



# Support Payments

**Includes Form T1158**

**L / P102 (E) Rev. 09**

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Canada Revenue  
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**Canada**



## Is this guide for you?

This guide is for you if you made or received support payments under a court order or a written agreement. If you do not have an order or agreement, the payments are not subject to the tax rules that apply to support payments.

This guide explains the different tax rules for an order or agreement made before May 1997 or after April 1997. It includes information on the exceptions that may apply to you and instructions on how to complete your tax return.

## What's new?

My Payment is a new payment option that allows individuals and businesses to make payments online, using the Canada Revenue Agency's Web site, from an account at a participating Canadian financial institution. For more information on this self-service option, go to [www.cra.gc.ca/mypayment](http://www.cra.gc.ca/mypayment).

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La version française de cette publication est intitulée PENSION ALIMENTAIRE.

**NOTE:** In this publication, the text inserted between square brackets represents the regular print information.

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# Definitions

We define some common terms associated with support payments.

## Allowance

An **allowance** is a specific sum of money established in a court order or written agreement as the amount the payer has to pay to the recipient. It can include a sum that has to be adjusted according to a formula or index (such as the cost-of-living index or a percentage of the payer's income), even though the exact future amounts payable are not specified in the order or agreement. An allowance **must be** payable on a periodic basis to be considered support payments.

## Child

A child includes:

- a person, born within or outside marriage, of whom you are the natural parent;

- a person who is wholly dependent on you for support and of whom you have, or immediately before the person attained the age of 19 years had, in law or in fact, the custody and control;
- a child of your spouse or common-law partner; and
- a child you adopted.

### **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:

- a) has been living with you in a conjugal relationship for at least 12 continuous months;
- b) is the parent of your child by birth or adoption; or
- c) has custody and control of your child (or had custody and control immediately before the child turned 19 years of age) and your child is wholly dependent on that person for support.

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) on page 8 [above] ) 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 that you were separated for less than 90 days because of a breakdown in the relationship.

## **Court order**

A **court order** is a decree, order, or judgment made by a court or other competent tribunal, such as a family court. For more information, see "Registering your court order or written agreement" on page 43 [14].

## **Payer**

The term **payer** designates a person who makes support payments to the recipient under a court order or written agreement. A payer includes:

- the recipient's current or former spouse or common-law partner; or
- the parent of a child of whom the recipient is a legal parent.

## **Periodic payments**

The term periodic does not necessarily mean frequent, although there has to be a series of payments. The payments could, for example, be made monthly, quarterly, semi-annually, or annually. The court order or written agreement has to set out the timing of the payments. Only a new order or agreement can change the payment schedule.

## **Specific-purpose payments**

Specific-purpose payments are amounts payable under a court order or written agreement for specific expenses (e.g., rent) for the maintenance of the recipient and/or the child in the recipient's custody.

## **Recipient**

The term **recipient** designates a person who receives support payments from the payer under a court order or written agreement.

A recipient includes:

- the payer's current or former spouse or common-law partner; or
- the parent of a child of whom the payer is a legal parent.

A child cannot be considered the recipient of support payments for income tax purposes.

## **Separated**

You are separated when you start living separate and apart from your spouse or common-law partner because of a breakdown in the relationship for a period of **at least 90 days** and you have not reconciled.

## **Note**

Once you have been separated for 90 days (due to a breakdown in the relationship), the effective day of your separated status is the date you started living separate and apart.

## **Spouse**

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

## **Third-party payments**

Third-party payments are specific-purpose payments made to a person other than the recipient.

## **Written agreement**

Under a **written agreement**, a person agrees to make regular payments to maintain his or her current or former spouse or common-law partner, children of the relationship, or both. The written agreement should normally be signed and dated by both parties. For more information, see "Registering your court order or written agreement" on page 43 [14].

## What are support payments?

A **support payment** is an amount payable or receivable as an allowance on a periodic basis for the maintenance of the recipient, children of the recipient, or both.

There are two types of support payments. The tax rules are different depending on the type of situation.

- Support for a spouse or common-law partner means support payments made under a court order or written agreement that are **only** for the recipient's maintenance (referred to in this guide as spousal support).
- Support for a child means any support payment that is **not identified** in the court order or written agreement as being only for the recipient's maintenance. If an order or agreement provides for a global amount of support to be paid for the recipient and a child, the full amount is considered support for a child.

For your payment to be considered a support payment, the following **five conditions** must be met.

1. The payment must be made under the terms of a court order or written agreement.

**Note**

In the case of paternity agreements, they must be in the form of a court order issued by a court or a competent tribunal in accordance with the laws of a province. Written agreements are not acceptable even if they are registered with the court.

2. The payer must be living separate and apart from the recipient at the time the payment was made because of a breakdown in the relationship, if the recipient is the payer's current or former spouse or common-law partner. Otherwise, the payer must be the legal parent of a child of the recipient.
3. The payment is made for the maintenance of the recipient, child of the recipient, or both, and the recipient has discretion as to the use of the amount.
4. The allowance must be payable on a periodic basis. For the definition of allowance and periodic payments, see "Definitions" on page 7 [4].

## **Note**

The timing of the payments must be set out in the court order or written agreement.

5. The payments must be made directly to the recipient.

## **Note**

Under certain conditions, payments can be made to a third-party. For more information, see "Specific-purpose and third-party payments" later on page 17 [this page].

## **Exceptions**

Under certain conditions, your payments are considered support payments even if they do not meet the preceding conditions. These conditions may apply when there are:

- payments made before the date of the court order or written agreement;
- specific-purpose or third-party payment; or
- lump-sum payments.

## **Payments made prior to the date of the court order or written agreement**

An amount paid before a court order or written agreement takes place or comes into effect is recognized if the order or agreement contains a provision stipulating that any amount previously paid is deemed paid in accordance with the order or agreement. However, under the INCOME TAX ACT, the payments must be made in the year the order or agreement was established, or in the preceding year.

### **Example**

Since the couple separated in January 2007, Brendan has been paying \$500 monthly to Sarah in spousal support. On January 8, 2009, a written agreement was established confirming that Brendan is required to pay \$500 monthly in support.

The written agreement also indicates that the amounts paid before January 2009 are considered paid and received in accordance with this agreement.

The payments made in 2008 and 2009 are considered support payments because they were paid in the year of the written agreement and the previous year. They therefore qualify to be

deducted. The 2007 payments were not paid in the year of the written agreement or in the previous year, so they cannot be deducted.

## **Specific-purpose and third-party payments**

**Third-party payments** are support payments made under a court order or written agreement to someone other than the recipient (a third-party). Third-party payments that the recipient can use as he or she sees fit are considered support payments only if they meet conditions 1, 2, 3 and 4 outlined on page 14 [the previous page and on this page]. For more information, see Interpretation Bulletin IT-530, SUPPORT PAYMENTS.

**Specific-purpose payments** are amounts made under a court order or written agreement for specific expenses for the maintenance of the recipient. These amounts may be paid directly to the recipient or to a third-party.

Specific-purpose payments include:

- rent, property taxes, insurance premiums;

- educational or medical expenses (such as prescription drugs or glasses);
- maintenance costs for the home in which the recipient lives; and
- up to 20% of the original principal amount of any debt from buying or improving the home in which the recipient lives.

If the recipient can use the specific-purpose payments as he or she sees fit, they are considered support payments if they meet conditions 1, 2, 3 and 4 outlined on page 14 [the previous pages].

However, if the recipient **cannot** use the specific-purpose payments as he or she sees fit, they are **not** considered support payments, **unless** the court order or written agreement states that the recipient will include the payments in income, and that the payer can deduct them.

### **Example**

Under a written agreement, Melissa has to pay \$900 per month to her former spouse Alex, as an allowance for maintenance. This written agreement provides that Melissa will pay an amount of \$300 directly to Alex and \$600 directly to his landlord for the rent of his

apartment. The agreement also provides that Alex may, at any time, change the arrangement and require that the entire \$900 be paid directly to him.

The monthly amount of \$600 paid directly to the landlord and the monthly amount of \$300 payable to Alex are considered support payments because he can use the money as he sees fit.

### **Lump-sum payments**

An amount paid as one lump sum will generally **not** be considered a support payment because it is not paid on a periodic basis.

However, if periodic payments required by a court order or written agreement have fallen into arrears and one payment is made to bring these requirements up to date, that payment would be considered a support payment.

The following are generally **not** support payments:

- A lump-sum payment made in place of several periodic payments that were imposed under a court order or written agreement, but were not yet due to be paid (a prepayment). However, if a

prepayment was made for the sole purpose of securing funds to the recipient, it may be considered a support payment.

- A lump-sum payment made under a court order or written agreement for a period before the date of the order or agreement.
- Instalment payments of a lump sum.
- Payments that release the payer from any obligation to pay arrears, future maintenance, or both.

For more information, see Interpretation Bulletin IT-530, SUPPORT PAYMENTS.

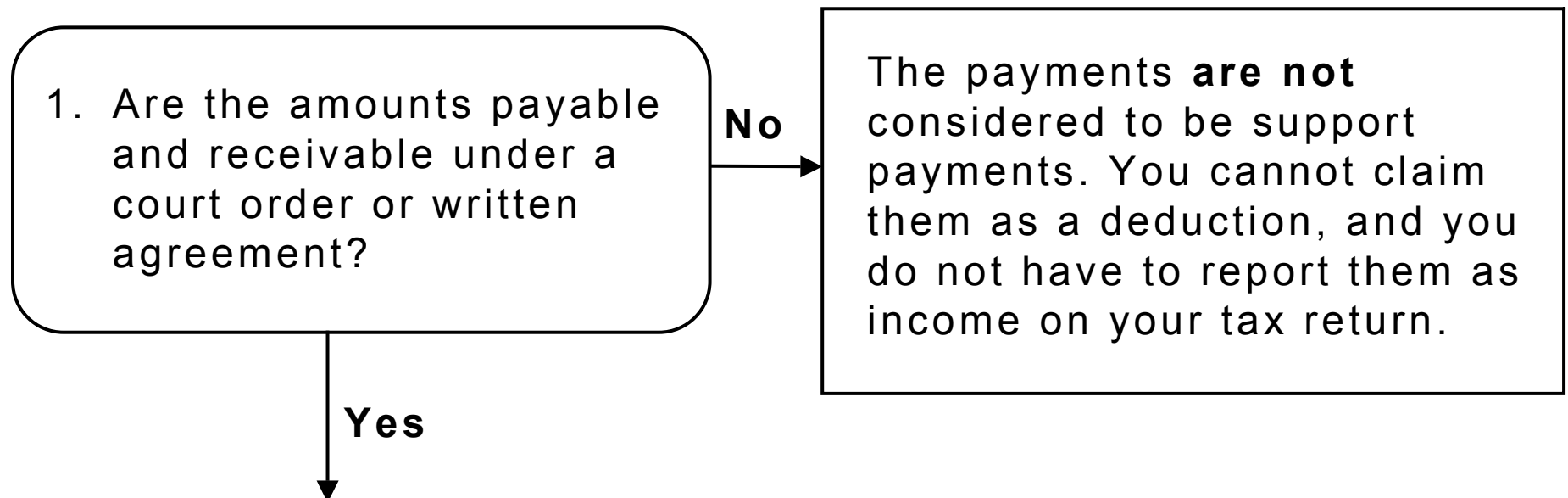
### **Example**

Jason and Tracy have been living separate and apart since August 2007. Their court order requires Jason to pay \$500 per month for the maintenance of their son Kevin. In June 2008, Jason lost his job and was unable to make the support payments. In February 2009, he got a new job. He is in arrears of \$4,000. Jason and Tracy returned to court and reached a settlement where it was agreed that Jason will pay \$3,500 of the \$4000 he owes, the other \$500 will not be paid.

The \$3,500 lump-sum payment is considered a settlement amount paid by Jason to release him from his liability for the arrears and therefore does not qualify as a support payment because it was not made in accordance with the **original** agreement.

To find out if the amount you pay or receive is a support payment, see the chart below and on the next pages.

Answer the following questions to find out if the amount you pay or receive is considered a support payment.



Yes

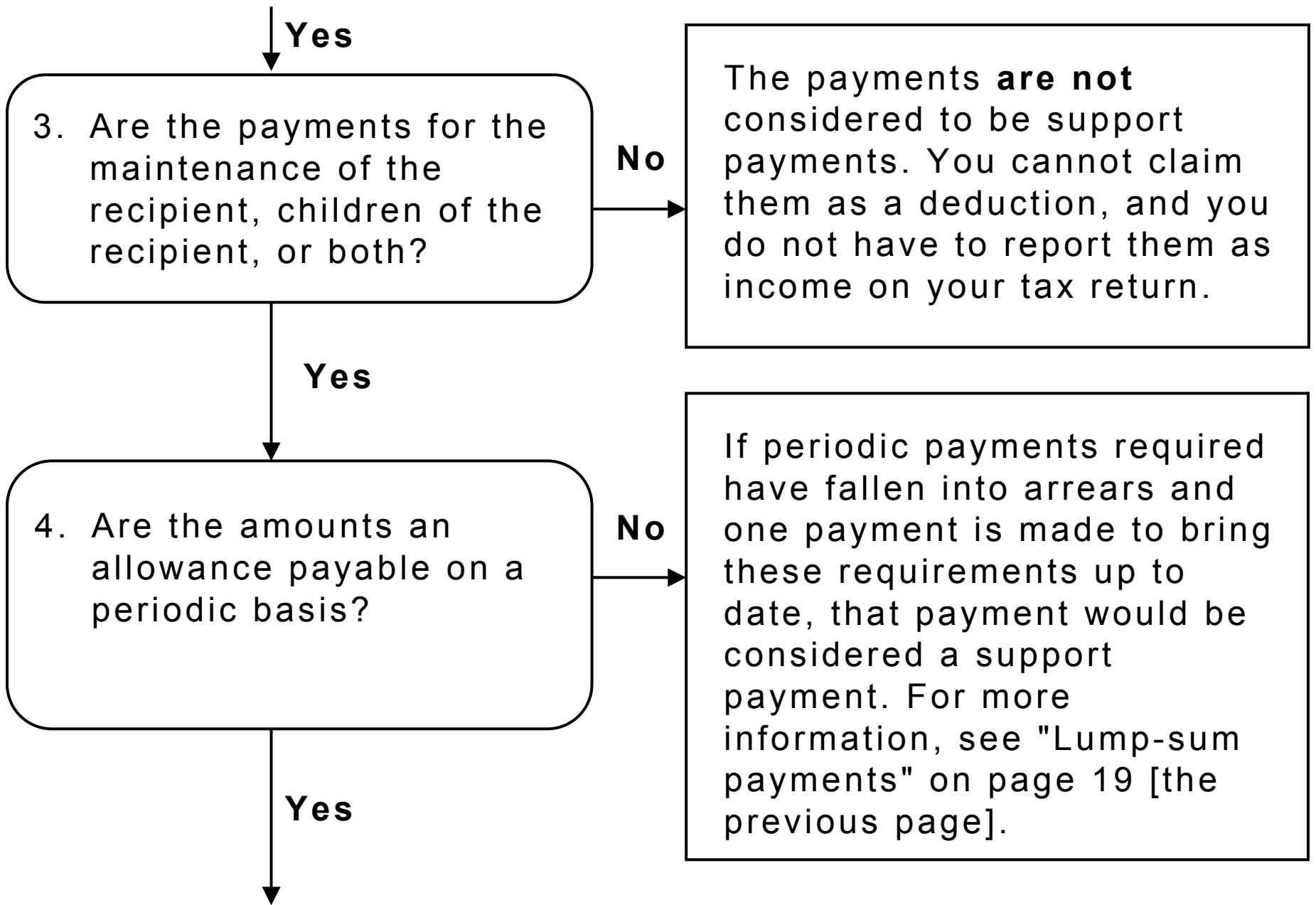
2. Do **either** of the following situations apply?

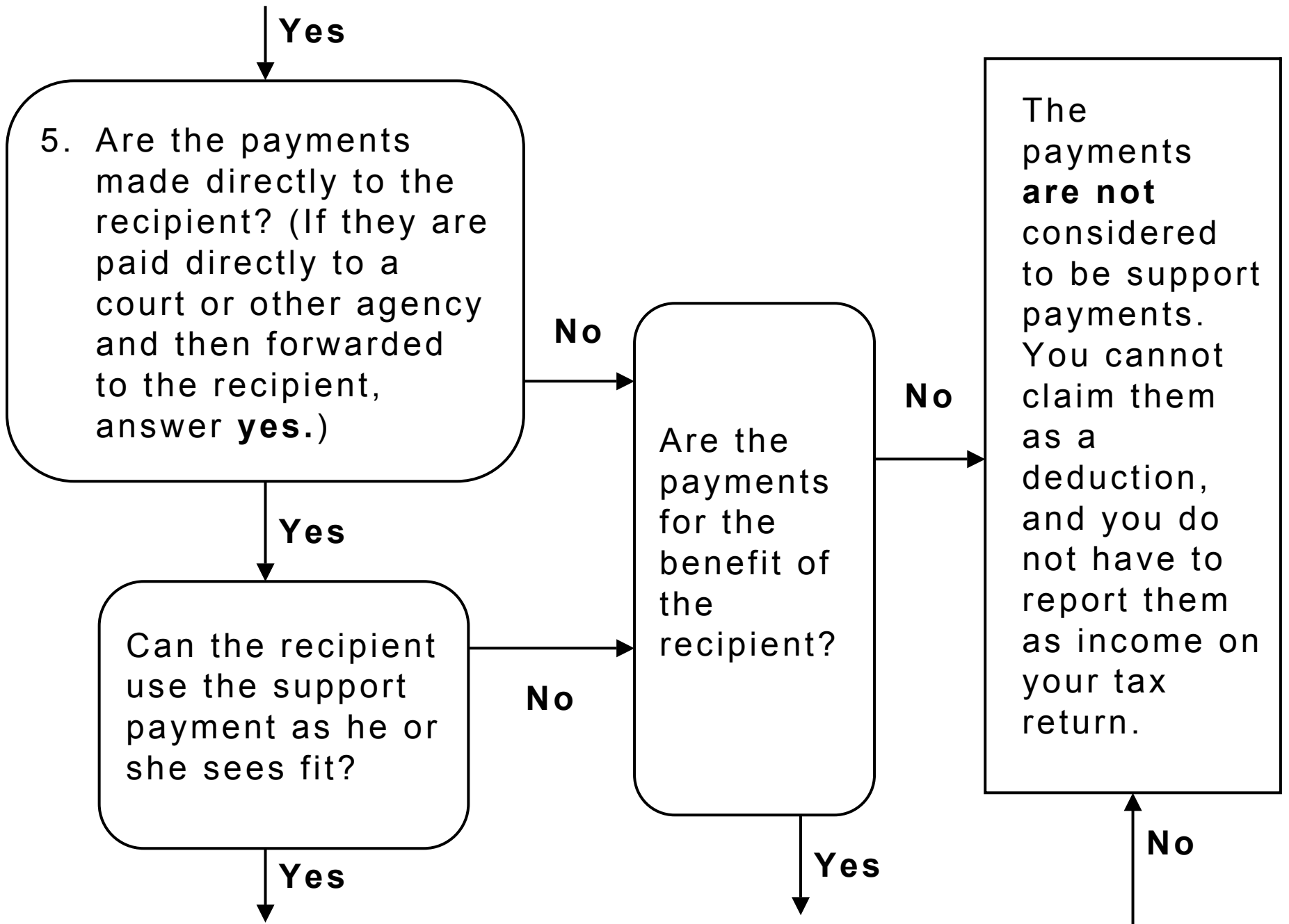
- The recipient is the payer's current or former spouse or common-law partner and the payer and recipient are living apart because of a breakdown in the relationship.
- The payer is the legal parent of a child of the recipient.

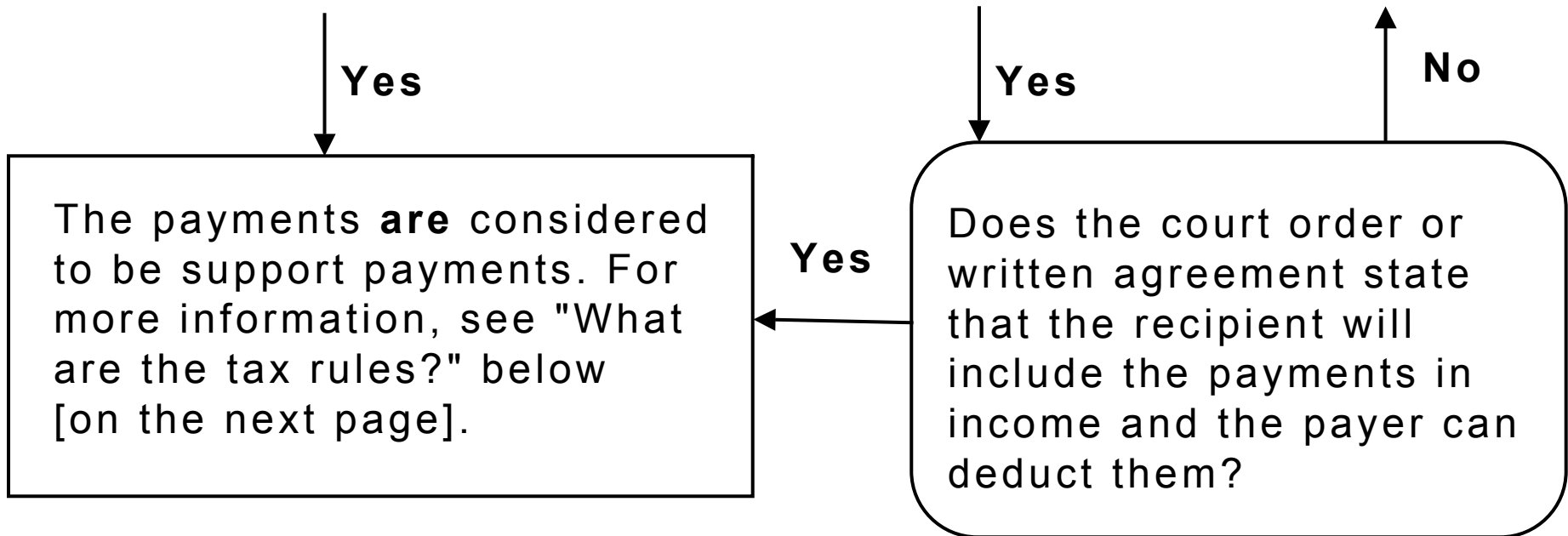
No

The payments **are not** considered to be support payments. You cannot claim them as a deduction, and you do not have to report them as income on your tax return.

Yes







## What are the tax rules?

Depending on the date your court order or written agreement was made, support payments made or received for a child or spouse or common-law partner that meet the conditions outlined on pages 14 [5] and 15 [6] may be taxable and deductible. The rules that apply to your situation depend on whether the order or agreement was made:

- before May 1997; or
- after April 1997.

## **Tax rules for court orders or written agreements made before May 1997**

Support payments for a child or spouse or common-law partner, under a court order or written agreement made before May 1997, are taxable to the recipient and deductible by the payer **unless** one of the following four situations applies to you.

### **1. Changes to amount of child support payments**

If a court order or written agreement made before May 1997 is modified after April 1997 to change the amount of child support payable to the recipient, the tax rules in effect after April 1997 apply. This means that these payments are no longer taxable or deductible beginning on the date of the modification, which is the date that the payer pays the revised amount to the recipient for the first time.

#### **Note**

Automatic changes in the amount of support, based on cost-of-living increase or changes in the payer's income, that have been provided for in the order or agreement are not included in this rule. To find out the cost-of-living, visit the Statistics Canada Web site at

**www.statcan.gc.ca.** If you live in Quebec, visit the Institut de la statistique du Québec at **www.stat.gouv.qc.ca.**

## **2. A new court order or written agreement with the same person**

If you have a court order or written agreement made before May 1997 that remains valid and a new order or agreement with the same person was made after April 1997, and the result of this new order or agreement is to change the total amount of child support payable to the recipient, the tax rules in effect after April 1997 applies for support payable or receivable under **both** orders and agreements as of the commencement day of the new order or agreement.

## **3. The court order or written agreement specifies that payments will not be taxable or deductible**

A court order or written agreement may specify that child support payments made after a certain date (not earlier than May 1, 1997) will no longer be taxable and deductible.

#### **4. Election for child support payments**

If you have a court order or written agreement dated **earlier** than May 1997, you can elect to have the tax rules in effect after April 1997 apply to you without having to change the order or agreement.

In order to be valid, the payer and the recipient must both agree to make the election. Both parties must complete and sign Form T1157, ELECTION FOR CHILD SUPPORT PAYMENTS.

Once the election has been accepted, the order or agreement is subject to the tax rules that apply after April 1997. The election cannot be revoked.

#### **Note**

A separate form must be completed for each order or agreement.

If any of the above situations apply, support payments made or received under that order or agreement will be subject to the tax rules in effect for orders and agreements made after April 1997 (see next page).

## **Tax rules for court orders or written agreements made after April 1997**

Generally, payments made for the maintenance of a child under a court order or written agreement made after April 1997 (or before May 1997 if any other the situations mentioned on pages 26 to 28 [above] apply) are not deductible by the payer and do not have to be included in income by the recipient. Payments made for the maintenance of the recipient continue to be deductible to the payer and must be included in the recipient's income. The following explanations provide more information about these rules.

### **Child support payments**

Under court orders and written agreements made after April 1997, any support amount that is not identified in the order or agreement as being solely for the support of the recipient is considered to be child support. These amounts are not deductible by the payer and do not have to be included in income by the recipient.

## **Support payments for the maintenance of the recipient**

Generally, support payments made under a court order or written agreement for the maintenance of the recipient are taxable to the recipient and deductible by the payer if:

- the order or agreement clearly specifies the amount to be paid for the spouse or common-law partner; and
- all payments for child support are fully paid for the current and previous years.

## **Priority of child support**

If your court order or written agreement specifies child support payments **and** support payments for the recipient, priority is given to the child support.

This means that all payments made are first considered to have been made toward child support. Any amount paid over and above the child support amount is considered to be support payments for the recipient.

All child support payable to a recipient **must** be fully paid before any amounts paid as support for the recipient can be claimed as a deduction. Any arrears in the amount of child support is carried forward and added to the next year's support payable.

### **Note**

The priority of child support does not apply when the child support and spouse or common-law partner support are payable under different court orders or written agreements and the recipients are different people.

### **Example**

Beginning January 2008, Mark has to make monthly support payments of \$400 (\$150 for his spouse, and \$250 for their two children). Mark paid \$400 on January 1, February 1, and March 1, for a total of \$1,200. He made no other payment for the remainder of the year. This means that Mark is in arrears for \$1,800 in child support.

When filing his 2008 tax return, Mark was not entitled to a deduction for spousal support payments because he did not fully pay his child support.

In 2009, Mark must fully pay all child support owing for 2008 and 2009 before being entitled to claim a deduction for anything he pays for spousal support.

If you need more information to determine if the support payments made or received are deductible or taxable, go to [www.cra.gc.ca/supportpayments](http://www.cra.gc.ca/supportpayments), select "What amount can I claim or report?" and answer the questions that apply to your situation.

## Completing your income tax return

### Payer

If you are claiming deductible support payments, enter on **line 230** of your tax return the **total amount** of support payments you paid under all court orders and written agreements, including any non-deductible child support payments you made. Do not include amounts you paid that are more than the amounts specified in the order or agreement, such as pocket money or gifts that you sent directly to your children.

Enter on **line 220** the **deductible part** of the support payments that you paid.

Ensure that **both line 230** and **line 220** are completed correctly to avoid your claim being delayed or disallowed.

You may also have to register your court order or written agreement. For more information, see "Registering your court order or written agreement" on page 43 [14].

### **Example**

Diane and Gene recently divorced after eight years of marriage. In their court order made in December 2008, Gene was ordered to pay Diane \$1,000 per month for their two children until they reach the age of 21, and \$500 per month in spousal support.

Monthly support payments of \$1,500 began in January, making a total support payment amount of \$18,000 for 2009.

Gene enters the total support payments amount of \$18,000 on **line 230** of his tax return. On **line 220**, he enters the deductible portion of his support payments, which is the spousal support amount of \$6,000.

## **Note**

If your court order or written agreement acknowledges support paid for your spouse or common-law partner in a year for which you have already filed a tax return, you can ask for an adjustment. See "How do you change a return?" in your GENERAL INCOME TAX AND BENEFIT GUIDE.

## **Year of change in marital status**

If you had to make payments for a child **and** you were separated from your spouse or common-law partner for only **part of that year** because of a breakdown in your relationship, you have a choice. You may claim either any deductible child or spousal support amounts paid for that year **or**, if you qualify, the allowable non-refundable tax credit, whichever is more to your advantage for tax purposes.

If you reconciled before the end of that year and you choose to claim the spouse or common-law partner amount, you may also qualify to claim the non-refundable tax credit **amounts transferred from your spouse or common-law partner.**

For more information, see lines 303, 305, 367, 306, 365, 315, and 318 in the GENERAL INCOME TAX AND BENEFIT GUIDE.

If you are claiming non-refundable tax credit amounts instead of the support payments, enter the total support paid on line 230, and zero on line 220. Otherwise, we will have no record of your payments.

### **Note**

If you have more than one recipient to whom you are making support payments, your tax situation may vary. For more information, see Interpretation Bulletin IT-530, SUPPORT PAYMENTS.

### **Example**

Roger and Mary separated on September 1, 2009. Under the terms of the written agreement, beginning on that date Roger pays \$300 monthly in spousal support. Mary had no other income in 2009.

When filing his 2009 tax return, Roger could deduct either:

- the support he paid = \$1,200 ( $\$300 \times 4$  months); or
- the spouse or common-law partner amount for Mary (line 303 of the tax return).

Since Mary had no other income, Roger would be entitled to the full spouse or common-law partner amount. Therefore, in this case the spouse or common-law partner amount is the most beneficial. Roger is entitled to a claim at line 303; he should include the amount of support he paid at line 230 and enter zero on line 220.

Mary would be required to report the \$1,200 she received in support payments on her 2009 tax return.

### **Retroactive lump-sum payments**

If, after 1977, your support payments fell into arrears, and you made one **lump-sum** payment (of at least \$3,000) to bring your requirements for previous years up to date, give the recipient of the support payments a completed Form T1198, STATEMENT OF QUALIFYING RETROACTIVE LUMP-SUM PAYMENT, only if you can deduct the support payments you paid and the recipient has to report it as income.

### **Reimbursement of support payments**

A reimbursement of support payments received under a court order must be included in income on lines 156 and 128 of your tax return for

the year it is received. This applies if you deduct the amount on that tax return, or if you deducted it in a previous year.

## **Legal fees**

As a payer of support payments, you **cannot** claim legal costs (at line 220 or 232) you incurred to:

- get a separation or divorce;
- establish, negotiate, or contest the amount of support payments; or
- establish custody or visitation rights to a child.

## **Supporting documents**

When you file your tax return, do not include your receipts or cancelled cheques, or your court order or written agreement. Keep them in case we ask to see them.

Acceptable receipts must indicate your name, the date of payment, and the amount you paid.

Any of the following receipts may be accepted to support your claim:

- Cancelled cheques (you must submit legible photocopies of both sides of the cheque).
- Bank and employer statements if they indicate a transfer of funds from the payer's account/paycheque to either the recipient's account or to a provincial agency and the amounts are equal or less than the amounts specified in the court order or written agreement (the statements must clearly identify your name and the name of the recipient of the funds).
- Statement or letter from the maintenance enforcement program (for example, provincial agency) supporting the actual amount of support paid pursuant to the court order or written agreement.
- Signed receipts from the recipient showing the total amount paid in the year.

## **Recipient**

If you are reporting taxable support payments, enter on **line 156** of your tax return the **total amount** of support payments you received

under a court order or written agreement. This includes any support payments you received under a social assistance arrangement.

Do not include amounts you received that are more than the amounts specified in the order or agreement, such as pocket money or gifts that your children received directly from the payer.

Enter on **line 128** the **taxable part** of support payments you received.

It is important to ensure that **both line 156** and **line 128** are completed correctly to avoid a delay in assessing your tax return.

You also may have to register your court order or written agreement. For more information, see "Registering your court order or written agreement" on page 43 [14].

### **Example**

Diane and Gene recently divorced after eight years of marriage. In their court order made in December 2008, Gene was ordered to pay Diane \$1,000 per month for their two children until they reach the age of 21, and \$500 per month in spousal support.

Monthly support payments of \$1,500 began in January, making a total support payment amount of \$18,000 for 2009.

Diane enters the total support payments amount of \$18,000 on **line 156** of her tax return. On **line 128**, she enters the taxable portion of the support payments she received, which is the spousal support amount of \$6,000.

### **Note**

If you received a payment before the end of the year, you have to include it in income for that year, as long as it meets the conditions outlined earlier in this guide. You cannot delay including a payment in income by not cashing the cheque.

### **Retroactive lump-sum payments**

If, after 1977, you received a **lump-sum** support payment, parts of which were for previous years, you have to report the whole payment in the year the lump-sum payment is received.

However, if the amount that applies to previous years is \$3,000 or more (not including interest), you can ask us to tax the parts for the previous years as if they were received in those years.

We will do this for the amount that applies to years throughout which you were resident in Canada, and only if it is to your advantage for tax purposes.

The payer of the support payments should give you a completed Form T1198, STATEMENT OF QUALIFYING RETROACTIVE LUMP-SUM PAYMENT. Include this form with your tax return to ask us for this special tax calculation on a retroactive lump-sum payment. We will tell you the results on your notice of assessment or notice of reassessment.

### **Reimbursement of support payments**

If you repaid support payments because of a court order, you may be able to claim a deduction on line 220 of your tax return for that year (or in either of the following two years). You can claim this deduction if you reported the original support payments you received as income

on that same tax return or on a previous year's tax return, and you have not already claimed a deduction for the repayment.

## **Legal fees**

As a recipient of support payments, you **can** deduct, on line 232 of your tax return, legal fees you paid to:

- collect late support payments;
- establish the amount of support payments from your current or former spouse or common-law partner;
- establish the amount of support payments from the legal parent of your child (who is not your current or former spouse or common-law partner) where the support is payable under the terms of a court order;
- try to get an increase in support payments; or
- try to make child support non-taxable.

You **cannot** claim legal costs you incurred to:

- get a separation or divorce; or

- establish custody or visitation rights to a child.

## **Have you transferred the rights to your support payments?**

As a recipient of support payments, you may formally assign or transfer your rights to such payments to your provincial government, in order to receive social assistance. If you have transferred your rights to your support payments, report the total amounts you received on **line 156** (and any taxable part on **line 128**). These amounts are no longer included in box 11 of Form T5007, STATEMENT OF BENEFITS.

## **Supporting documents**

When you file your tax return, do not include your receipts or cancelled cheques, or your court order or written agreement. Keep them in case we ask to see them.

## **Registering your court order or written agreement**

You must register your court order or written agreement with us, if you have not previously, and it requires payment of support for a spouse or common-law partner. By registering your order or agreement, you

advise us of the portion of your payments that is spousal support and, if applicable, the portion that is child support. By doing this, you avoid unnecessary delays and adjustments to your tax return.

To register your court order or written agreement, follow the instructions on Form T1158, REGISTRATION OF FAMILY SUPPORT PAYMENTS, which is included at the end of this guide. Do not include your order or agreement with your tax return.

It is important to notify us if the support payable to a spouse or common-law partner or child changes from the amount originally registered (other than cost-of-living adjustments or changes already provided in the court order or written agreement).

You do not have to register your court order or written agreement if it requires child support payments **only**.

**Note**

Complete a separate form for each court order or written agreement you are registering.

# Deductions from your pay

## Payer

If you are employed and you make deductible support payments, you can ask us to authorize the **reduction** of the amount of income tax that your employer is deducting from your pay.

Send a completed Form T1213, REQUEST TO REDUCE TAX DEDUCTIONS AT SOURCE FOR YEAR(S) \_\_\_\_\_, to your tax services office.

If you qualify, you can take our letter of authority to your employer to adjust the tax deducted from your pay.

## Recipient

If you are employed and you receive taxable support payments, you may want to **increase** the amount of tax that is deducted from your pay.

For an increase in tax, see your employer about completing Form TD1, 200\_\_ PERSONAL TAX CREDITS RETURN.

## **Payment made after death**

There are rules for payments made after death.

Payments made after death of the **recipient** are not deductible by the payer, whether the payments are made to the estate or children, as such payments would not meet the conditions of a support payment as defined on pages 14 [5] and 15 [6].

Payments made by the estate of a **payer** to the recipient are neither deductible nor taxable. The amounts do not meet the conditions of a support payment because an estate cannot have a spouse or common-law partner.

## **Payments to and from non-resident**

### **Payer**

If you are a resident of Canada who makes support payments to a non-resident, you do not have to withhold tax on the payments. You can deduct the payments if the conditions outlined on pages 14 [5] and 15 [6] are met.

## **Recipient**

If you are a resident of Canada who receives support payments from a resident of another country, you have to include the payments in income if the conditions outlined on pages 14 [5] and 15 [6] are met.

However, if the support payments you reported as income are tax-free in Canada because of a tax agreement (treaty) between Canada and the other country, you may be able to claim a deduction for them (see line 256 in your GENERAL INCOME TAX AND BENEFIT GUIDE).

If the other country withheld tax from the support payments you reported as income, and if you have to pay tax on those payments on your tax return, you may be able to claim a foreign tax credit (see line 405 in your GENERAL INCOME TAX AND BENEFIT GUIDE).

### **Example**

Carol and Doug divorced on December 23, 2008. Doug resides in Australia. Carol is a Canadian resident. Under a court order, Doug pays Carol \$500 a month in spousal support beginning January 1, 2009.

Under the terms of the Canada-Australia Income Tax Treaty, alimony and other maintenance payments are only taxable in the source country. The payment is taxable **only** in Australia.

Carol must report \$6,000 on line 128 of her tax return and she should also enter this amount on line 156 of her tax return. Carol may also claim \$6,000 as a deduction on line 256 of her tax return because of the provisions of the Canada-Australia Income Tax Treaty.

### **Note**

Tax treaty information can be found on the Department of Finance Canada Web site at **[www.fin.gc.ca](http://www.fin.gc.ca)**.

## **For more information**

Contact us if, after reading this guide, you would like to get forms or publications, or you need help.

To get forms or publications, go to **[www.cra.gc.ca/forms](http://www.cra.gc.ca/forms)** or call **1-800-959-2221**.

For more information, go to our Web site at **www.cra.gc.ca** or call us at **1-800-959-8281**.

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

**T.I.P.S. (Tax Information Phone Service)** – For personal and general tax information by telephone, you can use our automated **T.I.P.S.** by calling **1-800-267-6999**.

**Teletypewriter (TTY) users** – If you use a TTY because you have a hearing or speech impairment, an agent at our bilingual enquiry service (**1-800-665-0354**) can assist you during regular and evening hours of service.

**Community Volunteer Income Tax Program** – If you need help to complete your tax return, your income is low, and your tax situation is simple, our 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](http://www.cra.gc.ca/volunteer)** or call us at **1-800-959-8281**.

## **Our service complaint process**

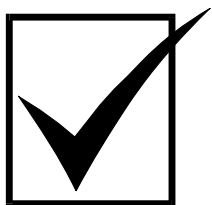
If you are not satisfied with the **service** you have received, contact the CRA employee you have been dealing with (or call the phone number you have been given). If you still disagree with the way your concerns are being addressed, ask to discuss the matter with the employee's supervisor.

If the matter is still not resolved, you have the right to file a service complaint by completing Form RC193, SERVICE-RELATED COMPLAINT. If you are still not satisfied with the way the CRA has handled your complaint, you can contact the Taxpayers' Ombudsman.

For more information, go to **[www.cra.gc.ca/complaints](http://www.cra.gc.ca/complaints)** or see Pamphlet RC4420, INFORMATION ON CRA-SERVICE COMPLAINTS.

## 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