T3 – ☐☐☐☐

PENSION INCOME ALLOCATIONS AND DESIGNATIONS

SCHEDULE 7

- Enter the applicable tax year in the box above. **Include a completed copy of this schedule with the trust's return.**
- Complete this schedule only if you are designating pension income to the beneficiaries of a testamentary trust in a year throughout which the trust was a resident of Canada. How this income is designated will affect its tax treatment for the beneficiaries. You need the amounts from this schedule to complete lines 922, 926, 931, and 946 of Schedule 9, *Income Allocations and Designations to Beneficiaries*. You also have to complete the applicable box on each beneficiary's T3 slip.
- You can allocate all pension income as "Other income." If you do, include the amount on line 926 of Schedule 9 and in box 26 of the T3 slip, and **do not** complete this schedule. However, the beneficiary will not be able to:
  - transfer the qualifying income to a registered retirement savings plan (RRSP) or a registered pension plan (RPP);
  - claim the pension income amount; or
  - transfer the qualifying income to acquire an eligible annuity for a minor beneficiary.
- **Do not** write in the shaded areas.
- Enter the pension income in one of the following columns:

  Column A: Lump-sum pension income designated to a beneficiary spouse or common-law partner. These amounts qualify for a transfer to the beneficiary spouse's or common-law partner's RRSP or RPP.

  Column B: Other pension income.

  Column C: Pension income designated to a beneficiary spouse or common-law partner that qualifies for the pension income non-refundable tax credit.

  Column D: Pension income that qualifies for a transfer to acquire an eligible annuity for a minor beneficiary.
- For more information on pension income or transfers, see Guide T4040, *RRSPs and Other Registered Plans for Retirement.*

Pension income received by the trust, that is being allocated and designated	**Column A** Lump-sum pension income	**Column B** Other pension income	**Column C** Qualifying pension income	**Column D** Qualifies for an eligible annuity for a minor
1. **Lump-sum payment from an RPP** (box 018 of a T4A slip) that was:				
a) designated to the beneficiary spouse or common-law partner				
b) designated to a minor beneficiary who was under 18 when the person died and was a child or grandchild of the deceased (enter the same amount in columns B and D)				
c) designated to a beneficiary who, due to mental or physical infirmity, was a financially dependent child or grandchild of the deceased (enter the same amount in columns B and D)				
d) allocated to a beneficiary who is not a person described in a), b) or c) above				
2. **Life annuity out of a superannuation or pension plan** (box 016 of a T4A slip) that was:				
a) designated to the beneficiary spouse or common-law partner (enter the same amount in columns B and C)				
b) allocated to a beneficiary who is not the beneficiary spouse or common-law partner				
3. **Life annuity out of a pension plan for the deceased person's services while not a resident of Canada that was:**				
a) designated to the beneficiary spouse or common-law partner (enter the same amount in columns B and C)				
b) allocated to a beneficiary who is not the beneficiary spouse or common-law partner				
4. **Lump-sum payment out of a pension plan for the deceased person's services while not a resident of Canada that was:**				
a) designated to the beneficiary spouse or common-law partner or former spouse or common-law partner				
b) allocated to a beneficiary who is not the beneficiary spouse or common-law partner or former spouse or common-law partner				
5. **Lump-sum payment out of a foreign retirement arrangement received for the deceased person's, or the deceased person's spouse or common-law partner's, or former spouse or common-law partner's contributions to the plan that was:**				
a) designated to the beneficiary spouse or common-law partner				
b) allocated to a beneficiary who is not the beneficiary spouse or common-law partner				
6. **Lump-sum payment from a deferred profit-sharing plan** (box 018 of a T4A slip) that was:				
a) designated to the beneficiary spouse or common-law partner				
b) allocated to a beneficiary who is not the beneficiary spouse or common-law partner				
7. **Periodic payments from an annuity of a minor** (see 1b) above for a definition of a minor)				
Pension income being allocated and designated ▶				

Total pension income cannot be more than the lesser of: • the amount on line 02 of the T3 return; and • the amount on line 46 of the T3 return.	Column A total _____ Column B total + _____ Total pension income = _____	Enter this amount on line 922 of Schedule 9.	Include this amount on line 926 of Schedule 9.	Enter this amount on line 931 of Schedule 9.	Enter this amount on line 946 of Schedule 9.