



If you have an excess Tax-Free Savings Account (TFSA) amount at any time in the calendar year, use this schedule to determine the total excess TFSA amounts that are subject to the 1% tax on excess TFSA contributions.

Attach a completed Schedule A to Form RC243, *Tax-Free Savings Account (TFSA) Return* _____.

Excess TFSA amount

You (the individual) have an excess TFSA amount at any time in a calendar year as soon as the total of all TFSA contributions you made in the year (other than a **qualifying transfer** or an **exempt contribution**) exceeds your **TFSA contribution room** at the beginning of the year plus any **qualifying portion of a withdrawal** made in the year up to that time. If, at any time in a month, you have an excess TFSA amount, you are liable to a 1% tax on your highest excess TFSA amount in that month.

If, at any time during the year, your TFSA contains contributions (other than a **qualifying transfer** or an **exempt contribution**) you have made while a non-resident of Canada, you will also be liable to a 1% tax per month on these contributions ending when these contributions are withdrawn in full from the account **and** designated as a withdrawal of non-resident contributions or when you become a resident of Canada, whichever is earlier. Complete Form RC243-SCH-B, *Schedule B – Non-Resident Contributions to a Tax-Free Savings Account (TFSA)*, to determine the amount of taxes you owe.

If, at the time of death, the holder had an excess TFSA amount, the **successor holder** is deemed to have made, at the beginning of the month following the date of the holder's death, a contribution to their TFSA equal to the amount, if any, by which the excess TFSA amount exceeds the total fair market value (FMV), at the date of the holder's death, of all property under any arrangements that ceased to be a TFSA because of the holder's death. To the extent that the successor holder does not have sufficient TFSA contribution room to absorb the deemed contribution, the successor holder will be liable to the 1% tax on excess TFSA contributions.

Deliberate over-contributions will be subject to the tax on advantages.

For more information on TFSAs, go to www.cra.gc.ca/tfsa, see Guide RC4466, *Tax-Free Savings Account (TFSA), Guide for Individuals*, or call 1-800-959-8281. To get our forms or publications, go to www.cra.gc.ca/forms or call 1-800-959-2221.

Definitions

Deliberate over-contribution – a contribution that an individual makes under a TFSA that results in, or increases, an excess TFSA amount, unless it is reasonable to conclude that the individual neither knew nor ought to have known that the contribution could result in liability for a tax or similar consequences. Income that is reasonably attributable, directly or indirectly, to a deliberate over-contribution constitutes an advantage subject to the special tax on advantages.

Exempt contribution – a contribution made during the rollover period and designated as exempt by the survivor in prescribed form in connection with a payment received from the deceased holder's TFSA.

Holder – the individual who entered into the TFSA arrangement and, after that person's death, the individual's surviving spouse or common-law partner and, **under proposed changes**, a subsequent survivor, if designated as the successor holder of the TFSA. A **successor holder** designation is effective only if it is recognized under applicable provincial and territorial law, and the survivor acquired all of the deceased holder's rights under the TFSA including the right to revoke any previous beneficiary designation.

Qualifying transfer – a direct transfer between a holder's TFSAs, or a direct transfer between a holder's TFSA and the TFSA of their current or former spouse or common-law partner if the transfer relates to payments under a decree, order, or judgment of a court, or under a written agreement relating to a division of property in settlement of rights arising from the breakdown of their relationship and they are living separate and apart at the time of the transfer.

Qualifying portion of a withdrawal – that portion of a withdrawal from a TFSA (excluding a qualifying transfer or a **specified distribution**), made in the year, which was required to reduce or eliminate a previously determined excess amount.

Rollover period – the period that begins when the holder dies and ends at the end of the calendar year that follows the year of death.

Specified distribution – a distribution from a TFSA to the extent that it is, or is reasonably attributable to, an amount that is:

- an advantage;
- specified non-qualified investment income;
- income that is taxable in a TFSA trust; or
- income earned on excess contributions or non-resident contributions.

A specified distribution does not create or increase unused TFSA contribution room in the following year, nor does it reduce or eliminate an excess TFSA amount.

Successor holder – see "Holder" above.

Survivor – a survivor is an individual who is, immediately before the TFSA holder's death, a spouse or common-law partner of the holder.

TFSA contribution room – TFSA contribution room is made up of:

- your TFSA dollar limit (\$5,000 per year plus indexation, if applicable);
- any unused TFSA contribution room from the preceding calendar year; and
- any withdrawals made from the TFSA in the previous year, excluding **qualifying transfers** or **specified distributions**.

For a more complete definition, see the section "TFSA contribution room" in Guide RC4466.

Example

Kayla is 22 years old and a Canadian resident. In 2009, she opened a TFSA and contributed her maximum of \$5,000. In 2010, she makes the following contributions:

- \$2,000 on January 12;
- \$2,500 on January 20;
- \$300 on January 26; and
- \$1,000 on February 13.

On February 18, Kayla realizes that she has an excess TFSA amount. That same day, she withdraws \$1,000. On February 23, she makes another contribution of \$900.

On March 5, she realizes that she has an excess TFSA amount and withdraws \$400.

Since Kayla has excess TFSA amounts in 2010, she must complete Form RC243-SCH-A, *Schedule A – Excess TFSA Amounts*, and enter the total in Section 1 – Part A of Form RC243, *Tax-Free Savings Account (TFSA) Return* _____. The following example shows how she would complete the schedule. Note that, assuming no further contributions are made in the year, the remaining excess TFSA amount of \$500 from March will carry forward as the highest excess TFSA amount for April, and an excess will continue to be carried forward until the entire amount is withdrawn.

JANUARY								
	A	B	C	D	E	F	G	H
Enter the date of each transaction in the boxes below for each month.	Contribution	Withdrawal	Add the amount of the new contribution from Column A to the last amount reported below.	TFSA contribution room at the beginning of the year. Enter this amount on each line for each month in which a transaction has occurred. This amount can be negative or positive.	Excess TFSA amount, without considering withdrawals (C – D). If the result is negative, enter "0".	Total of previous qualifying portions of withdrawals. Add the last amount in column G to the last amount in column F.	Qualifying portion of withdrawal. Enter the lesser of (E – F) and B.	Excess amounts in your TFSA. Enter the result of (E – F – G).
Enter the information from the beginning of the year.				\$5,000	----	0		----
12	\$2,000		\$2,000	\$5,000	0	0	0	0
20	\$2,500		\$4,500	\$5,000	0	0	0	0
26	\$300		\$4,800	\$5,000	0	0	0	0
Line 1. Enter the highest amount from Column H for the month of January on line 1 of Section 2.								0

FEBRUARY								
Enter the last amount from each column for January.			\$4,800	\$5,000	0	0	0	0
13	\$1,000		\$5,800	\$5,000	\$800	0	0	\$800
18		\$1,000	\$5,800	\$5,000	\$800	0	\$800	0
23	\$900		\$6,700	\$5,000	\$1,700	\$800	0	\$900
Line 2. Enter the highest amount from Column H for the month of February on line 2 of Section 2.								\$900

MARCH								
Enter the last amount from each column for February.			\$6,700	\$5,000	\$1,700	\$800	0	\$900
5		\$400	\$6,700	\$5,000	\$1,700	\$800	\$400	\$500
Line 3. Enter the highest amount from Column H for the month of March on line 3 of Section 2.								\$900

Section 1 – Chart to calculate your excess TFSA amounts

You must complete this chart to calculate the highest excess TFSA amount for each month. You must complete each month even if you don't have any transactions in that month. Attach a separate sheet if you need more space.

Instructions

1. Enter your TFSA contribution room at the beginning of the year in column D of the chart below. Report all amounts in Canadian dollars.
2. List all your contributions from the first of the month to the end of the month in column A. List all your withdrawals from the first of the month to the end of the month in column B. Do not include qualifying transfers or exempt contributions and specified distributions.
3. If you made a contribution and a withdrawal on the same day, complete a separate line for each transaction in the chronological order.
4. If, at the time of death, a TFSA holder had an excess TFSA amount and you are the successor holder of one of the accounts, you must enter, as a contribution, on the first day of the month following the holder's date of death, an amount by which the excess exceeds the FMV, at the time of death, of the deceased's TFSA arrangements that ceased to be a TFSA upon the TFSA holder's death.
5. Complete all columns for each transaction.

JANUARY								
	A	B	C	D	E	F	G	H
Enter the date of each transaction in the boxes below for each month.	Contribution	Withdrawal	Add the amount of the new contribution from Column A to the last amount reported below.	TFSA contribution room at the beginning of the year. Enter this amount on each line for each month in which a transaction has occurred. This amount can be negative or positive.	Excess TFSA amount, without considering withdrawals (C – D). If the result is negative, enter "0".	Total of previous qualifying portions of withdrawals. Add the last amount in column G to the last amount in column F.	Qualifying portion of withdrawal. Enter the lesser of (E – F) and B.	Excess amounts in your TFSA. Enter the result of (E – F – G).
Enter the information from the beginning of the year.						0		
Line 1. Enter the highest amount from Column H for the month of January on line 1 of Section 2.								

FEBRUARY								
Enter the last amount from each column for January.								
Line 2. Enter the highest amount from Column H for the month of February on line 2 of Section 2.								

MARCH

	A	B	C	D	E	F	G	H
Enter the date of each transaction in the boxes below for each month.	Contribution	Withdrawal	Add the amount of the new contribution from Column A to the last amount reported below.	TFSA contribution room at the beginning of the year. Enter this amount on each line for each month in which a transaction has occurred. This amount can be negative or positive.	Excess TFSA amount, without considering withdrawals (C – D). If the result is negative, enter "0".	Total of previous qualifying portions of withdrawals. Add the last amount in column G to the last amount in column F.	Qualifying portion of withdrawal. Enter the lesser of (E – F) and B.	Excess amounts in your TFSA. Enter the result of (E – F – G).
Enter the last amount from each column for February.								
Line 3. Enter the highest amount from Column H for the month of March on line 3 of Section 2.								

APRIL

Enter the last amount from each column for March.								
Line 4. Enter the highest amount from Column H for the month of April on line 4 of Section 2.								

MAY

Enter the last amount from each column for April.								
Line 5. Enter the highest amount from Column H for the month of May on line 5 of Section 2.								

JUNE

	A	B	C	D	E	F	G	H
Enter the date of each transaction in the boxes below for each month.	Contribution	Withdrawal	Add the amount of the new contribution from Column A to the last amount reported below.	TFSA contribution room at the beginning of the year. Enter this amount on each line for each month in which a transaction has occurred. This amount can be negative or positive.	Excess TFSA amount, without considering withdrawals (C – D). If the result is negative, enter "0".	Total of previous qualifying portions of withdrawals. Add the last amount in column G to the last amount in column F.	Qualifying portion of withdrawal. Enter the lesser of (E – F) and B.	Excess amounts in your TFSA. Enter the result of (E – F – G).
Enter the last amount from each column for May.								
Line 6. Enter the highest amount from Column H for the month of June on line 6 of Section 2.								

JULY

Enter the last amount from each column for June.								
Line 7. Enter the highest amount from Column H for the month of July on line 7 of Section 2.								

AUGUST

Enter the last amount from each column for July.								
Line 8. Enter the highest amount from Column H for the month of August on line 8 of Section 2.								

SEPTEMBER

	A	B	C	D	E	F	G	H
Enter the date of each transaction in the boxes below for each month.	Contribution	Withdrawal	Add the amount of the new contribution from Column A to the last amount reported below.	TFSA contribution room at the beginning of the year. Enter this amount on each line for each month in which a transaction has occurred. This amount can be negative or positive.	Excess TFSA amount, without considering withdrawals (C – D). If the result is negative, enter "0".	Total of previous qualifying portions of withdrawals. Add the last amount in column G to the last amount in column F.	Qualifying portion of withdrawal. Enter the lesser of (E – F) and B.	Excess amounts in your TFSA. Enter the result of (E – F – G).
Enter the last amount from each column for August.								
Line 9. Enter the highest amount from Column H for the month of September on line 9 of Section 2.								

OCTOBER

Enter the last amount from each column for September.								
Line 10. Enter the highest amount from Column H for the month of October on line 10 of Section 2.								

NOVEMBER

Enter the last amount from each column for October.								
Line 11. Enter the highest amount from Column H for the month of November on line 11 of Section 2.								

DECEMBER

	A	B	C	D	E	F	G	H
Enter the date of each transaction in the boxes below for each month.	Contribution	Withdrawal	Add the amount of the new contribution from Column A to the last amount reported below.	TFSA contribution room at the beginning of the year. Enter this amount on each line for each month in which a transaction has occurred. This amount can be negative or positive.	Excess TFSA amount, without considering withdrawals (C – D). If the result is negative, enter "0".	Total of previous qualifying portions of withdrawals. Add the last amount in column G to the last amount in column F.	Qualifying portion of withdrawal. Enter the lesser of (E – F) and B.	Excess amounts in your TFSA. Enter the result of (E – F – G).
Enter the last amount from each column for November.								
Line 12. Enter the highest amount from Column H for the month of December on line 12 of Section 2.								

Section 2 – Calculation of excess TFSA amounts

Enter the highest excess TFSA amount for each month from column H of the corresponding month below.

Line 1. Enter the amount from Column H for the month of January from line 1 of Section 1	\$ _____	1
Line 2. Enter the amount from Column H for the month of February from line 2 of Section 1	\$ + _____	2
Line 3. Enter the amount from Column H for the month of March from line 3 of Section 1	\$ + _____	3
Line 4. Enter the amount from Column H for the month of April from line 4 of Section 1	\$ + _____	4
Line 5. Enter the amount from Column H for the month of May from line 5 of Section 1	\$ + _____	5
Line 6. Enter the amount from Column H for the month of June from line 6 of Section 1	\$ + _____	6
Line 7. Enter the amount from Column H for the month of July from line 7 of Section 1	\$ + _____	7
Line 8. Enter the amount from Column H for the month of August from line 8 of Section 1	\$ + _____	8
Line 9. Enter the amount from Column H for the month of September from line 9 of Section 1	\$ + _____	9
Line 10. Enter the amount from Column H for the month of October from line 10 of Section 1	\$ + _____	10
Line 11. Enter the amount from Column H for the month of November from line 11 of Section 1	\$ + _____	11
Line 12. Enter the amount from Column H for the month of December from line 12 of Section 1	\$ + _____	12
Add lines 1 through 12 (this is the total of the excess TFSA amounts)	\$ = _____	13

Enter this amount on Line 1 of Section 1 – Part A of Form RC243, *Tax-Free Savings Account (TFSA) Return* _____.