slips to your paper return. If you do not have these slips, attach a statement identifying you as a participant in the venture. The statement has to show your allocation (the number of units you own, the percentage assigned to you, or the ratio of your units to those of the whole partnership) and give the name and address of the fund.

If you have any questions about these expenses, contact our **Business enquiries** service. See “Contacting us” on page 59.

If you have a tax shelter, see “Tax shelters” on page 12.

Line 229 – Other employment expenses

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

- Your employment contract required you to pay them.
- You did not receive an allowance for the expenses or the allowance you received is reported as income.

Note

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

Complete Form T777, *Statement of Employment Expenses*, to give us details of your deductions and calculations for your expenses. Guide T4044, *Employment Expenses*, contains Form T777 and other forms you will need. The guide also explains the limits and conditions that apply when you claim these expenses.

Repayment of salary or wages – You can deduct salary or wages you reported as income for 2011 or a previous year, if you repaid them in 2011. This includes amounts you

repaid for a period when you were entitled to receive wage-loss replacement benefits or workers' compensation benefits. However, you cannot deduct more than the income you received when you did not perform the duties of your employment.

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

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

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

Tax Tip

You may be eligible for a rebate of any GST/HST you paid as part of your expenses (see Line 457).

Line 231 – Clergy residence deduction

If you are a member of the clergy, use this line to claim a deduction for your residence. Your employer has to certify that you qualify for this deduction. Complete Form T1223, *Clergy Residence Deduction*, to find out what you can deduct.

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

Line 232 – Other deductions

Use this line to claim allowable amounts not deducted anywhere else on this return. For clarification of your request, specify the deduction you are claiming in the space to the left of line 232. If you have more than one amount, or you want to explain your deduction more fully, attach a note to your paper return.

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

Note

A child who was born in 1994 or later can claim a deduction for certain income he or she reports. For more information, see "Split income of a child under 18" on page 11.

If you have a tax shelter, see "Tax shelters" on page 12.

Income amounts paid back

In 2011, you may have paid back amounts you received and reported as income (other than salary or wages) for 2011 or a previous year. If this applies to you, you can deduct most of these amounts on line 232 of your return for 2011. However, if you repaid, under a court order, support

payments you reported on line 128, deduct the repayment on line 220.

In 2011, you may have repaid an amount you received from a registered disability savings plan and declared as income in 2011 or a previous year. If so, you can deduct the amount on line 232. For more information, go to www.cra.gc.ca/rdsp, see Information Sheet RC4460, *Registered Disability Savings Plan*, or contact us.

In 2011, you may have had an amount recovered from your gross Old Age Security (OAS) pension (shown in **box 20** of your T4A(OAS) slip) because of an overpayment you received in a previous period. If so, you can claim a deduction on line 232 for the amounts repaid.

Notes

If you had an OAS repayment for 2010, tax may have been withheld from your OAS benefits for 2011. The amount deducted is shown in box 22 of your T4A(OAS) slip for 2011. Do not deduct it on line 232. Claim it on line 437. To calculate your 2011 OAS repayment, see Line 235, and complete the chart for line 235 on the federal worksheet in the forms book.

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

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

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

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

Legal fees

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

- You paid fees (including any related accounting fees) for advice or assistance to respond to us when we reviewed your income, deductions, or credits for a year or to object to or appeal an assessment or decision under the *Income Tax Act*, the *Unemployment Insurance Act*, the *Employment Insurance Act*, the *Canada Pension Plan*, or the *Quebec Pension Plan*.
- You paid fees to collect (or establish a right to) a retiring allowance or pension benefit. However, you can only claim up to the amount of retiring allowance or pension income you received in the year, **minus** any part of these amounts transferred to a registered retirement savings plan or registered pension plan. You can carry forward,

for up to seven years, legal fees you cannot claim in the year.

- You paid fees to collect (or establish a right to) salary or wages. It is not necessary for you to be successful; however, the amount sought must be for salary or wages owed. You must reduce your claim by any amount awarded to you in respect of those fees or any reimbursement you received for your legal expenses. (These fees **must** be deducted on line 229.)

Under proposed changes, you can deduct legal fees you paid to collect or establish a right to collect other amounts that must be reported in employment income even if they are not directly paid by your employer. (These fees **must** be deducted on line 229.)

- You incurred certain fees to try to make child support payments non-taxable. Fees relating to support payments that your current or former spouse or common-law partner, or the natural parent of your child paid to you must be deducted on line 221. You **cannot** claim legal fees you paid to get a separation or divorce or to establish custody of or visitation arrangements for a child. For more information, see Guide P102, *Support Payments*.

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

For more information about other legal fees you may deduct, see Interpretation Bulletin IT-99, *Legal and Accounting Fees*.

Other deductible amounts

The following are examples of other amounts you can deduct on line 232:

- depletion allowances (attach to your paper return a completed Form T1229, *Statement of Resource Expenses and Depletion Allowance*);
- certain unused RRSP contributions you made after 1990 that were refunded to you or your spouse or common-law partner in 2011 (attach to your paper return an approved Form T3012A, *Tax Deduction Waiver on the Refund of Your Unused RRSP Contributions*, or Form T746, *Calculating Your Deduction for Refund of Unused RRSP Contributions*);
- the excess part of a direct transfer of a lump-sum payment from your RPP to an RRSP or registered retirement income fund (RRIF) you withdrew and are including on line 129 or 130 of your return for 2011. You can use Form T1043, *Deduction for Excess Registered Pension Plan Transfers You Withdrew From an RRSP or RRIF*, to calculate the deductible amount; and

- designated benefits from a RRIF shown in box 22 of your T4RIF slips, a refund of RRSP premiums shown in box 28 of your T4RSP slips, or the RPP amount shown in box 018 of your T4A slips if you rolled over an amount to a registered disability savings plan (RDSP). Attach Form RC4625, *Rollover to a Registered Disability Savings*

Plan (RDSP) Under Paragraph 60(m), or a letter from the RDSP issuer to your return. For more information about RDSPs, go to www.cra.gc.ca/rdsp or see Guide T4040, *RRSPs and Other Registered Plans for Retirement*.

Line 235 – Social benefits repayment Employment Insurance (EI) benefits

You have to repay part of the EI benefits (line 119) you received in 2011 if:

- there is an amount shown in box 15 of your T4E slip;
- the rate shown in box 7 is 30%; and
- the result of the following calculation is more than \$55,250:
 - the amount from line 234; **minus**
 - the amounts on lines 117 and 125; **plus**
 - the amounts deducted on line 213 and/or the amount for a repayment of registered disability savings plan income included on line 232.

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

Old Age Security (OAS) benefits

You may have to repay all or a part of your OAS pension (line 113) or net federal supplements (line 146) if the result of the following calculation is more than \$67,668:

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

Complete the chart for line 235 on the federal worksheet in the forms book to calculate how much you have to repay, even if tax was withheld by Service Canada.

Note

If you had an OAS repayment for 2010, tax may have been withheld from your monthly OAS pension for 2011. The amount deducted is shown in box 22 of your T4A(OAS) slip for 2011. Claim it on line 437. Similarly, if you have an OAS repayment for 2011, tax may be withheld starting with your July 2012 OAS payment. For more information, contact us.

Line 236 – Net income

We use this amount for certain calculations such as the Canada Child Tax Benefit, the GST/HST credit, and certain tax credits.

Notes

If it applies, enter your spouse's or common-law partner's net income in the "Information about your

spouse or common-law partner" area on page 1 of your return. Enter this amount **even if it is zero**.

If the amount you calculate for line 236 is negative, you may have a non-capital loss. To find out, use Form T1A, *Request for Loss Carryback*. If you have a loss for 2011, you may want to carry it back to your 2008, 2009, or 2010 return. To do this, attach a completed Form T1A to your paper return (or send one to us separately). Do not file an amended return for the year or years to which you want to apply the loss.

Taxable income

Line 244 – Canadian Forces personnel and police deduction

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

Line 248 – Employee home relocation loan deduction

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

Line 249 – Security options deductions

Enter the total of the amounts shown in boxes 39 and 41 of your T4 slips. In addition, if you disposed of securities for which you had previously deferred the taxable benefit (see "Security option benefits" on page 13), claim 50% of the amount from line 4 of Form T1212, *Statement of Deferred Security Options Benefits*.

You may be electing for the special relief in respect of gains from a disposition of eligible securities on which you elected in a previous year to defer the security option benefits. The amount you can claim on line 249 may be more than 50% of line 4 of Form T1212, *Statement of Deferred Security Options Benefits*. To calculate the additional amount to claim on line 249, complete Form RC310, *Election for Special Relief for Tax Deferral Election on Employee Security Options*.

You may be able to claim a deduction for donating securities you acquired through your employer's security options plan.

For more information, see "Gifts of securities acquired under a security option plan" in Pamphlet P113, *Gifts and Income Tax*.

Line 250 – Other payments deduction

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

Note

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

than \$67,668, contact us to determine how much you can deduct:

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

Line 251 – Limited partnership losses of other years

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

You can carry forward limited partnership losses indefinitely. If you claim these losses, attach to your paper return a statement showing a breakdown of your total losses, the year of each loss, and the amounts deducted in previous years. You cannot use the amount shown in box 24 of your T5013 or T5013A slips for 2011 on your return for 2011.

Line 252 – Non-capital losses of other years

In 2011, enter the amount of the unapplied non-capital losses you reported on your 2004 to 2010 returns you want to apply. For non-capital losses incurred in tax years ending after March 22, 2004, and before 2006, the loss carry-forward period is 10 years.

For non-capital losses incurred in tax years after 2005, the loss carry-forward period is 20 years.

Also, enter any unapplied farming and fishing losses you reported on your 2001 to 2010 returns you want to apply in 2011. Your available losses are shown on your notice of assessment or notice of reassessment for 2010.

There are restrictions on the amount of certain farm losses you can deduct each year. If you have a farming or fishing business, see Guide T4003, *Farming Income*, Guide RC4060, *Farming Income and the AgriStability and AgriInvest Programs Guide*, Guide RC4408, *Farming Income and the AgriStability and AgriInvest Programs Harmonized Guide*, or Guide T4004, *Fishing Income*, for more information.

If you need more information about losses, see Interpretation Bulletin IT-232, *Losses – Their Deductibility in the Loss Year or in Other Years*.

Line 253 – Net capital losses of other years

Within certain limits, you can deduct your net capital losses of previous years you have not already claimed. Your available losses are shown on your notice of assessment or notice of reassessment for 2010. You probably will have to adjust any losses you incurred after 1987 and before 2001. For more information, see Guide T4037, *Capital Gains*.

Line 254 – Capital gains deduction

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

Line 255 – Northern residents deductions

To make your claim, use Form T2222, *Northern Residents Deductions*. Residents of the Northwest Territories, Nunavut, and Yukon will find this form in their forms book. You can also get a copy by going to www.cra.gc.ca/forms. For a list of the areas that qualify, see Publication T4039, *Northern Residents Deductions – Places in Prescribed Zones*.

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

Line 256 – Additional deductions

In the space to the left of line 256, specify the deduction you are claiming. If you have more than one amount, or you want to explain your deduction more fully, attach a note to your paper return.

Exempt foreign income

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

Under the Canada-United States Tax Treaty, you can claim a deduction equal to 15% of the U.S. Social Security benefits, including U.S. Medicare premiums, you reported as income on line 115.

If you have been a resident of Canada and have received U.S. Social Security benefits continuously during the period starting before January 1, 1996, and ending in 2011, you can claim a deduction equal to 50% of the U.S. Social Security benefits received in 2011.

This 50% deduction also applies to you if you are receiving benefits related to a deceased individual and if you meet **all** the following conditions:

- The deceased person was your spouse or common-law partner immediately before their death.

- The deceased person had, continuously during a period starting before 1996 and ending immediately before their death, been a resident of Canada and received benefits to which paragraph 5 of Article XVIII of the Canada-United States Tax Treaty applied.
- You have, continuously during a period starting at the person's time of death and ending in 2011, been a resident of Canada and received such benefits.

Vow of perpetual poverty

If you have taken a vow of perpetual poverty as a member of a religious order, you can deduct the amount of earned income and pension benefits you have given to the order. Attach to your paper return a letter from your order or your employer stating you have taken a vow of perpetual poverty. For more information, see Interpretation Bulletin IT-86, *Vow of Perpetual Poverty*.

Adult basic education tuition assistance

You may have received (and reported as income) assistance to cover all or part of the tuition fees you paid for courses at a primary or secondary school level. If so, you can claim a deduction for the amount of qualifying assistance shown in box 21 of your T4E slip.

Note

You may have received taxable tuition assistance shown in box 20 of the T4E slip for post-secondary level courses or courses that provide or improve skills in an occupation. If so, these amounts are not deducted on line 256, but you may be eligible for the tuition, education, and textbook amounts (see Line 323).

Employees of prescribed international organizations

If, in 2011, you were employed by a prescribed international organization, such as the United Nations, you can claim a deduction for the net employment income you report from that organization. Net employment income is your employment income **minus** the related employment expenses you are claiming. If you do not know whether your employer is a prescribed international organization, contact us.

Federal tax and credits (Schedule 1)

If you are filing a paper return, attach a completed Schedule 1.

Minimum tax

Minimum tax limits the tax advantage you can receive in a year from certain incentives. You have to pay minimum tax if it is more than the federal tax you calculate in the usual manner. When calculating your taxable income for this tax, which does not apply to a person who died in 2011, you are allowed a basic exempt amount of \$40,000.

Generally, to find out if you have to pay this tax, add the amounts shown in B later in this section and 60% of the amount on line 127 of your return. If the total is \$40,000 or less, you probably do not have to pay minimum tax. If the total is more than \$40,000, you may have to pay it.

Use Form T691, *Alternative Minimum Tax*, to determine whether you have to pay minimum tax. You also have to calculate additional provincial or territorial tax for minimum tax purposes by completing Form 428.

You may have to pay minimum tax if:

- A. You reported a taxable capital gain on line 127 of your return.
- B. You claimed **any** of the following on your return:
 - a loss (including your share of a partnership loss) resulting from, or increased by, claiming capital cost allowance on rental properties;
 - a loss from a limited partnership;
 - most carrying charges (line 221) on certain investments;
 - a loss from resource properties resulting from, or increased by, claiming a depletion allowance, exploration expenses, development expenses, or Canadian oil and gas property expenses;
 - a deduction on line 248 for an employee home relocation loan; or
 - a deduction on line 249 for security options.
- C. You claimed **any** of the following tax credits on Schedule 1:
 - a federal political contribution tax credit on lines 409 and 410;
 - an investment tax credit on line 412;
 - a labour-sponsored funds tax credit on line 414;
 - a federal dividend tax credit on line 425; or
 - an overseas employment tax credit on line 426.

Example

Paul claimed a \$50,000 deduction in 2011 for carrying charges. Because this deduction is more than \$40,000, Paul may have to pay minimum tax. To find out, he should complete Form T691, *Alternative Minimum Tax*.

Tax Tip

You may be able to claim a credit against your taxes for 2011 if you paid minimum tax on any of your returns for 2004 to 2010 (see Line 427).

Federal non-refundable tax credits

These credits reduce your federal tax. However, if the total of these credits is more than your federal tax, you will not get a refund for the difference.

Newcomers to Canada and emigrants

If you **became** or **ceased** to be a resident of Canada for **income tax purposes** during 2011, enter the date of your move in the "Information about your residence" area on page 1 of your return. You may have to reduce your claim for the amounts on lines 300, 301, 303, 305, 367, 306, 315, 316, 318, 324, and 326. For more information, see Pamphlet T4055, *Newcomers to Canada*, or Guide T4056, *Emigrants and Income Tax*, whichever applies.

Amounts for non-resident dependants

You may be able to claim an amount for certain dependants who live outside Canada if they depended on you for support.

If the dependants already have enough income or assistance for a reasonable standard of living in the country in which they live, we do not consider them to depend on you for support. Also, we do not consider gifts you send them to be support.

Supporting documents – If you are filing electronically, keep all your documents (proof of your payment of support) in case we ask to see them at a later date. If you are filing a **paper return**, attach your documents. Proof of payment must show your name, the amount and the date of the payment, and the dependant's name and address. If you sent the funds to a guardian, the guardian's name and address also have to appear on the proof of payment.

Line 300 – Basic personal amount

Claim \$10,527.

Line 301 – Age amount

You can claim this amount if you were 65 years of age or older on December 31, 2011, and your net income (line 236 of your return) is less than \$76,541. If your net income was:

- \$32,961 or less, enter \$6,537 on line 301; or
- more than \$32,961 but less than \$76,541, complete the chart for line 301 on the federal worksheet in the forms book to calculate your claim.

Enter your date of birth in the “Information about you” area on page 1 of your return.

Tax Tip

You may be able to transfer all or part of your age amount to your spouse or common-law partner or to claim all or part of his or her age amount. For more information, see Line 326.

Line 303 – Spouse or common-law partner amount

You can claim this amount if, **at any time in the year**, you supported your spouse or common-law partner (see the definition on page 9) and his or her net income (line 236 of his or her return, or the amount it would be if he or she filed a return) was less than \$10,527. Complete the calculation at line 303 of your Schedule 1 and enter the amount on line 303.

Enter the information about your spouse or common-law partner in the “Identification” area on page 1 of your return if you were married or living common-law on December 31, 2011. In certain situations, your spouse’s or common-law partner’s net income **must** be stated even if your marital status has changed. See “Net income of spouse or common-law partner” in the next section. Both of you cannot claim this amount for each other for the same year.

If you were required to make support payments to your current or former spouse or common-law partner, and you were separated for only **part of 2011** because of a breakdown in your relationship, you have a choice. You can claim the deductible support amounts paid in the year to your spouse or common-law partner on line 220 **or** an amount on line 303 for your spouse or common-law partner, whichever is better for you. If you reconciled with your spouse or common-law partner before the end of 2011, you can claim an amount on line 303 and any allowable amounts on line 326.

Net income of spouse or common-law partner

This is the amount on line 236 of your spouse’s or common-law partner’s return, or the amount it would be if he or she filed a return.

If you were living with your spouse or common-law partner on December 31, 2011, use his or her net income for the whole year. This applies even if you got married or back together with your spouse in 2011 or you became a common-law partner or started to live with your common-law partner again (see the definition on page 9).

If you separated in 2011 because of a breakdown in your relationship and were not back together on December 31, 2011, reduce your claim only by your spouse’s or common-law partner’s net income before the separation. In all cases, enter, in the “Information about your spouse or common-law partner” area on page 1 of your return, the amount you use to calculate your claim, **even if it is zero**.

Tax Tip

If you cannot claim the amount on line 303 (or you have to reduce your claim) because of dividends your spouse or common-law partner received from taxable Canadian

corporations, you may be able to reduce your tax if you report all of your spouse’s or common-law partner’s dividends. For more information, see Line 120.

Line 305 – Amount for an eligible dependant

You may be able to claim this amount if, **at any time in the year**, you met **all** of the following conditions at once:

- You did not have a spouse or common-law partner or, if you did, you were not living with, supporting, or being supported by that person.
- You supported a dependant in 2011.
- You lived with the dependant (in most cases in Canada) in a home you maintained. You cannot claim this amount for a person who was only visiting you.

In addition, at the time you met the above conditions, the dependant must also have been either:

- your parent or grandparent by blood, marriage, common-law partnership, or adoption; or
- your child, grandchild, brother, or sister, by blood, marriage, common-law partnership, or adoption **and** under 18 years of age or physically or mentally impaired.

Notes

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

For the purposes of this claim, your child is not required to have lived in Canada but still must have lived with you. This would be possible, for example, if you were a **deemed resident** (as defined under E and F on page 7) living in another country with your child.

Even if all of the preceding conditions have been met, you cannot claim this amount if **any** of the following applies:

- You are claiming a spouse or common-law partner amount (line 303).
- The person for whom you want to claim this amount is your common-law partner. However, you may be able to claim the amount on line 303.
- Someone else in your household is making this claim. Each household is allowed only one claim for this amount, even if there is more than one dependant in the household.
- The claim is for a child for whom you were required to make support payments for 2011. However, if you were separated from your spouse or common-law partner for only **part of 2011** due to a breakdown in your relationship, you can still claim an amount for that child on line 305 (plus any allowable amounts on lines 306, 315, and 318) as long as you do not claim any support amounts paid to your spouse or common-law partner on line 220. You can claim whichever is better for you.

Note

If you **and** another person were required to make support payments for the child for 2011 and, as a result,

no one would be entitled to claim the amount for an eligible dependant for the child, you can still claim this amount as long as you and the other person(s) paying support agree you will be the one making the claim. If you cannot agree who will claim this amount for the child, neither of you can make the claim.

How to claim

You can claim this amount if your dependant's net income (line 236 of his or her return, or the amount it would be if he or she filed a return) was less than \$10,527. Complete the calculation at line 305 of your Schedule 1 and enter the amount on line 305.

Note

If you were a **single parent** on December 31, 2011, and you choose to include all Universal Child Care Benefit (UCCB) amounts you received in 2011 in the income of your dependant, include this amount in the calculation of his or her net income.

Complete the appropriate part of **Schedule 5**, and attach it to your paper return.

Notes

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

If you and another person can both claim this amount for the same dependant (such as shared custody of a child) but cannot agree who will claim the amount, neither of you can make the claim.

Line 367 – Amount for children born in 1994 or later

Either you or your spouse or common-law partner can claim \$2,131 for each of your or your spouse's or common-law partner's children who are under 18 years of age at the end of the year if the child resided with **both** of you throughout the year.

The full amount can be claimed in the year of the child's birth, death, or adoption.

Notes

If you are making this claim for more than one child, either you or your spouse or common-law partner must make the claim for all children under 18 years of age at the end of the year and who resided with both of you throughout the year.

If you have shared custody of the child throughout the year but cannot agree who will claim the amount, no one can make the claim for that child.

If the child **did not reside** with both parents throughout the year, the parent or the spouse or common-law partner who claims the amount for an eligible dependant (see Line 305) for that child can make the claim.

Notes

You can still claim this amount for the child if you were unable to claim the amount for an eligible dependant because:

- the child's net income was more than \$10,527;
- you are already claiming the amount for an eligible dependant for another child; or
- another individual in your household has already claimed the amount for an eligible dependant (other than the child).

If you have shared custody of the child throughout the year but cannot agree who will claim the amount, no one can make the claim for that child.

If you **and** another person were required to make support payments for the child in 2011 and, as a result, **no one** would be entitled to claim this amount or the amount for an eligible dependant for the child, you can still claim this amount as long as you and the other person(s) paying support agree you will be the one making the claim. If you cannot agree who will claim this amount for the child, no one can make the claim for that child.

Tax Tip

You may be able to transfer all or part of this amount to your spouse or common-law partner or to claim all or part of his or her amount. For more information, see Line 326.

Line 306 – Amount for infirm dependants age 18 or older

You can claim an amount up to a maximum of \$4,282 for each of your or your spouse's or common-law partner's dependent children or grandchildren only if that person had an **impairment in physical or mental functions** and was **born in 1993 or earlier**.

You can also claim an amount for more than one person as long as each one meets **all** of the following conditions. The person must have been:

- your or your spouse's or common-law partner's parent, grandparent, brother, sister, aunt, uncle, niece, or nephew;
- born in 1993 or earlier and had an impairment in physical or mental functions;
- dependent on you, or on you and others, for support; and
- a resident of Canada at any time in the year. You cannot claim this amount for a person who was only visiting you.

Notes

A parent includes someone on whom you were completely dependent and who had custody and control of you when you were under 19 years of age.

A child can include someone older than you who has become dependent on you.

If, for a particular dependant, **anyone other than you** is claiming an amount on line 305, or **anyone (including you)**

can claim an amount on line 315, you cannot claim an amount on line 306 for that dependant. If you are claiming an amount on line 305 for a dependant who has an impairment and is 18 years of age or older, you may also be able to claim a part of the amount on line 306 for that dependant.

You can claim an amount only if the dependant's net income (line 236 of his or her return, or the amount it would be if he or she filed a return) is less than \$10,358.

If you were required to make support payments for a child, you cannot claim an amount on line 306 for that child. However, if you were separated from your spouse or common-law partner for only **part of 2011** due to a breakdown in your relationship, you can still claim an amount for that child on line 306 (plus any allowable amounts on lines 305 and 318) as long as you do not claim any support amounts paid to your spouse or common-law partner on line 220. You can claim whichever is better for you.

How to claim

- For each of your dependants, calculate his or her net income (line 236 of his or her return, or the amount it would be if he or she filed a return). Complete the chart for line 306 on the federal worksheet in the forms book to calculate your claim.
- Complete the appropriate part of Schedule 5, and attach it to your paper return. You should also have a signed statement from a medical doctor stating the nature of the dependant's impairment, when it began and what the duration of the impairment is expected to be. Keep the statement in case we ask to see it.

Claims made by more than one person – If you and another person support the same dependant, you can split the claim for that dependant. However, the total of your claim and the other person's claim cannot be more than the maximum amount allowed for that dependant.

Line 308 – CPP or QPP contributions through employment

Claim, in dollars and cents, the total of the Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) contributions shown in boxes 16 and 17 of your T4 slips. Do **not** enter more than \$2,217.60.

If you contributed to the QPP in 2011 but resided **outside Quebec on December 31, 2011**, treat those contributions as if you made them to the CPP. Attach to your paper return the *Relevé 1* slip your employer sent you.

Note

If you contributed to a foreign employer-sponsored pension plan or to a social security arrangement (other than a United States Arrangement), see Form RC269, *Employee Contributions to a Foreign Pension Plan or Social Security Arrangement for 2011 – Non-United States Plans or Arrangements*. You can get this form by going to www.cra.gc.ca/forms, or by contacting us.

If you contributed more than \$2,217.60, enter the excess amount on line 448 of your return. We will refund this

overpayment to you or use it to reduce your balance owing. However, if you **were** a resident of **Quebec on December 31, 2011**, and contributed more than \$2,217.60, claim the overpayment on your provincial income tax return for Quebec.

You may have an overpayment, even if you contributed \$2,217.60 or less. For example:

- In 2011, you may have been a CPP participant and turned 18 or 70 years of age or received a CPP retirement or disability pension.

Note

If you were also a QPP participant and turned 70 years of age or received a CPP or QPP retirement pension, you may not have an overpayment.

- In 2011, you may have been a QPP participant and turned 18 years of age or received a QPP disability pension.
- From all your T4 slips for 2011, the total of amounts shown in box 14 may be more than the total of amounts shown in box 26. If box 26 of one of the slips is blank, use the amount shown in box 14.

You can calculate your overpayment using Form T2204, *Employee Overpayment of 2011 Canada Pension Plan Contributions and 2011 Employment Insurance Premiums*.

Request for refund of CPP contributions

Under the *Canada Pension Plan*, a request for a refund of CPP over-contributions must be made within four years after the end of the year for which the request is being made.

Making additional CPP contributions

You may not have contributed to the CPP for certain income you earned through employment, or you may have contributed less than you were required. This can happen if **any** of the following apply:

- You had more than one employer in 2011.
- You had income, such as tips, from which your employer did not have to withhold contributions.
- You were in a type of employment not covered under CPP rules, such as casual employment.

Generally, if the total of your CPP and QPP contributions through employment, as shown in boxes 16 and 17 of your T4 slips, is less than \$2,217.60, you can contribute 9.9% on any part of the income on which you have not already made contributions. The maximum income for 2011 for which you can contribute to the CPP is \$48,300. Making additional contributions may increase the pension you receive later.

To make additional CPP contributions for 2011, complete Schedule 8 and Form CPT20, *Election to Pay Canada Pension Plan Contributions* to calculate the amount of the additional contributions and claim the appropriate amounts on lines 222 and 310. Attach a copy of Schedule 8 and Form CPT20 to your paper return, or send Form CPT20 to us separately on or before June 15, 2013. Form CPT20 lists

the eligible employment income on which you can make additional CPP contributions.

Tax-exempt employment income earned by a registered Indian – If you are an Indian, registered, or entitled to be registered, under the *Indian Act*, with tax-exempt employment income, and there is no amount shown in box 16 or 17 of your T4 slips, you may also be able to contribute to the CPP on this income.

Line 310 – CPP or QPP contributions on self-employment and other earnings

Claim, in dollars and cents, the same amount you claimed on line 222 of your return.

Line 312 – Employment Insurance premiums through employment

If you **were not** a resident of **Quebec on December 31, 2011**, claim, in dollars and cents, the total of the amounts shown in box 18 of all your T4 slips. If you contributed to a provincial parental insurance plan (PPIP) in 2011, also include the total of the amounts shown in box 55 of all your T4 slips on this line. Attach to your paper return the *Relevé 1* slip your employer sent you. Do not enter more than \$786.76.

Notes

If you received EI-exempt employment income as stated in box 28 of your T4 slip **and** there is an amount in box 55 of your T4 slip, **do not** enter the amount shown in box 55 of that slip on line 312. In this case, contact Revenu Québec for a refund of your PPIP premiums paid.

However, if you are an employee who controls more than 40% of the voting shares of a corporation **and** you have entered into an agreement with the Canada Employment Insurance Commission through Service Canada in 2011 to participate in the EI program for access to EI special benefits, enter the amount shown in box 55 on line 312.

If you contributed more than \$786.76, enter, in dollars and cents, the excess amount on line 450 of your return. We will refund this overpayment to you or use it to reduce your balance owing.

Under proposed changes, if you **were** a resident of **Quebec on December 31, 2011**, and worked **only** in Quebec during the year, claim, in dollars and cents, the total of the amount shown in box 18 of all your T4 slips. Do not enter more than \$623.22. If you contributed more than \$623.22, enter, in dollars and cents, the excess amount on line 450 of your return. We will refund this overpayment to you or use it to reduce your balance.

If, during the year, you were a resident of Quebec, worked **outside Quebec**, and your employment income is \$2,000 or more, you **must** complete Schedule 10 and attach it to your paper return. Claim, on this line, in dollars and cents, the amount of your Employment Insurance premiums from line 18 or line 19 (whichever is less) of Schedule 10.

Insurable earnings

This is the total of all earnings on which you pay Employment Insurance premiums. These amounts are shown in box 24 of your T4 slips for 2011 (or box 14 if box 24 is blank).

You may have an overpayment of your premiums even if the total is \$786.76 or less (if you were **not** a resident of Quebec) or \$623.22 or less if you were a resident of Quebec. This can happen when your insurable earnings are less than the total of all amounts shown in box 14 of all your T4 slips. You can calculate your overpayment using Form T2204, *Employee Overpayment of 2011 Canada Pension Plan Contributions and 2011 Employment Insurance Premiums*. If you were a resident of Quebec and had to complete Schedule 10 because you worked outside Quebec, do **not** use Form T2204. Calculate the overpayment by completing Part C of Schedule 10.

If your insurable earnings are \$2,000 or less, we will refund all of your premiums to you or use them to reduce your balance owing. In this case, do not enter any premiums on this line. Instead, enter the total on line 450 of your return.

Request for refund of EI contributions

You may have an overpayment if your insurable earnings are more than \$2,000 and less than \$2,036. You can calculate your overpayment using Form T2204. Under the *Employment Insurance Act*, a request for a refund of EI overpayment must be made within three years after the end of the year for which the request is being made.

Line 317 – Employment Insurance premiums on self-employment and other eligible earnings

Self-employed individuals can choose to pay EI premiums to be eligible to receive EI special benefits.

For more information, contact Service Canada, or visit www.servicecanada.gc.ca.

If you have entered into an agreement with the Canada Employment Insurance Commission through Service Canada to participate in the EI program for access to EI special benefits, you have to complete Schedule 13, *Employment Insurance Premiums on Self-Employment and Other Eligible Earnings* to calculate your premiums payable. Enter the amount from line 10 of your Schedule 13 on line 317 of your Schedule 1 and on line 430 of your return.

Line 375 – Provincial parental insurance plan (PPIP) premiums paid

Under proposed changes, if you were a resident of **Quebec on December 31, 2011**, and worked in Quebec during the year, claim, in dollars and cents, the total of the amount shown in box 55 of your T4 slips. The maximum you can claim is \$343.68. Any overpayment is claimed on your provincial income tax return for Quebec.

If your PPIP insurable earnings are less than \$2,000, do **not** enter any PPIP premiums on this line. Instead, claim this

amount as an overpayment on your provincial income tax return for Quebec.

Line 376 – PPIP premiums payable on employment income

Under proposed changes, if you were a resident of **Quebec on December 31, 2011**, enter, in dollars and cents, the amount from line 16 of Schedule 10 if the following two conditions apply:

- Your employment income (including employment income from outside Canada) is \$2,000 or more.
- One of your T4 slips has a province of employment **other than Quebec** in box 10.

The maximum amount you can claim is \$343.68.

Line 378 – PPIP premiums payable on self-employment income

Under proposed changes, if you were a resident of **Quebec on December 31, 2011**, claim, in dollars and cents, the amount from line 10 of Schedule 10.

The maximum amount you can claim is \$343.68.

Line 362 – Volunteer firefighters' amount

Under proposed changes, you can claim an amount of \$3,000 if you meet the following conditions:

- you were a volunteer firefighter during the year; and
- you completed at least 200 hours of eligible volunteer firefighting services with one or more fire departments in the year.

However, if you provided services to the same fire department, other than as a volunteer, for the same or similar duties, you cannot include any hours related to that department in determining if you have met the 200-hour threshold.

Eligible services include:

- responding to and being on call for firefighting and related emergency calls as a firefighter;
- attending meetings held by the fire department; and
- participating in required training related to the prevention or suppression of fire.

Note

As a volunteer firefighter, you may be eligible for an income exemption of up to \$1,000 if you received a payment from a government, municipality, or other public authority for carrying out volunteer firefighter duties. If you choose to claim this exemption, you will **not** be eligible for the volunteer firefighters' amount. The income exemption related to volunteer firefighter duties is shown in box 87 of your T4 slips.

Supporting documents – If you are filing electronically, or filing a **paper return**, do not send any documents. Keep all your documents in case we ask to see them at a later date. We may request certification from a fire chief or delegated

official within the fire department to verify the number of hours of eligible volunteer firefighting services you performed for the department.

Line 363 – Canada employment amount

Claim the **lesser** of:

- \$1,065; and
- the total of the employment income you reported on lines 101 and 104 of your return.

Line 364 – Public transit amount

You can claim the cost of monthly public transit passes or passes of longer duration such as an annual pass for travel within Canada on public transit for 2011. These passes must permit unlimited travel on local buses, streetcars, subways, commuter trains or buses, and local ferries.

You can also claim the cost of shorter duration passes if **each pass** entitles you to unlimited travel for an uninterrupted period of at least 5 days and you purchase enough of these passes so that you are entitled to unlimited travel for at least 20 days in any 28-day period.

You can claim the cost of electronic payment cards when used to make at least 32 one-way trips during an uninterrupted period not exceeding 31 days.

Only you or your spouse or common-law partner can claim the cost of transit passes (to the extent that these amounts have not already been claimed) for:

- yourself;
- your spouse or common-law partner; and
- your or your spouse's or common-law partner's children who were under 19 years of age on December 31, 2011.

Reimbursement of an eligible expense – You can only claim the part of the amount for which you have not been or will not be reimbursed. However, you can claim the full amount if the reimbursement is reported as income (such as a benefit shown on a T4 slip) and you did not deduct the reimbursement anywhere else on your return.

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

Line 365 – Children's fitness amount

You can claim to a maximum of \$500 per child the fees **paid in 2011** relating to the cost of registering your or your spouse's or common-law partner's child in a prescribed program (see the next section) of physical activity. The child **must** have been under 16 years of age or under 18 years of age if eligible for the disability amount at the beginning of the year in which an eligible fitness expense was paid.

You can claim this amount as long as another person has not already claimed the same fees and the total claimed is not more than the maximum amount that would be allowed if only one of you were claiming the amount.

Children with disabilities – If the child qualifies for the disability amount and is under 18 years of age at the beginning of the year, an **additional** amount of \$500 can be claimed as long as a minimum of \$100 is paid on registration or membership fees for a prescribed program of physical activity.

Notes

You may have paid an amount that would qualify to be claimed as child care expenses (line 214) **and** the children’s fitness amount. If this is the case, you **must** first claim this amount as child care expenses. Any unused part can be claimed for the children’s fitness amount as long as the requirements are met.

If an expense is eligible for the children’s fitness amount, it is not eligible for the children’s arts amount.

Prescribed program

To qualify for this amount, a program **must**:

- be ongoing (a minimum of eight consecutive weeks duration or, in the case of children's camps, five consecutive days);
- be supervised;
- be suitable for children; and
- require significant physical activity (generally, most of the activities must include a significant amount of physical activity contributing to cardiorespiratory endurance **plus** muscular strength, muscular endurance, flexibility, and/or balance).

Notes

For a child who qualifies for the disability amount, the requirement for significant physical activity is met if the activities result in movement and in an observable use of energy in a recreational context.

Physical activity includes horseback riding, but does not include activities where, as an essential part, a child rides on or in a motorized vehicle.

Reimbursement of an eligible expense – You can only claim the part of the amount for which you have not been or will not be reimbursed. However, you can claim the full amount if the reimbursement is reported as income (such as a benefit shown on a T4 slip), and you did not deduct the reimbursement anywhere else on your return.

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

Line 370 – Children’s arts amount

Under proposed changes, you can claim to a maximum of \$500 per child the fees **paid in 2011** relating to the cost of registration or membership of your or your spouse’s or common-law partner’s child in a prescribed program (see the next section) of artistic, cultural, recreational, or developmental activity. The child **must** have been under 16 years of age or under 18 years of age if eligible for the disability amount at the beginning of the year in which an eligible arts expense was paid.

You can claim this amount as long as another person has not already claimed the same fees and the total claimed is not more than the maximum amount that would be allowed if only one of you were claiming the amount.

Children with disabilities – If the child qualifies for the disability amount and is under 18 years of age at the beginning of the year, an **additional** amount of \$500 can be claimed as long as a minimum of \$100 is paid on registration or membership fees for a prescribed program described below.

Notes

Eligible expenses do not include amounts that can be claimed as the federal children’s fitness amount or as a deduction by any individual, such as the child care expenses deduction (line 214). As well, eligible expenses do not include amounts that have been claimed as a tax credit by any individual.

Programs that are part of a school curriculum are not eligible.

Prescribed program

To qualify for this amount, a program **must** meet the first three requirements listed under the section called “Prescribed program” at Line 365. The program also has to meet at least one of the following criteria:

- it contributes to the development of creative skills or expertise in an artistic or cultural activity;
- it provides a substantial focus on wilderness and the natural environment;
- it helps children develop and use particular intellectual skills;
- it includes structured interaction among children where supervisors teach or help children develop interpersonal skills; or
- it provides enrichment or tutoring in academic subjects.

Note

An activity that develops creative skills or expertise is only eligible if it is intended to improve a child’s dexterity or co-ordination, or helps in acquiring and applying knowledge through artistic or cultural activities such as literary arts, visual arts, performing arts, music, media, languages, customs, and heritage.

Reimbursement of an eligible expense – You can only claim the part of the amount for which you have not been or will not be reimbursed. However, you can claim the full amount if the reimbursement is reported as income (such as a benefit shown on a T4 slip), and you did not deduct the reimbursement anywhere else on your return.

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

Line 369 – Home buyers' amount

You can claim an amount of \$5,000 for the purchase of a qualifying home made in 2011, if both of the following apply:

- You or your spouse or common-law partner acquired a qualifying home.
- You did not live in another home owned by you or your spouse or common-law partner in the year of acquisition or in any of the four preceding years (first-time home buyer).

Note

You do not have to be a first-time home buyer if you are eligible for the disability amount or if you acquired the home for the benefit of a related person who is eligible for the disability amount. However, the purchase must be made to allow the person eligible for the disability amount to live in a home that is more accessible or better suited to the needs of that person. For the purposes of the home buyers' amount, a person with a disability is an individual who is eligible to claim a disability amount for the year in which the home is acquired, or would be eligible to claim a disability amount, if we do not take into account that costs for attendant care or care in a nursing home were claimed as medical expenses on lines 330 or 331.

A **qualifying home** must be registered in your and/or your spouse's or common-law partner's name in accordance with the applicable land registration system, and must be located in Canada. It includes existing homes and homes under construction. The following are considered qualifying homes:

- single-family houses;
- semi-detached houses;
- townhouses;
- mobile homes;
- condominium units; and
- apartments in duplexes, triplexes, fourplexes, or apartment buildings.

Note

A share in a co-operative housing corporation that entitles you to own and gives you an equity interest in a housing unit located in Canada also qualifies. However, a share that only gives you the right to tenancy in the housing unit does not qualify.

You must intend to occupy the home or you must intend that the related person with a disability occupy the home as a principal place of residence **no later than** one year after it is acquired.

The claim can be split between you and your spouse or common-law partner, but the combined total cannot exceed \$5,000.

When more than one individual is entitled to the amount (for example, when two people jointly buy a home), the total of all amounts claimed cannot exceed \$5,000.

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

Line 313 – Adoption expenses

You can claim an amount for eligible adoption expenses related to the adoption of a child who is under 18 years of age. The **maximum claim** for each child is \$11,128.

Two adoptive parents can split the amount as long as the total combined claim for eligible expenses for each child is not more than the amount before the split.

Parents can claim these incurred expenses in the tax year including the end of the adoption period in respect of the child. The adoption period:

- begins at the earlier of the time the eligible child's adoption file is opened with a provincial or territorial ministry responsible for adoption (or with an adoption agency licensed by a provincial or territorial government) **and** the time, if any, an application related to the adoption is made to a Canadian court; and
- ends at the later of the time an adoption order is issued by, or recognized by, a government in Canada in respect of that child **and** the time the child first begins to reside permanently with you.

Eligible adoption expenses

Eligible adoption expenses you can claim are:

- fees paid to an adoption agency licensed by a provincial or territorial government (an "adoption agency");
- court costs and legal and administrative expenses related to an adoption order in respect of the child;
- reasonable and necessary travel and living expenses of the child and the adoptive parents;
- document translation fees;
- mandatory fees paid to a foreign institution;
- mandatory expenses paid in respect of the immigration of that child; and
- any other reasonable expenses related to the adoption required by a provincial or territorial government or an adoption agency.

Reimbursement of an eligible expense – You must reduce your eligible expenses by any reimbursements or other forms of assistance you received.

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

Line 314 – Pension income amount

You may be able to claim up to \$2,000 if you reported eligible pension, superannuation, or annuity payments on lines 115, 116, and/or 129 of your return.

Report your pension or annuity income on the applicable line. To calculate your claim, complete the chart for line 314 on the federal worksheet in the forms book.

If you and your spouse or common-law partner elected to split pension income, follow the instructions at Step 4 on Form T1032, *Joint Election to Split Pension Income*, to calculate the amount to enter on line 314 of your and your spouse's or common-law partner's Schedule 1.

Note

Amounts such as Old Age Security benefits, Canada Pension Plan benefits, Quebec Pension Plan benefits, death benefits, retiring allowances, excess amounts from a RRIF transferred to an RRSP, another RRIF or annuity, amounts shown in boxes 18, 20, 22, 26, 28, and 34 of your T4RSP slips, and amounts distributed from a retirement compensation arrangement shown on your T4A-RCA slips, do **not** qualify.

Tax Tip

You may be able to transfer all or part of your pension income amount to your spouse or common-law partner or to claim all or part of his or her pension income amount. For more information, see Line 326.

Line 315 – Caregiver amount

If, at any time in 2011, you (either alone or with another person) maintained a dwelling where you and one or more of your dependants lived, you may be able to claim a maximum amount of \$4,282 for each dependant. Each dependant **must** have been one of the following individuals:

- your or your spouse's or common-law partner's child or grandchild; or
- your or your spouse's or common-law partner's brother, sister, niece, nephew, aunt, uncle, parent, or grandparent who was resident in Canada. You cannot claim this amount for a person who was only visiting you.

In addition, each dependant must meet **all** of the following conditions. The person must have:

- been 18 years of age or older at the time he or she lived with you;
- had a net income in 2011 (line 236 of his or her return, or the amount it would be if he or she filed a return) of less than \$18,906; and
- been dependent on you due to a physical or mental impairment or, if he or she is your or your spouse's or common-law partner's parent or grandparent, born in 1946 or earlier.

If you were required to make support payments for a child, you cannot claim an amount on line 315 for that child. However, if you were separated from your spouse or common-law partner for only **part of 2011** due to a breakdown in your relationship, you can still claim an amount for that child on line 315 (plus any allowable amounts on lines 305 and 318) as long as you do not claim any support amounts paid to your spouse or common-law partner on line 220. You can claim whichever is better for you.

Complete the chart for line 315 on the federal worksheet in the forms book to calculate your claim. Complete the

appropriate part of Schedule 5, and attach it to your paper return.

Claim made by more than one person – If you and another person support the same dependant, you can split the claim for that dependant. However, the total of your claim and the other person's claim cannot be more than the maximum amount allowed for that dependant.

If **anyone (including you)** can claim this amount for a dependant, no one can claim an amount on line 306 for that dependant. If **anyone other than you** claims an amount on line 305 for a dependant, you cannot claim an amount on line 315 for that dependant.

Line 316 – Disability amount (for self)

To claim this amount, you must have had a severe and prolonged impairment in physical or mental functions during 2011. An impairment is prolonged if it has lasted, or is expected to last, for a continuous period of at least 12 months. You may be able to claim **\$7,341** if a qualified practitioner certifies, on Form T2201, *Disability Tax Credit Certificate*, that **you meet certain conditions**.

To view your disability tax credit information, go to www.cra.gc.ca/myaccount. For more information, see Guide RC4064, *Medical and Disability-Related Information*.

Supplement for persons under 18

If you qualify for the disability amount and were under 18 years of age at the end of the year, you can claim up to an additional \$4,282. However, this supplement may be reduced if, in 2011, someone claimed child care expenses (on line 214) or attendant care expenses (as a medical expense on line 330 or 331) for you. It will also be reduced if you claimed attendant care expenses on line 215 or 330 for yourself.

How to claim

- If this is a new application for this amount, you have to submit a completed (**including Part A**) Form T2201, *Disability Tax Credit Certificate*, certified by a qualified practitioner or your claim will be delayed. We will review your claim **before** we assess your return to determine if you qualify.
- If you qualified for this amount for 2010 and you still meet the eligibility requirements in 2011, you can claim this amount without sending us a new Form T2201. However, you have to send us one if the previous period of approval has ended before 2011, or we ask you to do so.
- If you were **18 years of age or older** at the end of the year, claim **\$7,341**. Otherwise, complete the chart for line 316 on the federal worksheet in the forms book to calculate your claim.

Tax Tips

You may be able to transfer all or part of your disability amount (and, if it applies, the supplement) to your spouse or common-law partner (who would claim it on line 326) or to another supporting person (who would claim it on line 318).

You may be able to claim all or part of the disability amount (and, if it applies, the supplement) transferred from your spouse or common-law partner on line 326 or from another dependant on line 318.

Also, you may be able to claim a Working Income Tax Benefit disability supplement. For more information, see Line 453.

Line 317 – Employment Insurance premiums on self-employment and other eligible earnings

See page 37.

Line 318 – Disability amount transferred from a dependant

You may be able to claim all or part of your dependant's (other than your spouse or common-law partner) disability amount (line 316) if he or she was resident in Canada at any time in 2011 and was dependent on you for all or some of the basic necessities of life (food, shelter, or clothing).

In addition, **one** of the following situations has to apply:

- You claimed an amount on line 305 for that dependant, or you could have if you did not have a spouse or common-law partner and if the dependant did not have any income (see Line 305 for conditions).
- The dependant was your or your spouse's or common-law partner's parent, grandparent, child, grandchild, brother, sister, aunt, uncle, niece, or nephew, and you claimed an amount on line 306 or 315 for that dependant, or you could have if he or she had no income and had been 18 years of age or older in 2011.

Notes

You **cannot** claim the unused part of this amount if the spouse or common-law partner of the person with a disability is already claiming the disability amount or any other non-refundable tax credit (other than medical expenses) for the person with a disability.

If you are splitting the unused part of this amount with another individual, attach a note to your paper return including the name and social insurance number of the other individual who is claiming this amount. The total claimed for that dependant cannot be more than the maximum amount allowed for that dependant.

If you or anyone else paid for an attendant or for care in an establishment, special rules may apply. For more information, see Guide RC4064, *Medical and Disability-Related Information*. To view your disability tax credit information, go to www.cra.gc.ca/myaccount.

How to claim

- If this is a new application for this amount, you have to submit a completed and certified Form T2201, *Disability Tax Credit Certificate*. We will review your claim **before** we assess your return to determine if your dependant qualifies.
- If your dependant qualified for the disability amount for 2010 and still meets the eligibility requirements in 2011, you can claim this amount without sending us a new Form T2201. However, you have to send us one if the previous period of approval ended before 2011 or we ask you to do so. If you are not attaching a Form T2201 for a dependant, attach to your paper return a note stating the dependant's name, social insurance number, and relationship to you.
- If your dependant was under 18 years of age at the end of the year, first complete the chart for line 316 on the federal worksheet in the forms book to calculate the supplement that dependant may be able to claim.
- Complete the chart for line 318 on the federal worksheet in the forms book to calculate your claim for each dependant and enter the amount on line 318 of your Schedule 1.

Tax Tip

If you can claim this amount, you may also be able to claim an amount on line 315 for the same dependant. See Guide RC4064, *Medical and Disability-Related Information*, about different amounts you may be able to claim.

Line 319 – Interest paid on your student loans

You may have a loan under the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act*, or similar provincial or territorial government laws for post-secondary education. If so, **only** you can claim an amount for the interest you, or a person related to you, paid on that loan in 2011 or the preceding five years.

You can claim an amount only for interest you have not previously claimed. If you have no tax payable for the year the interest is paid, it is to your advantage **not** to claim it on your tax return. You can carry the interest forward and apply it on your return for any of the next five years.

Notes

You **cannot** claim interest paid on any other kind of loan or on a student loan that has been combined with another kind of loan. If you renegotiated your student loan with a bank or financial institution, or included it in an arrangement to consolidate your loans, the interest on the new loan does **not** qualify for this tax credit.

In addition, you cannot claim interest you paid because of a judgment obtained after you failed to pay back a student loan.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your documents for the amounts you are claiming for 2011.

Line 323 – Your tuition, education, and textbook amounts

Complete Schedule 11 to calculate your total eligible tuition, education, and textbook amounts for 2011 and to carry forward any unused amounts from previous years that are shown on your notice of assessment or notice of reassessment for 2010. Enter the amount on line 323. For more information, see “Transferring and carrying forward amounts” on page 44, or see Pamphlet P105, *Students and Income Tax*.

Tax Tips

Even if you have no tax to pay and you are transferring part of your tuition, education, and textbook amounts, you should file your return and attach a completed Schedule 11 so we can update our records with your unused tuition, education, and textbook amounts available for carryforward to other years.

If you are transferring an amount to a designated individual, only transfer the amount this person can use. That way, you can carry forward as much as possible to use in a future year.

You may be able to claim all or part of your spouse’s or common-law partner’s tuition, education, and textbook amounts on line 326 and/or your child’s or grandchild’s tuition, education, and textbook amounts on line 324.

Eligible tuition fees

Generally, a course qualifies if it was taken at the post-secondary level or (for individuals 16 years of age or older at the end of the year) it develops or improves skills in an occupation and the educational institution has been certified by Human Resources and Skills Development Canada. In addition, you must have taken the course in 2011.

Not all fees can be claimed. To qualify, the fees you paid to attend a Canadian educational institution **must be more than \$100**. For fees paid to an educational institution outside Canada, see Pamphlet P105 and Information Sheet RC192, *Information for Students – Educational Institutions Outside Canada*. In addition, you cannot include in your claim the amounts paid for other expenses, such as board and lodging, students’ association fees, or textbooks (see “Textbook amount” on page 44).

If the fees were paid or reimbursed by your employer, or an employer of one of your parents, you can claim them only if the payment or reimbursement was included in your or your parent’s income.

Forms

- For you to claim tuition fees paid to an educational institution in Canada, your institution has to give you an official tax receipt or a completed Form T2202A, *Tuition, Education, and Textbook Amounts Certificate*.
- For you to claim tuition fees paid to an educational institution outside Canada, your institution has to complete and give you Form TL11A, *Tuition, Education, and Textbook Amounts Certificate – University Outside Canada* or Form TL11C, *Tuition, Education, and Textbook*

Amounts Certificate – Commuter to the United States, whichever applies.

- For you to claim tuition fees paid to a flying school or club in Canada, your school or club has to give you a completed Form TL11B, *Tuition, Education, and Textbook Amounts Certificate – Flying School or Club*.

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

Education amount

You can claim this amount for each whole or part month in 2011 in which you were enrolled in a qualifying program. If you were under 16 years of age at the end of the year, you can claim this amount only for courses you took at the post-secondary level.

Post-secondary programs consisting mainly of research are eligible for the education amount **only** if they lead to a college or CEGEP diploma, or a bachelor, masters, or doctoral (or equivalent) degree. For more information, see Pamphlet P105, *Students and Income Tax*.

Generally, you **cannot** claim this amount for a program for which you received a benefit, a grant, an allowance, or a reimbursement of your tuition fees.

However, you can claim this amount **even if** you received salary or wages from a job related to your program of study, certain other kinds of payments, such as scholarships and student loans, or if you received and reported as income any financial assistance provided under:

- Part II of the *Employment Insurance Act* (and shown in box 20 of your T4E slip) or a labour-market development agreement as part of a similar provincial or territorial program; **or**
- a program developed under the authority of the *Department of Human Resources and Skills Development Act*.

To confirm the period in which you were enrolled in a qualifying program, your educational institution has to complete and give you one of the following applicable forms:

- Form T2202, *Education and Textbook Amounts Certificate*;
- Form T2202A, *Tuition, Education, and Textbook Amounts Certificate*;
- Form TL11A, *Tuition, Education, and Textbook Amounts Certificate – University Outside Canada*;
- Form TL11B, *Tuition, Education, and Textbook Amounts Certificate – Flying School or Club*; **or**
- Form TL11C, *Tuition, Education, and Textbook Amounts Certificate – Commuter to the United States*.

The following amounts apply for each month in which you were enrolled in a qualifying program:

- If you were enrolled full-time, you can claim \$400 per month.

- If you attended only part-time and you can claim the disability amount on line 316, you can claim \$400 per month.

If you could attend only part-time because you had an impairment restricting you in one of the activities listed in Guide RC4064, *Medical and Disability-Related Information*, but your condition was not **severe** and **prolonged**, you can claim \$400 per month. In that case, have an authorized person complete Part 3 of Form T2202 or give you a signed letter certifying your impairment.

- If you were enrolled part-time, you can claim \$120 per month.

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

Textbook amount

You can claim this amount **only** if you are entitled to claim the education amount.

The amount is:

- \$65 for each month you qualify for the full-time education amount; and
- \$20 for each month you qualify for the part-time education amount.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, **attach your completed Schedule 11**, but do not send your other documents. Keep all your documents in case we ask to see them at a later date.

Transferring and carrying forward amounts

You have to claim your tuition, education, and textbook amounts **first** on your own return, even if someone else paid your fees. However, you may be able to **transfer** all or some of the unused part of these amounts to your spouse or common-law partner (who would claim it on line 326 of his or her Schedule 1) or to your or your spouse's or common-law partner's parent or grandparent (who would claim it on line 324 of his or her Schedule 1).

Complete the "Transfer/Carryforward of unused amount" section of Schedule 11 (particularly line 327) to calculate this transfer, as well as Forms T2202, T2202A, TL11A, TL11B, or TL11C to designate who can claim the unused amount and to specify the amount this person can claim. Attach Schedule 11 to your return even if you are transferring your total tuition, education, and textbook amounts.

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

To view your carry-forward amounts, go to www.cra.gc.ca/myaccount.

Line 324 – Tuition, education, and textbook amounts transferred from a child

You may be the parent or grandparent of a student or his or her spouse or common-law partner. If so, the student may be able to transfer to you all or part of his or her tuition, education, and textbook amounts for 2011. The maximum tuition, education, and textbook amounts transferred from a child (or from each child) is \$5,000 minus the amounts he or she uses, even if there is still an unclaimed part.

Note

The student cannot transfer to you any tuition, education, or textbook amounts carried forward from a previous year.

How to claim

The **student** has to complete the "Transfer/Carryforward of unused amount" section of Schedule 11 (particularly line 327) and attach the schedule to his or her return. The **student** must also complete any of the following **applicable** forms to designate you as the person who can claim it:

- Form T2202, *Education and Textbook Amounts Certificate*;
- Form T2202A, *Tuition, Education, and Textbook Amounts Certificate*;
- Form TL11A, *Tuition, Education, and Textbook Amounts Certificate – University Outside Canada*;
- Form TL11B, *Tuition, Education, and Textbook Amounts Certificate – Flying School or Club*; or
- Form TL11C, *Tuition, Education, and Textbook Amounts Certificate – Commuter to the United States*.

If the tuition fees being transferred to you are not shown on these forms, you should have a copy of the student's official tuition fee receipt.

Amounts claimed by student's spouse or common-law partner

– If a student's spouse or common-law partner claims an amount on line 303 or 326 for the student, you cannot claim an amount on line 324 for that student. However, the student's spouse or common-law partner can include the transfer on line 326.

No amounts claimed by student's spouse or common-law partner

– If the student's spouse or common-law partner does not claim an amount on line 303 or 326 for the student, or if the student does not have a spouse or common-law partner, the student can choose which parent or grandparent will claim an amount on line 324.

Only one person can claim this transfer from the student. However, it does not have to be the same parent or grandparent who claims an amount on line 305 or 306 for the student.

Supporting documents – If you are filing electronically, or filing a **paper return**, do not send any documents. Keep all your documents in case we ask to see them at a later date. The **student** must attach Schedule 11 to his or her paper return.

Line 326 – Amounts transferred from your spouse or common-law partner

You may be able to claim all or part of the following amounts for which your spouse or common-law partner qualifies:

- the **age amount** (line 301) if your spouse or common-law partner was 65 years of age or older;
- the **amount for children born in 1994 or later** (line 367);
- the **pension income amount** (line 314);
- the **disability amount** (line 316); and
- **tuition, education, and textbook amounts** (line 323) for 2011 your spouse or common-law partner designates to you. The maximum amount your spouse or common-law partner can transfer is \$5,000 minus the amounts he or she uses even if there is still an unused part.

Notes

Your spouse or common-law partner cannot transfer to you any tuition, education, or textbook amounts carried forward from a previous year.

If you were separated because of a breakdown in your relationship for a period of 90 days or more including December 31, 2011, your spouse or common-law partner cannot transfer any unused amounts to you.

Complete Schedule 2 to calculate your claim. Enter your marital status and the information about your spouse or common-law partner (including his or her net income **even if it is zero**) in the "Identification" area on page 1 of your return.

If the amount on this line includes a new application for the disability amount, also attach a completed and certified Form T2201, *Disability Tax Credit Certificate*. We will review your claim **before** we assess your return to determine if your spouse or common-law partner qualifies. If he or she qualified for the disability amount for 2010 and still meets the eligibility requirements in 2011, you can claim this amount without sending us a new Form T2201. However, you have to send us one if the previous period of approval ended before 2011 or we ask you to do so.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your completed Schedule 2, and if your spouse or common-law partner is not filing a return, attach the information slips that show his or her income. Do not send your other documents, but keep them in case we ask to see them at a later date.

Line 330 – Medical expenses for self, spouse or common-law partner, and your dependent children born in 1994 or later

You can claim on line 330 the total eligible medical expenses you or your spouse or common-law partner paid for:

- yourself;
- your spouse or common-law partner; and

- your or your spouse's or common-law partner's child born in 1994 or later.

Medical expenses for other dependants must be claimed on line 331.

You can claim eligible medical expenses paid in any **12-month period** ending in 2011 and not claimed for 2010. Generally, you can claim all amounts paid, even if they were not paid in Canada. Your total expenses have to be more than 3% of your net income (line 236) or **\$2,052**, whichever is less.

Notes

On the return for a person who died in 2011, a claim can be made for expenses paid in any 24-month period that includes the date of death, if they were not claimed for any other year.

If you are claiming expenses paid for a dependant who died in the year, these amounts can be claimed for any 24-month period that includes the date of death, if they were not claimed for any other year.

Tax Tip

There is a refundable tax credit for working individuals with low incomes and high medical expenses (see Line 452).

Eligible medical expenses

Some eligible medical expenses that you can claim are:

- payments to a medical doctor, dentist, nurse, or certain other medical professionals or to a public or licensed private hospital;
- premiums paid to **private** health services plans (other than those paid by an employer, such as the amount shown in box J of your Quebec *Relevé 1* slip);
- premiums paid under a provincial or territorial prescription drug plan, such as the Quebec Prescription Drug Insurance Plan and the Nova Scotia Seniors' Pharmacare Program (amounts or premiums paid to provincial or territorial government medical or hospitalization plans **are not eligible**); and
- payments for artificial limbs, wheelchairs, crutches, hearing aids, prescription eyeglasses or contact lenses, dentures, pacemakers, prescription drugs, and certain prescription medical devices.

Note

Cosmetic procedures and related expenses qualify as a medical expense only if they are required for medical or reconstructive purposes. For more information, see Guide RC4064, *Medical and Disability-Related Information*.

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

Travel expenses – If medical treatment is not available to you within 40 kilometres of your home, you may be able to claim the cost of your transportation to get the treatment somewhere else. You can choose to simplify the way you

calculate this amount. For more information, use **Info-Tax**, one of our **TIPS** services (see page 62).

If you use the simplified method, you can find the rate per kilometre for each province or territory by going to www.cra.gc.ca/travelcosts.

If you had to travel at least 80 kilometres from your home, you can deduct accommodation and meal expenses in addition to your transportation expenses.

For more information about medical expenses, go to www.cra.gc.ca/medical, or use **Info-Tax**, one of our **TIPS** services (see page 62). You can also see Guide RC4064, *Medical and Disability-Related Information*, and Interpretation Bulletin IT-519, *Medical Expense and Disability Tax Credits and Attendant Care Expense Deduction*.

Tax Tip

Compare the result with the amount your spouse or common-law partner would be allowed. It may be better for the spouse or common-law partner with the lower net income (line 236) to claim the allowable medical expenses. You can make whichever claim you prefer.

The following example shows you how to calculate your claim.

Example

Richard and his wife Pauline have two children. They have reviewed their medical bills and decided that the 12-month period ending in 2011 for which they will calculate their claim is July 1, 2010, through June 30, 2011. They incurred the following expenses:

Richard	\$1,500
Pauline	\$1,000
Jen (their 16-year-old daughter)	\$1,800
Rob (their 19-year-old son)	\$1,000
Total medical expenses	\$5,300

The total allowable expenses for 2011 are \$4,300, which will be entered on line 330. As Rob is older than 18 years of age, his expenses will be claimed on line 331.

Pauline's net income on line 236 of her return is \$32,000. She calculates 3% of that amount as \$960. Because the result is less than \$2,052, she enters \$960 on the line below line 330 on Schedule 1 and subtracts it from \$4,300. The difference is \$3,340, which is the amount (A) above line 331.

Richard's net income on line 236 of his return is \$48,000. He calculates 3% of that amount as \$1,440. Because the result is less than \$2,052, he enters \$1,440 on the line below line 330 and subtracts it from \$4,300. The difference is \$2,860.

In this case, Pauline and Richard have found it is better for Pauline to claim all the expenses for them and their daughter Jen.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach all documents for yourself and documents for the person(s) you are claiming (**other than** for premiums paid to a health services plan, which you should keep in case we ask to see them). Receipts must show the name of the company or individual to whom the expense was paid. Receipts for attendant care or therapy paid to an individual should also show the individual's social insurance number.

You may be claiming expenses that would be allowable only for a patient who qualified for the disability amount. For information about the disability amount, see Line 316.

Line 331 – Allowable amount of medical expenses for other dependants

Claim on line 331 the part of eligible medical expenses you or your spouse or common-law partner paid for the following persons who depended on you for support:

- your or your spouse's or common-law partner's child who was born in 1993 or earlier, or grandchild; or
- your or your spouse's or common-law partner's parent, grandparent, brother, sister, aunt, uncle, niece, or nephew who was a resident of Canada at any time in the year.

The expenses must meet the criteria in the section called "Eligible medical expenses" at line 330. They have to cover the **same 12-month period** that was determined under line 330.

For more information, see Guide RC4064, *Medical and Disability-Related Information*.

You have to calculate, for **each** dependant, the medical expenses that you are claiming on this line. The total of these expenses must exceed the **lesser** of **\$2,052** or **3%** of the dependant's net income for the year.

Use the following chart for each dependant:

Other dependant's medical expenses	
Less: \$2,052 or 3% of line 236 of that dependant (whichever is less)	–
Allowable medical expenses	=

Enter on line 331 the total of all allowable amounts in respect of each dependant.

Complete the appropriate part of **Schedule 5** for each dependant and attach it to your paper return.

Line 349 – Donations and gifts

You can claim donations either you or your spouse or common-law partner made. Enter your claim from the calculation on Schedule 9. See Pamphlet P113, *Gifts and Income Tax*, for more information about donations and gifts or if you donated any of the following:

- gifts of property other than cash;
- gifts to organizations outside Canada; or

- gifts to Canada, a province, or a territory made after 1997 and agreed to in writing before February 19, 1997.

Notes

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

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

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your completed Schedule 9 and your official receipts showing either your or your spouse's or common-law partner's name.

Do not send official receipts for amounts shown in box 46 of your T4 slips, box 046 of your T4A slips, box 48 of your T3 slips, box 103 of your T5013 or T5013A slips, or on financial statements showing an amount a partnership allocated to you. Keep copies of all your documents in case we ask to see them at a later date.

If you received a T5003 slip with an amount shown in box 13, you must attach this slip as well as the charitable donation receipt you received from the registered charity. You must also complete and attach Form T5004, *Claim for Tax Shelter Loss or Deduction*, to your return. For more information, see "Tax shelters" on page 12.

If you attached to a previous return a receipt for a donation you are claiming for 2011, tell us in writing with which return it was sent. If you need more information about official receipts, see Interpretation Bulletin IT-110, *Gifts and Official Donation Receipts*.

Allowable charitable donations and government gifts (line 340 of Schedule 9)

Add up all of the **eligible amounts** of your donations made in 2011 **plus** any donations made in any of the previous five years that have not been claimed before. This includes unclaimed gifts to Canada, a province, or a territory made after 2005. However, if the gift was agreed to in writing before February 19, 1997, include it on line 342 of Schedule 9.

Under proposed changes, the **eligible amount** is the amount by which the fair market value of your gift or monetary contribution exceeds any advantage that you received or will receive for making the donation or gift. Generally, an advantage includes the value of certain property, service, compensation, use, or any other benefit. This applies to any donations or gifts made after

December 20, 2002. For more information, see Pamphlet P113, *Gifts and Income Tax*.

Generally, you can claim on line 340 all or part of this amount, up to the limit of 75% of your net income (line 236). For the year a person dies and the year before that, this limit is 100% of the person's net income.

Note

If you have taken a vow of perpetual poverty as a member of a religious order, this limit does not apply. Claim your donations on line 256.

Tax Tip

You do not have to claim, on your return for 2011, the donations you made in 2011. It may be more beneficial for you not to claim them for 2011, but to carry them forward and claim them on your return for any of the next five years. No matter when you claim them, you can claim them only once.

Qualified donees

Generally, you can claim only amounts you gave to registered charities and other qualified donees.

Under proposed changes, donations of certain flow-through share properties may give rise to a deemed capital gain that is subject to an inclusion rate of 50%. For more information, see Pamphlet P113, *Gifts and Income Tax*.

For a list of the types of donees who qualify, use **Info-Tax**, one of our **TIPS** services (see page 62), or see Pamphlet P113, *Gifts and Income Tax*.

Cultural and ecological gifts (line 342 of Schedule 9)

Unlike other donations, your total **eligible amount** claimed for these types of gifts is not limited to a percentage of net income. You can choose the part you want to claim in 2011 and carry forward any unused part for up to five years. For more information about the amount to claim for these gifts, see Pamphlet P113, *Gifts and Income Tax*.

Line 362 – Volunteer firefighters' amount

See page 38.

Line 363 – Canada employment amount

See page 38.

Line 364 – Public transit amount

See page 38.

Line 365 – Children's fitness amount

See page 38.

Line 367 – Amount for children born in 1994 or later

See page 35.

Line 369 – Home buyers' amount

See page 40.

Line 370 – Children's arts amount

See page 39.

Line 375 – Provincial parental insurance plan (PIP) premiums paid

See page 37.

Line 376 – PIP premiums payable on employment income

See page 38.

Line 378 – PIP premiums payable on self-employment income

See page 38.

Net federal tax

There are no lines on the return for the recapture of the investment tax credit or for the federal logging tax credit. If these amounts apply, use them to calculate your net federal tax on Schedule 1. If the result of these adjustments is negative, and you do not have to pay minimum tax (see page 33), enter "0" on line 55 of Schedule 1 or line 58 for residents of Quebec.

Recapture of investment tax credit

If you have to repay all or part of an investment tax credit you received previously for scientific research and experimental development, or for child care spaces, calculate on Form T2038(IND), *Investment Tax Credit (Individuals)*, the amount you have to repay. Write "recapture of investment tax credit" and the amount below line 50 on Schedule 1 or line 53 for residents of Quebec. Add it to the amount on line 50 or line 53.

Federal logging tax credit

If you paid logging tax to a province for logging operations you performed in the province, you may be able to claim a logging tax credit. To calculate your credit, use whichever of the following two amounts is **less** for each province in which you had a logging operation:

- 66.6667% of the logging tax paid for the year to the province; or
- 6.6667% of your net logging income for the year in the province.

Your allowable credit is the total of the credits for the year for all provinces, up to 6.6667% of your taxable income (line 260) not including any amounts on lines 208, 209, 214, 215, 219, and 220. Write "federal logging tax credit" and enter the allowable amount below line 50 on Schedule 1 or line 53 for residents of Quebec. Subtract it from the total of

the amount on line 50 or line 53 and the amount of any applicable recapture of investment tax credits.

Line 405 – Federal foreign tax credit

This credit is for foreign income or profits taxes you paid on income you received from outside Canada and reported on your Canadian tax return. Complete Form T2209, *Federal Foreign Tax Credits*, to calculate your credit and enter the amount from line 10 on line 405 of Schedule 1.

Note

You may have deducted an amount on line 256 for income that is not taxable in Canada under a tax treaty. In that case, do not report that income, or any tax withheld from it, in your foreign tax credit calculation.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your completed Form T2209 and documents that show the foreign taxes you paid. If you paid taxes to the United States, attach your W-2 information slip, U.S. 1040 return, and any other supporting documents that apply.

Lines 409 and 410 – Federal political contribution tax credit

Enter on line 409 the total you and your spouse or common-law partner contributed during 2011 to a registered federal political party or a candidate for election to the House of Commons.

Under proposed changes, the **eligible amount** is the amount by which the fair market value of your monetary contribution exceeds any advantage that you received or will receive for making it. Generally, an advantage includes the value of certain property, service, compensation, use, or any other benefit. This applies to any contribution made after December 20, 2002.

Complete the chart for line 410 on the federal worksheet in the forms book to calculate your credit. However, if your total political contributions are \$1,275 or more, enter \$650 on line 410.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your official receipts. Do not attach official receipts for amounts shown in box 14 of your T5003 slips, in box 105 of your T5013 or T5013A slips, or on financial statements showing an amount a partnership allocated to you. Keep copies of all your documents in case we ask to see them at a later date.

Line 412 – Investment tax credit

You may be eligible for this credit if **any** of the following apply. You:

- bought certain new buildings, machinery, or equipment and they were used in certain areas of Canada in qualifying activities such as farming, fishing, logging, manufacturing, or processing;

- have unclaimed credits from the purchase of qualified property after 2000;
- have an amount shown in box 41 of your T3 slips;
- have an amount shown in box 107 or 128 of your T5013 or T5013A slips;
- have an amount shown in box 128 of your T101 slips;
- have a partnership statement that allocates to you an amount that qualifies for this credit;
- have an investment in a mining operation that allocates certain exploration expenditures to you; or
- employ an eligible apprentice in your business.

You can claim an investment tax credit if you carry on a business and create one or more new **child care spaces** for children of your employees and other children. For more information, see Form T2038(IND), *Investment Tax Credit (Individuals)*.

For investment tax credits earned in a year after 2005, the carry-forward period is 20 years.

Under proposed changes, eligibility for the mineral exploration tax credit has been extended to flow-through share agreements entered into before April 1, 2012.

How to claim

Attach to your paper return a completed copy of Form T2038(IND), *Investment Tax Credit (Individuals)*. For more information about the investment tax credit, see the information sheet attached to Form T2038(IND).

You have to send the form to us no later than 12 months after the due date of your return for the year the qualified expenditure arises.

Tax Tip

You may be able to claim a refund of your unused investment tax credit (see Line 454).

Lines 413 and 414 – Labour-sponsored funds tax credit

You may be able to claim this credit if you became the **first** registered holder to acquire or irrevocably subscribe to and pay for an approved share of the capital stock of a prescribed labour-sponsored venture capital corporation (LSVCC) from January 1, 2011, to February 29, 2012.

Under proposed changes, if you bought shares after 2003 of a provincial or territorial registered LSVCC (that is not a federally registered LSVCC), you can only claim the federal labour-sponsored funds tax credit in respect of those shares if a provincial or territorial income tax credit is also available to be claimed for them.

If you became the first registered holder of an approved share from January 1, 2011, to March 1, 2011, and did not claim the whole credit for it on your 2010 return, you can claim the unused part on your 2011 return. If you became the first registered holder of an approved share from January 1, 2012, to February 29, 2012, you can claim any part of the credit for that share on your return for 2011 and the unused part on your return for 2012.

Enter your **net cost** on line 413. Net cost is the amount you paid for your shares, minus any government assistance (other than federal or provincial tax credits) on the shares. Enter the amount of the credit on line 414. The allowable credit cannot be more than 15% of the net cost, to a maximum of \$750 per year.

Note

If the first registered holder of the share is an RRSP for a spouse or common-law partner, the RRSP contributor or the annuitant (recipient) can claim this credit for that share.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your T5006 slips, *Statement of Registered Labour-Sponsored Venture Capital Corporation Class A Shares*, or official provincial or territorial slips.

Tax Tip

Your province or territory may offer a similar tax credit. For more information, see the provincial or territorial forms in the forms book, unless you were a resident of **Quebec on December 31, 2011**. In that case, see the guide for your provincial income tax return for Quebec.

Line 415 – Working Income Tax Benefit (WITB) advance payments

If you received WITB advance payments in 2011, enter the amount from box 10 of your RC210 slip. To view your RC210 slip online, go to www.cra.gc.ca/myaccount. For more information, go to www.cra.gc.ca/witb, or see Form RC201, *Working Income Tax Benefit Advance Payments Application for 2012*.

Note

If you can claim the WITB for 2011, complete Schedule 6.

Line 418 – Additional tax on RESP accumulated income payments

You may have received an accumulated income payment from a registered education savings plan (RESP) in 2011. If so, you may have to pay an additional tax on all or part of the amount shown in box 040 of your T4A slips. Enter the amount from line 10, 13, or 16 (whichever applies) on Form T1172, *Additional Tax on Accumulated Income Payments from RESPs*. For more information, see Guide RC4092, *Registered Education Savings Plans (RESPs)*.

Line 421 – CPP contributions payable on self-employment and other earnings

See page 51.

Line 422 – Social benefits repayment

See page 51.

Line 424 – Federal tax on split income

Certain types of income of a child born in 1994 or later are subject to this tax. For more information, see “Split income of a child under 18” on page 11. If this tax applies, calculate it on Form T1206, *Tax on Split Income*, and enter the amount from line 5 on line 424 of Schedule 1.

A child under 18 may be subject to the tax on split income in respect of dividends on shares of a corporation. Under proposed changes, after March 21, 2011, any capital gain from the disposition of those shares to a person who does not deal at arm’s length with the child, will be deemed to be a dividend. This deemed dividend is subject to the tax on split income and is considered to be an other than eligible dividend for the purposes of the dividend tax credit.

Line 425 – Federal dividend tax credit

If you reported dividends on line 120 of your return, enter on line 425 of Schedule 1 the total of the dividend tax credits from taxable Canadian corporations shown on your information slips.

If you received **eligible dividends**, the federal dividend tax credit is 16.4354% of your taxable amount of eligible dividends reported on line 120.

If you received dividends (**other than eligible**), the federal dividend tax credit is 13.3333% of your taxable amount of dividends reported on line 180.

For explanations on **eligible and other than eligible dividends**, see Line 120 on page 16 of this guide.

Note

Foreign dividends do **not** qualify for this credit.

Line 426 – Overseas employment tax credit

You may be able to claim this credit if **both** of the following apply for 2011:

- You were a resident or deemed resident (as defined under E on page 7) of Canada at any time in the year.
- You have employment income from certain kinds of work you did in another country.

To make your claim, use Form T626, *Overseas Employment Tax Credit*, and mail it with your tax return to the International Tax Services Office, Post Office Box 9769, Station T, Ottawa ON K1G 3Y4 CANADA. For more information, see Interpretation Bulletin IT-497, *Overseas Employment Tax Credit*, and Form T626.

Line 427 – Minimum tax carryover

If you paid minimum tax on any of your 2004 to 2010 returns but you do not have to pay minimum tax for 2011, you may be able to claim credits against your taxes for 2011 for all or part of the minimum tax you paid in those years.

To calculate your claim, complete the applicable parts of Form T691, *Alternative Minimum Tax*. If you are filing electronically, keep your Form T691 for your records. If you are filing a paper return, attach your Form T691.

Refund or Balance owing

Line 421 – CPP contributions payable on self-employment and other earnings

If you **were not** a resident of **Quebec on December 31, 2011**, enter the Canada Pension Plan (CPP) contributions you have to pay from line 10 on Schedule 8.

If you **were** a resident of **Quebec on December 31, 2011**, this line does not apply to you. Enter the Quebec Pension Plan contributions you have to pay on your provincial income tax return for Quebec.

Line 430 – Employment Insurance premiums payable on self-employment and other eligible earnings

Complete Schedule 13 to calculate the amount of your Employment Insurance (EI) premiums.

Enter the amount from line 10 of your Schedule 13 on line 430. This is the amount of your EI premiums you have to pay for 2011.

Line 422 – Social benefits repayment

Enter the amount of social benefits you have to repay, from line 235 of your return.

Line 428 – Provincial or territorial tax

If you **were not** a resident of **Quebec on December 31, 2011**, use Form 428 in the forms book to calculate your provincial or territorial tax. Attach a copy to your paper return.

If you **were** a resident of **Quebec on December 31, 2011**, this line applies to you only if you had a business with a permanent establishment outside Quebec. In that case, use Form T2203, *Provincial and Territorial Taxes for 2011 – Multiple Jurisdictions*, to calculate your tax for provinces and territories other than Quebec. Attach a copy to your paper return. To calculate your tax for Quebec, you will have to file a provincial income tax return for Quebec.

Line 437 – Total income tax deducted

Enter the total of all the amounts shown in the “Income tax deducted” box from all of your Canadian information slips.

If you **were not** a resident of **Quebec on December 31, 2011**, but you had Quebec provincial income tax withheld from your income, also include those amounts on this line and attach your provincial information slips to your paper return.

If you **were** a resident of **Quebec on December 31, 2011**, do **not** include any of your Quebec provincial income tax deducted.

If you and your spouse or common-law partner elected to split pension income, follow the instructions at Step 5 on Form T1032, *Joint Election to Split Pension Income*, to

calculate the amount to enter on line 437 of your and your spouse’s or common-law partner’s returns.

Notes

If you paid tax by instalments in 2011, claim it on line 476.

If you paid foreign taxes, do not claim these amounts on this line. However, you may be able to claim a foreign tax credit. For more information, see Form T2209, *Federal Foreign Tax Credits*.

Line 438 – Tax transfer for residents of Quebec

If you **were** a resident of **Quebec on December 31, 2011**, you may have earned income, such as employment income, outside Quebec during 2011. In that case, tax may have been deducted for a province or territory other than Quebec.

You can transfer, to the province of Quebec, up to 45% of the income tax shown on information slips issued to you by payers outside Quebec.

Note

If you or your spouse or common-law partner elected to split pension income, and you are the pension transferee, include in the calculation of the transfer only the part of the income tax added on line 437 relating to the split-pension amount. If you are the pensioner, do not include the part of the income tax subtracted on line 437 relating to the split-pension amount.

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

Line 440 – Refundable Quebec abatement

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

If you **were** a resident of **Quebec on December 31, 2011**, and you did not have a business with a permanent establishment outside Quebec, your refundable Quebec abatement is 16.5% of the basic federal tax on line 51 of Schedule 1.

If you had a business with a permanent establishment outside Quebec, or you **were not** a resident of **Quebec on December 31, 2011**, and you had a business with a permanent establishment in Quebec, use Form T2203, *Provincial and Territorial Taxes for 2011 – Multiple Jurisdictions*, to calculate your abatement.

Line 448 – CPP overpayment

If you **were not** a resident of **Quebec on December 31, 2011**, and you contributed more to the Canada Pension Plan (CPP) than you had to (see Line 308), enter the difference on this line. We will refund the excess contributions to you or use them to reduce your balance owing.

If you **were** a resident of **Quebec on December 31, 2011**, this line does not apply to you. Claim the excess amount on your provincial income tax return for Quebec.

Line 450 – Employment Insurance overpayment

If you **were not** a resident of **Quebec on December 31, 2011**, and contributed more than you had to (see Line 312), enter the difference on line 450. We will refund the excess amount to you or use it to reduce your balance owing. If the difference is \$1 or less, you will not receive a refund.

Note

If you repaid some of the Employment Insurance benefits you received, do not claim the repayment on this line. You may be able to claim a deduction on line 232 for the benefits you repaid.

Under proposed changes, if you **were** a resident of **Quebec on December 31, 2011**, and contributed more than you had to (see Line 312), enter the difference on line 450. If you completed Schedule 10, enter, in dollars and cents, the amount from line 21 on line 450.

The excess amount on line 450 is reduced by the provincial parental insurance plan premiums that you have to pay (line 376 on Schedule 1). The part of the excess amount used will be transferred directly to Revenu Québec. We will refund the unused excess amount to you or use it to reduce your balance owing. If the difference is \$1 or less, you will not receive a refund.

Note

If you repaid some of the Employment Insurance benefits you received, do not claim the repayment on this line. You may be able to claim a deduction on line 232 for the benefits you repaid.

Line 452 – Refundable medical expense supplement

You may be able to claim a credit of up to \$1,089 if **all** of the following apply:

- You have an amount on line 215 of your return or on line 332 of Schedule 1.
- You were resident in Canada throughout 2011.
- You were 18 years of age or older at the end of 2011.

In addition, the total of the following two amounts has to be \$3,179 or more:

- your employment income on lines 101 and 104 (other than amounts received from a wage-loss replacement

plan) **minus** the amounts on lines 207, 212, 229, and 231 (but if the result is negative, use “0”); and

- your net self-employment income (not including losses) from lines 135 to 143.

You cannot claim this credit if the total of your net income (line 236) and your spouse’s or common-law partner’s net income (line 236 of his or her return, or the amount that it would be if he or she filed a return), **minus** any amount reported by you or your spouse or common-law partner on lines 117 and 125, is \$45,888 or more. In addition, if you or your spouse or common-law partner deducted an amount on line 213, and/or the amount for a repayment of registered disability savings plan income included on line 232, we will **add** these amounts to your or your spouse’s or common-law partner’s net income when we calculate this credit.

Note

If you were separated because of a breakdown in your relationship for a period of 90 days or more that included December 31, 2011, you do not have to include your spouse’s or common-law partner’s income when you calculate this credit.

In the “Identification” area on page 1 of your return, enter your marital status and, if it applies, the information about your spouse or common-law partner. This includes his or her net income, **even if it is zero** and, if applicable, the Universal Child Care Benefit (UCCB) income on line 117 included in his or her net income and/or the UCCB repayment on line 213 of his or her return.

Complete the chart for line 452 on the federal worksheet in the forms book to calculate your claim. You can claim this credit for the same medical expenses that you claimed on line 215 of your return and line 332 on Schedule 1.

Line 453 – Working Income Tax Benefit (WITB)

The WITB is for low-income individuals and families who have earned income from employment or business. To find out if you can claim the WITB, see Schedule 6 in the forms book.

The WITB consists of a basic amount and a disability supplement. Complete Schedule 6 to calculate the basic WITB and, if applicable, the WITB disability supplement to which you may be entitled.

Enter on line 453 the amount calculated on Schedule 6 and attach a copy of this schedule to your paper return.

If you had an eligible spouse, **only one of you** can claim the basic WITB.

Note

The person who receives the WITB advance payments is the person who **must** claim the basic WITB for the year.

If you had an eligible dependant, **only one** person can claim the basic WITB for that eligible dependant.

If you had an eligible spouse, and **one of you** qualifies for the disability amount, that person **should** claim both the basic WITB and the WITB disability supplement.

If you had an eligible spouse and **both** of you qualify for the disability amount, **only one of you** can claim the basic WITB. However, **each** of you must claim the WITB disability supplement on a separate Schedule 6.

Eligible spouse – For the purpose of the WITB, an eligible spouse is a person who meets **all** the following conditions. He or she:

- was your spouse or common-law partner (see the definition on page 9) on December 31, 2011;
- was a resident of Canada throughout 2011;
- was not enrolled as a full-time student at a designated educational institution for a total of more than 13 weeks in the year, unless he or she had an eligible dependant at the end of the year;
- was not confined to a prison or similar institution for a period of 90 days or more during the year; **and**
- was not exempt from income tax in Canada for a period in the year when the person was an officer or servant of another country, such as a diplomat, or a family member or employee of such a person at any time in the year.

Eligible dependant – For the purpose of the WITB, an eligible dependant is a person who meets **all** the following conditions. He or she:

- was your or your spouse's or common-law partner's child;
- was under 19 years of age and lived with you on December 31, 2011; **and**
- was not eligible for the WITB for 2011.

Notes

For the purpose of calculating working income, on lines 385 and 386 of Schedule 6, you must include the tax-exempt part of employment income, other employment income, business income (excluding losses), and scholarship income earned on a reserve. Also include on these lines the tax-exempt part of any allowances received as an emergency volunteer.

For the purpose of calculating adjusted family net income on lines 388 and 389 of Schedule 6, you must include the tax-exempt part of **all** income earned/received on a reserve. For example, if you were an Indian, registered, or entitled to be registered, under the *Indian Act*, and you received Employment Insurance benefits shown in box 18 of a T4E slip, you must include this amount on line 388. Also include on these lines the tax-exempt part of any allowances received as an emergency volunteer.

For more information, go to www.cra.gc.ca/witb, or see Form RC201, *Working Income Tax Benefit Advance Payments Application for 2012*.

Line 454 – Refund of investment tax credit

If you are eligible for an investment tax credit (line 412 on Schedule 1) based on expenditures made in 2011, you may be able to claim a refund of your unused investment tax credit. This refund will reduce the amount of credit available to you for other years.

Calculate the refundable part of your investment tax credit on Form T2038(IND), *Investment Tax Credit (Individuals)*. Attach a completed copy of the form to your paper return.

Line 456 – Part XII.2 trust tax credit

Enter the total of amounts shown in box 38 of all your T3 slips.

Line 457 – Employee and partner GST/HST rebate

If you deducted expenses from your income as an employee (line 212 or 229) or as a partner (lines 135 to 143), you may be eligible for a rebate of the GST/HST you paid on those expenses. Generally, you can claim this rebate if **one** of the following applies:

- Your employer is a GST/HST registrant, other than a listed financial institution.
- You are a member of a GST/HST-registered partnership, and you have reported on your return your share of the income from that partnership.

To claim this rebate, if you incurred the expenses as an employee, use Guide T4044, *Employment Expenses*. If you incurred the expenses as a member of a partnership, use Guide RC4091, *GST/HST Rebate for Partners*. These guides list the expenses that qualify. They also include Form GST370, *Employee and Partner GST/HST Rebate Application*, which you need to make your claim. Attach a completed copy of this form to your paper return, and enter on line 457 the rebate you are claiming.

Notes

Generally, you have to include in income any GST/HST rebate you receive on the return for the year in which you receive it. For example, you may claim a rebate on your return for 2011. If we allow your claim and assess that return in 2012, you must report the rebate on your return for 2012.

You may **have** received a GST/HST rebate in 2011. If you did, and you were an employee, see Line 104. If you are a partner, contact our **Business enquiries** service. See "Contacting us" on page 59.

Line 476 – Tax paid by instalments

Enter the total instalment payments you made for your taxes for 2011.

In February 2012, we will issue you Form INNS1, *Instalment Reminder*, or Form INNS2, *Instalment Payment Summary*, which shows your total instalment payments for 2011 that we have on record. To view your instalment account, go to www.cra.gc.ca/myaccount.

If you made an instalment payment for your taxes for 2011 that does not appear on this reminder or summary, also include that amount on line 476.

Note

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

Line 479 – Provincial or territorial credits

If you were a **resident** of **Ontario, Manitoba, Saskatchewan, British Columbia, Yukon, the Northwest Territories, or Nunavut** on December 31, 2011, use Form 479 in the forms book to calculate your provincial or territorial credits. Attach a copy to your paper return. If you were a **resident** of **Nova Scotia**, use Form 428 to claim the **Nova Scotia volunteer firefighters and ground search and rescue tax credit**, and enter the amount on **line 479** of your return. If you were **not** a resident of any of those provinces and territories, Form 479 does not apply to you.

Residents of Newfoundland and Labrador, Prince Edward Island, New Brunswick, and Alberta claim their provincial credits on Form 428 and use them to reduce their provincial tax payable on line 428.

Quebec residents claim their provincial credits on their provincial income tax return for Quebec.

Line 484 – Refund

If your total payable (line 435) is less than your total credits (line 482), enter the difference on line 484. This amount is your refund. Generally, if the difference is \$2 or less for 2011, you will not receive a refund.

Note

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

Although you may be entitled to a refund for 2011, we may keep some or all of it to:

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

If you pay your taxes by instalments (see page 58), you can attach a note to your paper return to ask us to transfer your refund to your instalment account for 2012. We will transfer your **full** refund and consider such a payment to have been received on the date that we assess your return.

To find out about your 2011 refund, go to www.cra.gc.ca/myaccount, or use **Telerefund**, one of our **TIPS** services (see page 62).

Direct deposit



You can have your income tax refund, as well as your goods and services tax/harmonized sales tax (GST/HST) credit, (including those

from certain related provincial payments), Universal Child Care Benefit (UCCB) payments, Canada Child Tax Benefit (CCTB) payments (including those from certain related provincial or territorial programs), and Working Income Tax Benefit (WITB) advance payments and any other deemed overpayment of tax to which you are entitled or to which you may become entitled deposited directly into your account at a financial institution in Canada.

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

You can also go to www.cra.gc.ca/myaccount to start, update, or stop your direct deposit information.

If you want your CCTB and/or UCCB payments deposited into a different account, you will have to send us, with your paper return or separately, a completed Form T1-DD(1), *Direct Deposit Request – Individuals*.

If you are changing any bank account held in Canada into which we deposit a payment, tell us about your new bank account. In addition, **do not close the old bank account before we deposit the payment into the new bank account.**

If your financial institution in Canada notifies us of a change in your banking information, we will deposit your payments into the new account.

If, for any reason, we cannot deposit your payment into the bank account held in Canada, we will mail a cheque to the mailing address we have on file.

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

Line 485 – Balance owing

If your total payable (line 435) is more than your total credits (line 482), enter the difference on line 485. This amount is your balance owing. Your balance is due no later than April 30, 2012. Generally, if the difference is \$2 or less for 2011, you do not have to make a payment.

Note

When the due date falls on a Saturday, a Sunday, or a holiday recognized by the CRA, we consider your return to be filed on time or your payment to be made on time if we receive it or it is postmarked on the next business day.

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

- My Payment is a payment option that allows individuals and businesses to make payments online, using the CRA's Web site, from an account at a participating Canadian financial institution. For more information, go to www.cra.gc.ca/mypayment.
- You may be able to pay electronically using your financial institution's Internet or telephone banking

services. Most financial institutions allow you to schedule future-dated payments. For more information, go to www.cra.gc.ca/electronicpayments, or contact your financial institution.

- You can make your payment free of charge at your financial institution in Canada. To do so, you have to use the remittance form in your personalized tax package (if you received one) or Form T7DR(A), *EFILE Remittance Form*, which you can get by contacting us.
- You can attach to the **front** of your paper return a cheque or money order made out to the Receiver General. Enter your payment amount on line 486.
- You can send us a cheque or money order with the remittance form in your personalized tax package (if you received one) or with Form T7DR(A), which you can get from us. Mail the form and your cheque or money order to: Canada Revenue Agency, 875 Heron Road, Ottawa ON K1A 1B1.

Note

If you are making a payment by cheque or money order, write your social insurance number on the back to help us process your payment correctly. For more information, see “Social insurance number (SIN)” on page 6.

Do **not** mail us cash or include it with your return.

You can file your return early and make a post-dated payment as late as April 30, 2012. In that case, if we process your return before the date of the payment, your payment will appear on your notice of assessment, but it will not reduce your balance owing. We will credit your account on the date of the payment and then send you a revised statement of your account.

If you make a payment with a cheque that your financial institution does not honour (including a cheque on which you put a “stop-payment”), we will charge you a fee.

To view your information about your account balance and payment on filing, go to www.cra.gc.ca/myaccount.

Making a payment arrangement – If you cannot pay your balance owing on or before April 30, 2012, we will accept a payment arrangement only after you have reasonably tried to obtain the necessary funds by borrowing or rearranging your financial affairs. If the Canada Revenue Agency agrees that you are unable to make a full payment, an agent can develop a plan with you to help you pay your taxes. Call us at **1-888-863-8657** to discuss a payment arrangement. Our agents are available Monday to Friday (except holidays) from 7:00 a.m. to 11:00 p.m., Eastern standard time.

You may be able to make a preauthorized debit payment arrangement by going to www.cra.gc.ca/myaccount.

You may also make a payment through our **TeleArrangement** service by calling **1-866-256-1147**. To use this service, you will need to provide your social insurance number, your date of birth, and the amount you entered on line 150 of your last return for which you received a notice of assessment. **TeleArrangement** is available Monday to Friday, 7:00 a.m. to 8:00 p.m., Eastern standard time.

We will still charge daily compound interest on any outstanding balance starting May 1, 2012, until you pay it in full.

Your failure to proceed with timely action to resolve your tax arrears can lead to serious measures by the CRA including legal action such as garnishing your income or your bank account or initiating other legal action such as seizing and selling your assets.

Tax Tip

Even if you cannot pay your balance owing right away, you should file your return on time. Then you will not have to pay a penalty for filing your return after the due date. For more information, see “What penalties and interest do we charge?” on page 5.

How to file your return

Filing electronically

You can file your return by Internet (EFILE or NETFILE) or telephone (TELEFILE). A four-digit **access code** that may allow you to NETFILE or TELEFILE your 2011 return is printed on the label sheet in the tax package you received in the mail. You can also get an **access code** online by going to www.netfile.gc.ca/netfilecode.

Note

You cannot change your address when you file your return using NETFILE or TELEFILE. For information about how to change your address, see the section called "What should you do if you move?" on page 58.

Transmitting your return by Internet

EFILE

Your EFILE service provider can complete and file your return for you.

NETFILE

If you complete your return using computer software, this fast, secure system lets you file it over the Internet.

Transmitting your return by telephone

TELEFILE

You may be able to file your 2011 return by telephone for free. Use the four-digit **access code** that is printed on the label sheet in your tax package that you received in the mail. If you do not have an **access code**, call **1-800-714-7257** to get one. Once you have your **access code**, call **1-800-959-1110** to file your return.

Note

If a disability prevents you from using a touch-tone phone pad for TELEFILE, call **1-800-714-7257**, and we will help you.

Filing a paper return

Mail or deliver your return in the envelope provided in the forms book. Use your mail-in label if you have one, and make note of the address for future reference. If you are preparing other people's returns, mail or deliver each person's return in a separate envelope. However, if you are filing returns for more than one year for the same person, put them all in one envelope.

Note

If you have a farming business and you are participating in the AgriStability and AgriInvest Programs, do not use the envelope contained in the forms book. For more information, see Lines 135 to 143.

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

If you are filing a paper return, include one copy of each of your information slips. **Attach to your return your Schedule 1. If you were not a resident of Quebec on December 31, 2011, also attach your provincial or territorial Form 428.** The explanations in the guide and the return, schedules, or forms will tell you when to attach other supporting documents, such as certificates, forms, schedules, or official receipts.

If a tax professional will be preparing or sending us your return, show him or her your label sheet and all of your supporting documents, such as your information slips, receipts, notice of assessment from last year, and instalment payments summary (on Form INNS1 or Form INNS2).

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

Even if you do not have to attach certain supporting documents to your return, or if you are filing your return electronically, keep them in case we select your return for review. We may request documentation other than official receipts as proof of any deduction or credit you claim. Such proof may include cancelled cheques or bank statements. You should **keep** your supporting documents for **six years**.

You should also keep a copy of your return for 2011, the related notice of assessment, and any notice of reassessment. These can help you complete your return for 2012. For example, your notice for 2011 will tell you:

- your RRSP deduction limit for 2012;
- your unused RRSP contributions for 2012;
- your capital and non-capital loss balances; and
- your tuition, education, and textbook amounts carry-forward balance (see Line 323).

What happens to your return after we receive it?

Each year we conduct a number of review activities to promote awareness of and compliance with the laws we administer. These reviews are an important part of the compliance activities we undertake to maintain the integrity of, and Canadians' confidence in, the Canadian tax system.

Our various examination programs take place at different periods during the year. Therefore, if you move, it is very important to make your change of address with us as soon as possible to allow us to communicate with you. If you plan to be away for an extended period of time, you should complete Form T1013, *Authorizing or Cancelling a Representative*, to authorize a representative to act on your behalf.

When we receive your return, we usually review it based on the information you provide and send you a notice of assessment based on that review. However, we may select your return for a more detailed review **before** we assess it. If so, and we ask you to give us documents to verify the deductions or credits you claimed, your assessment may be delayed. We can also carry out a more detailed review **after** your return has been assessed to verify the income reported and the deductions or credits claimed.

When can you expect your refund?

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

We can process returns filed electronically in as little as eight business days, but wait at least four weeks before you call.

To find out about your 2011 refund, go to www.cra.gc.ca/myaccount, or use **Telerefund**, one of our **TIPS** services (see page 62).

What should you do if you disagree?

If you disagree with your assessment or reassessment, contact us for more information. If you still disagree, you can make a formal objection by going to www.cra.gc.ca/myaccount, or by sending a completed Form T400A, *Objection – Income Tax Act*, or a signed letter to the Chief of Appeals at your tax services office or tax centre on or before whichever of the following two dates is **later**:

- one year after the due date for the return; or
- 90 days after the date of the notice of assessment or notice of reassessment.

For more information, see Pamphlet P148, *Resolving Your Dispute: Objection and Appeal Rights under the Income Tax Act*.

How do you change a return?

If you need to make a change to any return you have sent us, **do not file another return for that year**. You should wait until you receive your notice of assessment before requesting any change to a return that has not been processed. You can change your return by going to www.cra.gc.ca/myaccount, or by sending **both** of the following to your tax centre:

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

Note

Send your Form T1-ADJ or letter **separately** from your return for 2011.

You can only request a change to a return for a tax year ending in any of the 10 previous calendar years. For example, a request made in 2012 must relate to the 2002 or a later tax year to be considered.

The Canada Revenue Agency processes most adjustment requests received electronically within two weeks, and most of those received by mail within eight weeks. However, it may take longer if any of the following situations apply:

- Your request is submitted during those times of the year when we receive a higher volume of adjustment requests (late summer and fall).
- Your request is for a particular situation requiring further analysis or additional review.
- We need to contact you or your authorized representative for further information or documentation.

When we complete our review of your adjustment request, we will send you a notice of reassessment showing any changes to your return and a letter of explanation if we did not accept the changes you requested or the changes were not required.

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

We will only consider a request relating to a refund for a previous tax year return that you are filing late if the return is for a tax year ending in any of the 10 calendar years before the year in which you make the request. For example, a request made in 2012 must relate to the 2002 or a later tax year to be considered.

If you are filing a return for a year before 2011, attach receipts for all the deductions or credits you are claiming.

What is a voluntary disclosure?

Maybe you should have filed a return for a previous year (see “Do you have to file a return?” on page 5) but did not, or you sent us an incorrect return. If so, you can voluntarily file or correct that return under the Voluntary Disclosures Program and pay only the taxes owing (plus interest) without penalty.

Note

This program does not apply to any 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*, or call the Voluntary Disclosures Program officer in the Enforcement and Disclosures Division of your tax services office. If you wish, you can discuss your situation first on a no-name basis.

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

What should you do if you move?

If you move, let us know your new address **as soon as possible**. If you use direct deposit (see page 54), you also have to tell us if you change your account at your financial institution.

Keeping us informed will ensure that you keep getting any GST/HST credit (including those from certain related provincial payments), Universal Child Care Benefit, and Canada Child Tax Benefit payments (including those from certain related provincial or territorial programs), and Working Income Tax Benefit (WITB) advance payments to which you may be entitled. Otherwise, your payments may stop, whether you receive them by **cheque** or by **direct deposit**. We also need to know your new address to mail you your tax package for next year.

If you have registered with the My Account service, you can change your address by going to

www.cra.gc.ca/myaccount. If not, you have to tell us your new address by phone or in writing.

If you are writing, send your letter to your tax centre. Sign it, and include your social insurance number, your new address, and the date of your move. If you are writing for other people, **including your spouse or common-law partner**, include their social insurance numbers, and have each of them **sign** the letter authorizing the change to their records.

Note

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

Should you be paying your taxes by instalments?

The instalment threshold for individuals is \$3,000 (\$1,800 if you were a resident of Quebec).

You may have to pay your taxes by instalments if not enough income tax is withheld from your income. To find out if you have to pay your taxes for 2012 by instalments, estimate your taxes and credits for 2012 using your return for 2011. Enter those amounts in the chart on the federal worksheet in the forms book. The chart contains the most common factors to consider.

If our records show that you may have to pay your taxes by instalments, we will send you Form INNS1, *Instalment Reminder* in advance, showing the amount we suggest you pay and the date the payment is due.

For more information about instalment payments or instalment interest charges, go to www.cra.gc.ca/instalments, or see Pamphlet P110, *Paying Your Income Tax by Instalments*.

For more information

What if you need help?

If you need help after reading this publication, visit www.cra.gc.ca or call 1-800-959-8281.

Forms and publications

To get our forms or publications, go to www.cra.gc.ca/forms or call 1-800-959-2221.

Getting personal tax information

The personal information that you provide on your income tax forms is collected under the authority of the federal, provincial, and territorial income tax acts and will be used to administer and enforce these acts and their regulations. For more information, refer to Personal Information Bank number CRA PPU 005 at www.infosource.gc.ca or in the

Info Source book, or call us at one of the telephone numbers listed under “Contacting us” (see page 59).

Your personal information is confidential. However, you can authorize someone (such as your spouse or common-law partner) to represent you to discuss your file (see the next section). In certain cases, we give some of your information to other government bodies to administer the law. In all cases, we follow strict procedures before giving your information to anyone.

If you call us and ask for personal tax information, we will ask you to identify yourself and give information about the contents of your return to protect this information. If you call before May 1, 2012, use your return for 2010. After April 30, 2012, use your return for 2011.

Tax Tip

For more information about how to protect your personal tax information, go to www.cra.gc.ca/security.

Representatives

You can authorize a representative (such as your spouse or common-law partner, tax preparer, or accountant) to get information about your tax matters and give us information on your behalf. We will accept information from and/or provide information to your representative **only** after we are satisfied that you have authorized us to do so through www.cra.gc.ca/myaccount, in writing, or by sending a completed Form T1013, *Authorizing or Cancelling a Representative*. **Your authorization will stay in effect until you cancel it, it reaches the expiry date you choose, or we receive notification of your death.** Your representative may request by telephone, in person, or in writing, that the consent you have given be cancelled.

If you were the legal representative of a deceased person, see Guide T4011, *Preparing Returns for Deceased Persons*, to know what documents are required.

For more information, go to www.cra.gc.ca/myaccount, or see Form T1013, *Authorizing or Cancelling a Representative*.

My Account

My Account is a secure, convenient, and time-saving way to access and manage your tax and benefit information online, seven days a week. If you are not registered with My Account but need information right away, use Quick Access to get fast, easy, and secure access to some of your information. For more information, go to www.cra.gc.ca/myaccount or see Pamphlet RC4059, *My Account for individuals*.

Electronic payments

Make your payment online using the CRA's My Payment service at www.cra.gc.ca/mypayment or using your financial institution's telephone/Internet banking services. For more information, go to www.cra.gc.ca/electronicpayments or contact your financial institution.

My Business Account

You can access your business account information at www.cra.gc.ca/mybusinessaccount.

Tax Information Phone Service (TIPS)

For personal and general tax information by telephone, use our automated service, TIPS, by calling 1-800-267-6999. For more information about this service, see page 62.

Contacting us

Service is available in the official language of your choice through the telephone numbers listed at www.cra.gc.ca/tso and in the government section of your telephone book.

Our goal is to respond to your call within two minutes in the official language of your choice. However, you may have difficulty reaching us during peak periods.

By phone (individuals) – You can call 1-800-959-8281 (for service in English). Our automated service is available 24 hours a day, 7 days a week. Agents are available

Monday to Friday (except holidays) from 8:15 a.m. to 5:00 p.m. However, from February 20 to April 30, 2012, these hours are extended to 9:00 p.m. on weekdays and from 9:00 a.m. to 5:00 p.m. on Saturdays (except Easter weekend).

By phone (businesses) – You can call 1-800-959-5525 (for service in English). Our automated service is available 24 hours a day, 7 days a week. Agents are available Monday to Friday (except holidays) from 8:15 a.m. to 8:00 p.m.

In-person appointments – If we cannot resolve your enquiry by telephone, you can meet with an agent in person at a tax services office.

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

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, please contact the CRA employee you have been dealing with or call the telephone number that you have been 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*.

Community Volunteer Income Tax Program

If you need help to complete your tax return, your income is low, and your tax situation is simple, volunteers are specially trained to help you. For more information about this free program, or if you want to become a volunteer, go to www.cra.gc.ca/volunteer or call us at 1-800-959-8281.

Your opinion counts

If you have any comments or suggestions that could help us improve our publications, we would like to hear from you. Please send your comments to:



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

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Tax Information Phone Service (TIPS) call 1-800-267-6999

Services	Available dates	
Telerefund – find out the status of your refund for 2011.	all year	press “1”
Goods and services tax/harmonized sales tax (GST/HST) credit – find out if you are eligible for the credit and the date you can expect to receive the next payment.	three weeks before through two and a half weeks after each payment is issued	press “2”
Canada Child Tax Benefit (CCTB) – find out if you are eligible for the CCTB and the date you can expect to receive the next payment.	one week before through one week after each payment is issued	press “3” and then “1”
Universal Child Care Benefit (UCCB) – find out if you are eligible for the UCCB and the date you can expect to receive the next payment.	one week before through two weeks after each payment is issued	press “3” and then “2”
RRSP deduction limit – find out the maximum amount you can deduct on your return for 2011.	mid-September to the end of April	press “4” and then “1”
Info-Tax – get tax information for residents and non-residents of Canada.	all year	press “4” and then “2”
Bulletin Board – get recent tax and benefit information that may be of interest to you.	all year	press “4” and then “3”
Business Information – get tax information relating to operating a business.	all year	press “5”
Tax-Free Savings Account (TFSA) contribution limit – find out the maximum amount you can contribute to your TFSA for 2012.	all year	press “6” and then “1”

To get information from **Telerefund**, **GST/HST credit**, **CCTB**, **UCCB**, **TFSA**, or **RRSP deduction limit**, you will have to give us your social insurance number, your month and year of birth, and:

- if you contact us **before May 1**, the amount you entered on line 150 of your return for 2010; or
- if you contact us **on or after May 1**, the amount you entered on line 150 of your return for 2011.

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Get ready to file your 2011 income tax and benefit return
Go to www.cra.gc.ca/getready

Take advantage of the quick, easy, and secure electronic services that the Canada Revenue Agency offers.

Electronic Services	www.cra.gc.ca/electronic-services
NETFILE	www.netfile.gc.ca
My Account	www.cra.gc.ca/myaccount
Quick Access	www.cra.gc.ca/quickaccess
Direct Deposit	www.cra.gc.ca/dd-ind
Electronic payments	www.cra.gc.ca/electronicpayments
Represent a Client	www.cra.gc.ca/representatives
TELEFILE	www.cra.gc.ca/telefile
EFILE	www.cra.gc.ca/efile-individuals
My Business Account	www.cra.gc.ca/mybusinessaccount
My Payment	www.cra.gc.ca/mypayment

Useful addresses on our Web site

Visit our Web site at www.cra.gc.ca. General information, forms, and publications are accessible by topic and by taxpayer group. Below is a list of some useful addresses:

Topic	Web site
Authorize a representative	www.cra.gc.ca/myaccount
Change of address	www.cra.gc.ca/myaccount
Charities	www.cra.gc.ca/charities
Child and family benefits calculator	www.cra.gc.ca/benefits-calculator
Contact us	www.cra.gc.ca/contact
Forms and publications	www.cra.gc.ca/forms
Important dates	www.cra.gc.ca/dates-ind
Instalments	www.cra.gc.ca/instalments
International and non-resident taxes	www.cra.gc.ca/international
Medical expenses	www.cra.gc.ca/medical
Persons with disabilities	www.cra.gc.ca/disability
Protect your personal information	www.cra.gc.ca/security
Protect yourself	www.cra.gc.ca/alert
Registered disability savings plan (RDSP)	www.cra.gc.ca/rdsp
Registered retirement savings plan (RRSP)	www.cra.gc.ca/rrsp
Review of your tax return by the CRA	www.cra.gc.ca/reviews
Students	www.cra.gc.ca/students
Tax Information Phone Service (TIPS)	www.cra.gc.ca/tips
Travel expenses	www.cra.gc.ca/travelcosts