



SCHEDULE B – NON-RESIDENT CONTRIBUTIONS TO A TAX-FREE SAVINGS ACCOUNT (TFSA)

Complete this schedule and attach it to Form RC243, *Tax-Free Savings Account (TFSA) Return* _____, if, at any time during the calendar year, your TFSA contained contributions (other than a qualifying transfer or an exempt contribution) you made while a non-resident of Canada.

A 1% tax per month is applicable to the **full amount** of the contributions made while a non-resident of Canada for every month, ending in (but not including) the month that these contributions are withdrawn in full from the account **and** designated as a withdrawal of non-resident contributions or when you become a resident of Canada, whichever is earlier.

For more information on residency status, see Interpretation Bulletin IT-221, *Determination of an Individual's Residence Status*.

In addition to the 1% tax per month on the contributions made while a non-resident, you may be subject to a separate 1% tax per month if any of the same contributions create an excess amount in your TFSA. To determine whether you have excess TFSA amounts, you will need to complete Form RC243-SCH-A, *Schedule A – Excess TFSA Amounts*. Complete also Part A of Section 1 of Form RC243.

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

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.

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.

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.

Example

Eloise opened a TFSA in January 2010. In October 2010, she emigrated and became a non-resident of Canada. On November 30, Eloise made a \$500 contribution to her TFSA. In March 2011, she realized that she was not entitled to have made such a contribution and, on March 15, she made a \$300 withdrawal. On April 2, 2011, she withdrew an additional \$200 to completely withdraw the \$500 contribution she made while a non-resident.

Since Eloise contributed to her TFSA while a non-resident in 2010, and she did not withdraw the entire non-resident contribution until 2011, she must complete Schedule B for the **2010** calendar year **as well as** for the **2011** calendar year. She will be taxed 1% per month on the **full amount** of the contribution until it is completely withdrawn. For the 2010 calendar year, Eloise will enter 2 months (November and December) in Column D, report the total of Column E in Section 2, and complete Form RC243, *Tax-Free Savings Account (TFSA) Return* _____, which she will send to the CRA. For the 2011 calendar year, she will enter the transactions in Chart 1 as follows and she will complete Schedule B as she did for the 2010 calendar year.

Section 1 – Chart 1					
	A	B	C	D	E
Date (YYYY-MM-DD)	Enter the amount of the contribution made while a non-resident and not fully withdrawn before the beginning of the year.	List all withdrawals, made after the contribution, used to offset this non-resident contribution. You cannot include a withdrawal that has already been used against another contribution.	Column A minus total withdrawals to date from Column B (complete after each withdrawal).	Enter the number of months (maximum of 12) during the calendar year that the contribution was not totally withdrawn and you were a non-resident. Include the month of contribution but not the month of final withdrawal.	Column A multiplied by Column D. Enter this total in Section 2 below.
2010-11-30	\$500			3 (January 2011 to March 2011)	\$1,500 (\$500 × 3)
2011-03-15		\$300	\$200		
2011-04-02		\$200	\$0		
Section 2					

Enter the total from Column E of Chart 1	\$	1,500	1
Enter the total from Column E of Chart 2	\$ +		2
Enter the total from Column E of Chart 3	\$ +		3
If you added extra charts, enter the total from Column E of those charts	\$ +		4
Add lines 1 through 4 (this is the total non-resident amount subject to the 1% tax for the year)	\$ =	1,500	5

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

Section 1

Enter contributions and withdrawals made to all of your TFSAs while a non-resident of Canada. Report all amounts in Canadian dollars. You can designate any withdrawal made after a particular contribution as long as the withdrawal was not used to reduce another non-resident contribution. Do not complete the shaded areas. Do not include contributions that have been fully withdrawn before the calendar year for which this return is being filed. **Complete a separate chart for each contribution.** If you need more space, add extra sheets. In all cases, you must submit the documentation to support all transactions.

Chart 1

	A	B	C	D	E
Date (YYYY-MM-DD)	Enter the amount of the contribution made while a non-resident and not fully withdrawn before the beginning of the year.	List all withdrawals, made after the contribution, used to offset this non-resident contribution. You cannot include a withdrawal that has already been used against another contribution.	Column A minus total withdrawals to date from Column B (complete after each withdrawal).	Enter the number of months (maximum of 12) during the calendar year that the contribution was not totally withdrawn and you were a non-resident. Include the month of contribution but not the month of final withdrawal.	Column A multiplied by Column D. Enter this total in Section 2 below.

Chart 2

	A	B	C	D	E
Date (YYYY-MM-DD)	Enter the amount of the next contribution made while a non-resident and not fully withdrawn before the beginning of the year.	List all withdrawals, made after the contribution, used to offset this non-resident contribution. You cannot include a withdrawal that has already been used against another contribution.	Column A minus total withdrawals to date from Column B (complete after each withdrawal).	Enter the number of months (maximum of 12) during the calendar year that the contribution was not totally withdrawn and you were a non-resident. Include the month of contribution but not the month of final withdrawal.	Column A multiplied by Column D. Enter this total in Section 2 below.

Chart 3

	A	B	C	D	E
Date (YYYY-MM-DD)	Enter the amount of the next contribution made while a non-resident and not fully withdrawn before the beginning of the year.	List all withdrawals, made after the contribution, used to offset this non-resident contribution. You cannot include a withdrawal that has already been used against another contribution.	Column A minus total withdrawals to date from Column B (complete after each withdrawal).	Enter the number of months (maximum of 12) during the calendar year that the contribution was not totally withdrawn and you were a non-resident. Include the month of contribution but not the month of final withdrawal.	Column A multiplied by Column D. Enter this total in Section 2 below.

Section 2

Enter the total from Column E of Chart 1	\$	_____	1
Enter the total from Column E of Chart 2	\$ +	_____	2
Enter the total from Column E of Chart 3	\$ +	_____	3
If you added extra charts, enter the total from Column E of those charts	\$ +	_____	4
Add lines 1 through 4 (this is the total non-resident amount subject to the 1% tax for the year)	\$ =	=====	5

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