



RRSPs and Other Registered Plans for Retirement

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Before you start

Is this guide for you?

Use this guide if you want information about registered pension plans (RPPs), registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), or registered education savings plan (RESP) accumulated income payments (AIP). This guide has information, which is not in your income tax package, that you may need to complete your return.

The first three chapters provide information about plans or funds to which you can contribute. Chapter 1 has information about making contributions to an RPP. Chapter 2 has information about RRSPs, including what your options are if you cannot deduct all the amounts you contribute to an RRSP, and when to complete Form T1-OVP, 2011 INDIVIDUAL TAX RETURN FOR RRSP EXCESS CONTRIBUTIONS. Chapter 3 describes the types of amounts you can contribute to a RRIF.

To determine the amounts you can receive from an RRSP or a RRIF, and to find out how to report those amounts, see Chapter 4. If you want to transfer an amount from one of your plans to another, see

Chapter 5 for your options. Chapter 6 provides general information on the pension adjustment (PA), pension adjustment reversal (PAR), and past service pension adjustment (PSPA). We use these three amounts to determine how much you can contribute to an RRSP.

Definitions – We have included definitions of some of the terms used in this guide beginning on page 11 [4]. You may want to read this section before you start.

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What's new?

Saskatchewan Pension Plan (SPP) contributions – Under proposed changes, SPP contributions will generally be subject to the same rules as RRSP contributions. An individual's account under the SPP will be treated as an RRSP for specified purposes,

and the income attribution rules that apply to a spousal or common-law partner RRSP will apply to accounts under the SPP. In addition, lump-sum death benefits paid from an account under the SPP will be treated similarly to rollovers of death benefits paid from an RPP. The proposed changes generally apply after 2009.

Anti-avoidance rules – Under proposed changes, anti-avoidance rules will be strengthened to prevent aggressive tax planning strategies, including those that claim to allow RRSP annuitants to access their RRSP and RRIF funds without including these amounts in income.

The proposed changes include the modification of existing RRSP and RRIF advantage rules and the tax rules that apply when an RRSP or RRIF acquires a non-qualified investment, and the introduction of a special tax on the annuitant of an RRSP or RRIF that acquires a prohibited investment. At the time of publication of this guide, anti-avoidance rules were not finalized. For more information, visit www.cra.gc.ca.

Deduction for pension repayments – Under proposed changes, an individual can claim deduction if he or she repays to a registered pension plan (RPP) an overpayment of an amount received from the RPP in error that was included in his or her income for the year or a preceding year. For more information, see "Other deductions" on page 26 [6].

La version française de cette publication est intitulée REER ET AUTRES RÉGIMES ENREGISTRÉS POUR LA RETRAITE.

Table of contents

	Page
Definitions	11 [4]
Chapter 1 – RPP contributions	21 [5]
Current service and past service contributions for 1990 or later years	22 [6]
Past service contributions for 1989 or earlier years	23 [6]
Interest on past service contributions	25 [6]
Excess contributions for current service made from 1976 to 1985	26 [6]
Other deductions	26 [6]
Calculating your 2011 deduction for your RPP contributions	34 [9]
Chapter 2 – RRSP contributions	48 [11]
How do you claim your RRSP deduction?	51 [11]

	Page
Age limit for contributing to an RRSP	52 [12]
Contributing to your RRSPs	52 [12]
How much can you deduct?	53 [12]
Calculating your 2011 RRSP deduction limit	54 [12]
Contributions you can deduct for 2011	55 [12]
Contributing to your spouse's or common-law partner's RRSP	57 [12]
Keeping track of your RRSP contributions – Schedule 7	60 [13]
Line 1 – Unused RRSP contributions	61 [13]
Lines 2 and 3 – Total RRSP contributions	62 [13]
Lines 6 and 7 – Repayments under the HBP and the LLP ...	65 [14]
Line 10 – RRSP contributions you are deducting for 2011	66 [14]
Line 11 – Transfers	67 [14]

	Page
Lines 15 to 18 – 2011 withdrawals under the HBP and the LLP	68 [15]
Unused RRSP contributions	80 [18]
Withdrawing the unused contributions.....	81 [18]
Tax on RRSP excess contributions	84 [18]
Chapter 3 – RRIF contributions	94 [21]
Property from an RRSP	94 [21]
RPP payments	96 [21]
DPSP payments	97 [21]
Property from another RRIF	98 [21]
Saskatchewan Pension Plan (SPP) payments.....	100 [22]
Chapter 4 – Payments from an RRSP or a RRIF.....	101 [22]
Transfers to registered disability savings plans.....	127 [27]

	Page
Locked-in RRSP	134 [28]
Amounts from a spousal or common-law partner RRSP or RRIF	136 [28]
Calculating the income you and your spouse or common-law partner have to report	137 [29]
Chapter 5 – Transfers to registered plans or funds and annuities	142 [30]
Registered education savings plan accumulated income payments	143 [30]
Other transfers	145 [30]
Direct transfer of an RPP lump-sum payment	167 [34]
Excess transfer of an RPP lump-sum payment	167 [34]
Chapter 6 – PAs, PARs, and PSPAs	
Pension adjustments (PAs)	170 [35]

	Page
Does your employer have to report a PA for you?	170 [35]
What does your PA affect?	171 [35]
Pension adjustment reversals (PARs).....	172 [35]
Past service pension adjustments (PSPAs).....	174 [35]
Types of PSPAs	174 [36]
Cost of past service benefits	176 [36]
What happens if we cannot certify your PSPA?	178 [36]
Net PSPA	180 [37]
Related forms and publications	181 [38]
For more information	187 [39]
What if you need help?	187 [39]
Forms and publications	187 [39]
My Account	187 [39]

Page

Tax Information Phone Service (TIPS)..... 188 [39]
Teletypewriter (TTY) users 188 [39]
Our service complaint process 189 [39]
Your opinion counts 190 [39]

Definitions

These definitions give you a general description of the technical terms we use in this guide.

Acronyms – The following is a list of the acronyms we use:

DPSP – Deferred Profit Sharing Plan

HBP – Home Buyers' Plan

LLP – Lifelong Learning Plan

PA – Pension Adjustment

PAR – Pension Adjustment Reversal

PSPA – Past Service Pension Adjustment

RPP – Registered Pension Plan

RDSP – Registered Disability Savings Plan

RESP – Registered Education Savings Plan

RRIF – Registered Retirement Income Fund

RRSP – Registered Retirement Savings Plan

SPP – Saskatchewan Pension Plan

Annuitant – generally, an annuitant of an RRSP or RRIF is the person for whom the plan or fund provides a retirement income. In certain circumstances, the surviving spouse or common-law partner may qualify as the annuitant when, because of the death, he or she becomes entitled to receive benefits out of the plan or fund.

Common-law partner – this applies to a person who is **not your spouse** (see definition on page 20 [the next page]), 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)) 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.

Commutation payment – a fixed or single lump-sum payment from your RRSP annuity that is equal to the current value of all or part of your future annuity payments from the plan.

DPSP – an employer-sponsored plan we register, in which the employer shares the profits of a business with all the employees or a designated group of employees.

Defined benefit provision – the terms of an RPP that promise a certain level of pension on retirement, based on the employee's earnings and years of service.

Earned income – we calculate your earned income by adding your employment earnings, self-employment earnings, and certain other types of income, then subtracting specific employment expenses and business or rental losses. To determine your earned income, see Step 2 of Chart 3 on page 31 [16].

Financially dependent – if you are a child or grandchild of a deceased annuitant, you are generally considered financially dependent on that annuitant at the time of death if, before that person's death, you ordinarily resided with and depended on the annuitant, and you meet one of the following conditions:

- your net income for the previous year (shown on line 236 of your return) was less than the basic personal amount (line 300 from Schedule 1) for that previous year; or
- you are infirm and your net income for the previous year was equal to or less than the basic personal amount **plus** the disability amount (line 316 from Schedule 1) for that previous year.

If, before the annuitant's death, you are away from home because you were attending school, we still consider you to have resided with the annuitant.

If your net income was **more** than **the amounts described on page 14 [above]**, we will **not** consider you to be financially dependent on the annuitant at the time of death, unless you can establish that you were. To do so, you or the legal representative should submit a request in writing to your tax services office explaining why we should consider you to be financially dependent on the annuitant at the time of death.

Foreign plan – a plan or arrangement maintained primarily to benefit non-residents for services they perform outside Canada.

Matured RRSP – an RRSP that is paying you retirement income.

Money purchase provision – the terms of an RPP under which the amount of your pension depends on how much you and your employer contribute to the RPP for you.

Qualifying group RRSP contributions – often referred to as "**mandatory group RRSP contributions.**" They are contributions you are required make to a "qualifying arrangement." An arrangement is a qualifying arrangement if:

- it is for two or more individuals;
- the contributions are amounts you are entitled to for services you provided; and
- the contributions are remitted to the RRSP by the person who pays you, or by an agent for that person.

Qualifying group RRSP contributions **do not** include amounts that you could have prevented from being paid after beginning to participate in the arrangement and within 12 months before the contribution was paid.

Qualifying retirement plan – for purposes of the Canada-U.S. Tax Convention, a United States qualifying retirement plan is a plan that is generally exempt from income tax in the U.S. and is operated primarily to provide pension or retirement benefits. Common qualifying U.S. retirement plans include 401(k) arrangements. For

a complete list of qualifying U.S. retirement plans, go to www.fin.gc.ca/treaties-conventions/us_annexb-eng.asp (paragraph 10).

Retiring allowance – also called severance pay, this is an amount you receive on or after retirement from an office or employment in recognition of long service. It can include payment for unused sick leave and amounts you receive for loss of office or employment, whether as a payment of damages or a payment under an order or judgment of a tribunal. For more information, see page 147 [31].

RESP – a registered contract between an individual (the subscriber) and a person or organization (the promoter). The subscriber generally makes contributions to the RESP, which earns income, paid in the form of educational assistance payments to one or more identified beneficiaries.

RPP – a pension plan that we have registered. Funds are contributed by an employer, or by an employer and employees, to provide a pension to employees when they retire.

RRIF – a fund you establish with a carrier and that we register. You transfer property to the carrier from an RRSP, RPP, or from another RRIF, and the carrier makes payments to you.

RRSP – a retirement savings plan that you establish, that we register, and to which you or your spouse or common-law partner contribute. Any income you earn in the RRSP is usually exempt from tax as long as the funds remain in the plan; you generally have to pay tax when you receive payments from the plan.

RRSP contribution – the amount you pay, in cash or in kind, at the time you contribute to an RRSP. In kind contributions consist of the fair market value of the property.

RRSP deduction – the amount you indicate on line 208 when you file your return. Your RRSP deduction claim is limited by the amount of RRSP contributions previously made and your RRSP deduction limit.

RRSP deduction limit – the maximum amount you can deduct from contributions you made to your RRSPs or to your spouse's RRSP or common-law partner's RRSP for a year (excluding transfers to your RRSPs of certain types of qualifying income). The calculation is

based, in part, on your earned income in the previous year. PAs, PSPAs, PARs, and your unused RRSP deduction room at the end of the previous year are also used to calculate the limit.

RRSP dollar limit – the maximum amount of new RRSP deduction room that you can create for a year and is one of the amounts used to determine your RRSP deduction limit for that year. See Step 3 of Chart 3 on page 32 [17].

RRSP excess contributions – generally, the amount of your RRSP contributions that is more than your RRSP deduction limit for the year **plus** \$2,000. If you have RRSP excess contributions, you may have to pay a tax of 1% per month on those contributions. For more information, see "Tax on RRSP excess contributions" on page 84 [18].

Specified retirement arrangement – a pension plan that we do not register for income tax purposes and that is either not funded or only partly funded.

Spousal or common-law partner RRSP – an RRSP that you establish to pay yourself income at maturity, but that your spouse or common-law partner contributes to.

Spouse – this applies only to a person to whom you are legally married.

Unmatured RRSP – generally, an RRSP that has not yet started to pay you a retirement income.

Unused RRSP contributions – the amount of your RRSP contributions that you could not deduct or have chosen not to deduct and that you did not designate as an HBP or LLP repayment for any year. This amount is carried forward to the following year and you can use it as a deduction up to your RRSP deduction limit for that year.

Unused RRSP deduction room at the end of the year – generally, your RRSP deduction limit for the year **minus** the amount you deducted for RRSP and SPP contributions for that year.

For 2009 and later years, this amount is reduced by contributions you deduct for a year for amounts you contributed in the year to a qualifying retirement plan in the United States for services you rendered as an employee in the United States in the year. For more information, see "Other deductions" on page 26 [the next page].

Chapter 1 – RPP contributions

This chapter has information about making contributions to your RPP. Particularly, it will help you calculate the amount you can deduct for RPP contributions if you:

- contribute more than \$3,500 to an RPP in 2011 and your information slip shows a past service amount for a period before 1990; or
- contributed an amount in an earlier year, for a period before 1990, and you have not fully deducted the amount contributed.

Current service is a period of service in the year, which is credited under your RPP by your employer. Current service contributions are amounts you contribute for that period of service.

Generally, **past service** refers to a period of service with an employer in an earlier year that is later credited under the defined benefit provision of your RPP. Past service contributions are amounts you contribute for that period of service. They may also include contributions you make to upgrade benefits for pensionable service you accrued in the past.

You usually make your past service contributions in a lump-sum or by instalments. Your RPP may allow you to directly transfer amounts from other registered plans to pay for the cost of the past service benefits. For more information, see "Chapter 5 – Transfers to registered plans or funds and annuities" on page 142 [30].

For more information on RPP contributions, see Interpretation Bulletin IT-167, REGISTERED PENSION FUNDS OR PLANS – EMPLOYEE'S CONTRIBUTIONS.

Current service and past service contributions for 1990 or later years

On line 207 of your return, you can deduct the amount shown in box 20 of your 2011 T4 slip (if there is no amount in box 74 or 75 in the "Other information" area at the bottom of the slip) or on your union dues receipt. This amount includes:

- current service contributions; and
- past service contributions for 1990 or later years.

You can only deduct these contributions on your 2011 return. You cannot deduct them for any other year.

An amount in box 74 or 75 in the "Other information" area of your T4 slip indicates that part or the entire amount shown in box 20 is for past service before 1990. For more information, see "Past service contributions for 1989 or earlier years" below.

Note

Pension benefits you earn on a past service basis for 1990 or later years may cause a PSPA. For more information, see "Past service pension adjustments (PSPAs)" on page 174 [35].

Past service contributions for 1989 or earlier years

Calculate the amount you can deduct for past service contributions to an RPP for 1989 or earlier years based on whether the contributions were for service while you were a contributor or for service while you were not a contributor. Chart 1 on page 29 [8] will help you determine the type of past service contributions you made for 1989 or earlier years.

Past service contributions you made for 1989 or earlier years appear in boxes 20, 74, and 75 of your 2011 T4 slip, in boxes 032 and 126 of your 2011 T4A slip, or on a receipt that your plan administrator issued.

In some cases, you may be able to deduct for 2011 only part of the past service contributions you made. If this applies, you can carry forward the amount you cannot deduct to 2012 or later years. Future versions of this guide will help you calculate the amount you can deduct for 2012 or later years.

If, for 2011, you deduct a carry-forward of past service contributions from an earlier year, attach a statement to your return giving a breakdown of the amount of contributions you claimed for service while you were a contributor and for service while you were not a contributor.

Complete Chart 2 on page 37 [10] to determine the amount of past service contributions you made for 1989 or earlier years that you can deduct for 2011.

Note

You can deduct a maximum of \$3,500 for 2011 for past service contributions made for 1989 or earlier years for service while not a contributor. The total amount you can deduct for all years is limited to \$3,500 multiplied by the number of years or part years of service you bought back.

Interest on past service contributions

If you elected after November 12, 1981, to make past service contributions and you make them in instalments, the annual instalment interest you pay is a past service contribution. Include this amount when you calculate how much you can deduct for past service contributions for 2011 on line 207 of your return.

If you elected before November 13, 1981, to make past service contributions, you can deduct the instalment interest you pay each year to your RPP on line 232 of your return, or as part of your past service contributions on line 207. It may benefit you more to deduct the instalment interest on line 232, since there are limits on how much

you can deduct on line 207 for past service contributions you made for service in 1989 or earlier years.

Excess contributions for current service made from 1976 to 1985

You may have made current service contributions exceeding \$3,500 in one or more years from 1976 to 1985, where you could not have fully deducted the amount in excess of \$3,500 for the years you contributed them or following years. If you still have these excess contributions that you could not deduct, call **1-800-959-8281** to find out how to calculate your deduction claim for these amounts.

Other deductions

The INCOME TAX ACT allows you to deduct repayments you make to your RPP in certain circumstances. Currently, this applies to you only if you participate in an RPP under one of the following acts:

- the PUBLIC SERVICE SUPERANNUATION ACT; or
- the ROYAL CANADIAN MOUNTED POLICE SUPERANNUATION ACT.

For more information, call **1-800-959-8281**.

Note

Generally, you cannot deduct contributions you made to pension plans in other countries. However, Canada has entered into income tax conventions or agreements, commonly known as tax treaties, with many countries that allow a deduction on your Canadian income tax return for some of those contributions. If you have contributed to a pension plan in another country, call the International Tax Services Office at one of the following numbers: **1-800-267-5177** (for calls from anywhere in Canada and the U.S.), or **613-952-3741** (for calls from outside Canada and the U.S. – call collect).

For 2009 and later years, a resident of Canada who works in the U.S. (commonly referred to as a "commuter"), and is a member of a qualifying retirement plan (defined on page 16 [5]) in the U.S. can deduct their contributions to that plan on their Canadian income tax and benefit return, as long they meet certain conditions and respect certain limits.

The maximum amount that you can deduct for a year is the contributions you made in the year that are attributable to the work

you performed in the year. This maximum is further limited to your RRSP deduction limit for the year after reducing that limit by any RRSP contributions that you deducted for the year.

The qualifying retirement plan contributions you deduct for the year also reduce your unused RRSP deduction room at the end of the year that is carried forward and included in your following year's RRSP deduction limit.

Depending on your situation, you will have to complete either Form RC267, EMPLOYEE CONTRIBUTIONS TO A UNITED STATES RETIREMENT PLAN FOR 2011 – TEMPORARY ASSIGNMENTS; Form RC268, EMPLOYEE CONTRIBUTIONS TO A UNITED STATES RETIREMENT PLAN FOR 2011 – CROSS-BORDER COMMUTERS; or Form RC269, EMPLOYEE CONTRIBUTIONS TO A FOREIGN PENSION PLAN OR SOCIAL SECURITY ARRANGEMENT FOR 2011 – NON-UNITED STATES PLANS OR ARRANGEMENTS). These forms are available at www.cra.gc.ca/forms.

| **Pension Repayments** – Under proposed changes, for the 2009 and |
| later tax years, an individual can claim a deduction equal to the |
| amount if he or she repays to a registered pension plan (RPP) an |

overpayment of an amount received from the RPP that was included in his or her income for the year, or a preceding year. The repayment must be for an amount that may reasonably be considered to have been paid from the RPP in error and not as an entitlement to benefits under the RPP. The individual cannot claim a deduction for the repayment if he or she is already claiming a deduction for this amount as a contribution to the RPP.

Chart 1 – Buying back service or upgrading past service benefits for 1989 or earlier years – How do you determine if your RPP past service contribution is for service while you were a contributor or for service while you were not a contributor?

Use this chart to determine the type of period your contribution relates to. You can then use Chart 2 on page 37 [10] to calculate the amount you can deduct for that type of contribution.

Step 1

Does your past service contribution relate to any year in which you were contributing to any RPP?

If **yes**, go to Step 2.

If **no**, your past service contribution is for service while not a contributor. Skip Steps 2 and 3 on pages 31 and 32 [below] and complete Area B of Chart 2 on page 38 [10] to calculate the amount you can deduct for this contribution.

Example – Ryan joined TTM Company's RPP on February 4, 2011. This RPP allowed Ryan to buy back 12 years of past service with CCD Company, a previous employer. During those 12 years (1977 to 1988), Ryan contributed to CCD Company's RPP. Ryan answers **yes** to this question because the past service contribution that he made in 2011 relates to a period of service while he contributed to CCD Company's RPP.

Example – Justin became a member of XTJ Company's RPP in January 1990. He started working for XTJ in June 1989, but did not contribute to any RPP in 1989. In 2011, XTJ's RPP allows Justin to buy back his 1989 service with the company for \$2,500. Justin

answers **no** to this question because he did not contribute to any RPP in 1989. Justin's \$2,500 contribution is for service while not a contributor.

Step 2

Did you make the past service contribution to the same RPP (and for the same year) that you contributed to during 1989 or an earlier year?

If **yes**, your past service contribution is for service while a contributor. Skip Step 3 on page 32 [below] and complete Area C of Chart 2 on page 40 [10] to calculate the amount you can deduct for this contribution.

If you answer **no**, go to Step 3.

Example – Vern has been employed with YYW Ltd. since 1980 and has contributed to his employer's RPP ever since. In 2011, Vern makes a past service contribution of \$8,000 to upgrade past service benefits that were previously credited under the RPP from 1980 to 1988. Vern answers **yes** to this question because he made the past service contribution to the same RPP that he contributed to

from 1980 to 1988. Vern's \$8,000 contribution is for service while a contributor.

Example – Jane changed employers in May 1987 and became a member of her new employer's RPP. She was a member of a different RPP from May 1980 until May 1987. Jane's new employer's RPP allowed her to buy back the past service with her previous employer. Jane bought this service in July 1987. Jane answers **no** to this question because she did not make the past service contribution to the same RPP that she contributed to from May 1980 to May 1987.

Step 3

Does one of the following statements apply to you?

- You made the past service contribution before March 28, 1988.
- You made the past service contribution under the terms of a written agreement entered into before March 28, 1988.

If you answer **yes** to one of the above statements, your past service contribution is for service while not a contributor. Complete Area B

of Chart 2 on page 38 [10] to calculate the amount you can deduct for this contribution.

If you answer **no** to both of the [above] statements on page 32, your past service contribution is for service while a contributor. Complete Area C of Chart 2 on page 40 [10] to calculate the amount you can deduct for this contribution.

Example – Tracey joined DEF Company's RPP on January 15, 1988. This RPP allowed Tracey to buy back her six years of past service with ABC Company, her previous employer. During those six years, Tracey contributed to ABC Company's RPP. The ABC Company's RPP had a portability arrangement. Tracey entered into a written agreement on March 1, 1988, to buy back those six years of past service. Tracey has to contribute \$1,000 each year for 15 years to pay for this service. Tracey answers **yes**, since one of the statements applies to Tracey (she made the past service contribution under the terms of a written agreement she entered into before March 28, 1988), her \$1,000 yearly contribution is for service while not a contributor.

Example – Martha is a member of her current employer's RPP. She entered into an agreement on April 12, 1990, to buy back

(for \$12,000) past service benefits for a period of service in 1988 and 1989 with another employer when she contributed to a different RPP. Martha answers **no**, since both statements don't apply to Martha (she did not make the past service contribution before March 28, 1988, and she did not make the past service contribution under the terms of a written agreement entered into before March 28, 1988), her \$12,000 contribution is for service while a contributor.

Calculating your 2011 deduction for your RPP contributions

Example

Mark has been working for his employer and has participated in the company's RPP since 1997. He had previously worked for his current employer from 1984 to 1994. The pension plan would allow Mark to have that entire period of past service to be recognized as pensionable service if he chose to. In Mark's plan, the past service is broken into periods before 1990 while he was contributor and while he was not a contributor, and for his service after 1989.

For the period of service of 1984 to 1986, Mark **was not a contributor** to an RPP at that time, and the plan requires that he pay his and the employer's share to fund the past service; this amount is \$12,000.

For the period of 1987 to 1989, Mark **was a contributor** to the RPP at that time, and it only requires that he pay his share to fund the past service; this amount is \$13,500.

Likewise, the period from 1990 to 1994, Mark was contributing to the RPP and it only requires that he fund his portion for the past service, an amount of \$18,500. The total cost to Mark for his past service request will be \$44,000. The plan would allow him to fund this past service with a cash payment and/or a transfer of funds from another registered plan, like an RRSP.

In order to buy back his past service, Mark makes a cash payment of \$44,000 in 2011. Mark will receive a T4A slip showing \$44,000 in box 032 for the total past service contributions, with \$25,500 reported in box 126 for the past service contributions Mark made for 1989 or earlier years.

Mark is a member of the RPP and has current (2011) service contributions of \$5,000. With his past service contributions, his total contribution for service that relates to 1990 or later years is \$23,500 (\$18,500 + \$5,000).

Mark completes Chart 2 to properly calculate the amount of contributions that he can deduct from income for 2011.

Area A calculates the amount of contributions for service that relates to 1990 or later years that is deductible for 2011. The amount on line 3 is entirely deductible for 2011. For Mark this amount is \$23,500.

Area B calculates the amount of contributions for service that relates to 1989 or earlier years while not a contributor that is deductible for 2011. For Mark the amount that is deductible for 2011 is \$3,500. Mark will be able to claim \$3,500 in each year for 2012 and 2013. Mark will not be able to deduct the last \$1,500, because the maximum total amount he can deduct for all years is limited to \$3,500 multiplied by the number of years he bought back.

Area C calculates the amount of contributions for service that relates to 1989 or earlier years while a contributor that is deductible

for 2011. For Mark the amount that is deductible for 2011 is \$0. Once he no longer claims any deductions under Areas A and B, Mark will be able to deduct \$3,500 each year until his \$13,500 contribution is fully deducted.

Area D summarizes the total amount from Parts A, B and C and calculates the amount that can be deducted from income for 2011.

Chart 2 – Calculating your 2011 deduction for your RPP contributions

Area A – Complete this area if you made current service contributions in 2011, or if you made past service contributions in 2011 for service that relates to 1990 or later years. If you do not have to complete this area, enter "0" on line 21.

- 1. Enter the total of all amounts from box 20 of your 2011 T4 slips, box 032 of your 2011 T4A slips, or from your receipts for union dues that represent RPP contributions \$ _____ **1**
-

2. Enter the amount from box 74 or 75 of the "Other information" area of your T4 slip and box 126 of your T4A slip that represents past service contributions made for service that relates to 1989 or earlier years while a contributor or while not a contributor — \$ _____ **2**
-
3. Line 1 **minus** line 2. This is the amount of your current service and past service contributions for 1990 and later years that you deduct for 2011. Enter this amount on line 21 of Area D = \$ _____ **3**
-

Area B – Complete this area if you made past service contributions for service that relates to 1989 or earlier years while not a contributor (for deceased individuals, ignore any reference to line 7).

4. Enter the total amount you contributed in 2011 or earlier years for past service contributions while not a contributor \$ _____ **4**
-

5. Enter the amount you deducted before 2011 for contributions you entered on line 4	– \$	5
6. Line 4 minus line 5	= \$	6
7. Annual deduction limit	\$	3,500 7
8. Number of years* of service to which the contributions on line 4 relate	× \$3,500 ▶	\$ 8
9. Enter the amount from line 5	–	9
10. Line 8 minus line 9	= \$	10

* "Number of years" includes any portion of a calendar year. For example, if the contributions relate to service between November 1986 and February 1987, you would enter "2" as the number of years of service.

11. Enter the amount from line 6, 7, or 10, **whichever is less**. This is the amount of your past service contributions for 1989 and earlier years for service while not a contributor that you can deduct for 2011. Enter the amount you deduct for 2011 on line 22 of Area D**

\$ _____ **11**

Area C – Complete this area if you made past service contributions for service that relates to 1989 or earlier years while a contributor (for deceased individuals, ignore any reference to lines 15 to 19).

12. Enter the total amount you contributed in 2011 or earlier years for past service contributions while a contributor

\$ _____ **12**

13. Enter the amount you deducted before 2011 for contributions you entered on line 12

– \$ _____ **13**

14. Line 12 **minus** line 13 = \$ _____ ▶

\$ _____ **14**

15. Annual deduction limit	\$ 3,500	15
16. Enter the amount from line 3 in Area A that you deduct for 2011	\$	16
17. Enter the amount from line 11 in Area B that you deduct for 2011	+ \$	17
18. Line 16 plus line 17 = \$ ▶	- \$	18
19. Line 15 minus line 18 (if negative, enter "0") = \$ ▶	\$	19
20. Enter the amount from line 14 or 19, whichever is less . This is the amount of your past service contributions for 1989 and earlier years for service while a contributor that you can deduct for 2011. Enter the amount you deduct for 2011 on line 23 of Area D**	\$	20

** There is no annual deduction limit for deceased individuals. The legal representative can choose to deduct these amounts in the

year of death or the year before, or a part in each year, whichever is more beneficial.

Area D – Complete this area to calculate the total amount you can deduct on line 207 of your 2011 return.

21. Enter the amount from line 3 in Area A that you deduct for 2011 (if you did not complete Area A, enter "0").	\$	21
22. Enter the part of the amount from line 11 in Area B that you deduct for 2011	+ \$	22
23. Enter the part of the amount from line 20 in Area C that you deduct for 2011	+ \$	23
24. Add lines 21 to 23. Enter this amount on line 207 of your 2011 return	= \$	24

Example from page 34 [the previous page]

Chart 2 – Calculating your 2011 deduction for your RPP contributions

Area A – Complete this area if you made current service contributions in 2011, or if you made past service contributions in 2011 for service that relates to 1990 or later years. If you do not have to complete this area, enter "0" on line 21.

1. Enter the total of all amounts from box 20 of your 2011 T4 slips, box 032 of your 2011 T4A slips, or from your receipts for union dues that represent RPP contributions	\$ 49,000	1
<hr/>		
2. Enter the amount from box 74 or 75 of the "Other information" area of your T4 slip and box 126 of your T4A slip that represents past service contributions made for service that relates to 1989 or earlier years while a contributor or while not a contributor	– \$ 25,500	2
<hr/>		

3. Line 1 minus line 2. This is the amount of your current service and past service contributions for 1990 and later years that you deduct for 2011. Enter this amount on line 21 of Area D	=	\$ 23,500	3
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Area B –Complete this area if you made past service contributions for service that relates to 1989 or earlier years while not a contributor (for deceased individuals, ignore any reference to line 7).

4. Enter the total amount you contributed in 2011 or earlier years for past service contributions while not a contributor		\$ 12,000	4
---	--	-----------	----------

5. Enter the amount you deducted before 2011 for contributions you entered on line 4	–	\$ 0	5
--	---	------	----------

6. Line 4 minus line 5	=	\$ 12,000	6
-------------------------------	---	-----------	----------

7. Annual deduction limit		\$ 3,500	7
---------------------------	--	----------	----------

8.	Number of years* of service to which the contributions on line 4 relate	3	× \$3,500 ▶	\$	10,500	8
<hr/>						
9.	Enter the amount from line 5			–	0	9
<hr/>						
10.	Line 8 minus line 9			= \$	10,500	10
<hr/>						
11.	Enter the amount from line 6, 7, or 10, whichever is less. This is the amount of your past service contributions for 1989 and earlier years for service while not a contributor that you can deduct for 2011. Enter the amount you deduct for 2011 on line 22 of Area D**			\$	3,500	11
<hr/>						

* "Number of years" includes any portion of a calendar year. For example, if the contributions relate to service between November 1986 and February 1987, you would enter "2" as the number of years of service.

Area C – Complete this area if you made past service contributions for service that relates to 1989 or earlier years while a contributor (for deceased individuals, ignore any reference to lines 15 to 19).

12. Enter the total amount you contributed in 2011 or earlier years for past service contributions while a contributor	\$ 13,500	12
13. Enter the amount you deducted before 2011 for contributions you entered on line 12	– \$ 0	13
14. Line 12 minus line 13 = \$ ▶	\$ 13,500	14
15. Annual deduction limit	\$ 3,500	15
16. Enter the amount from line 3 in Area A that you deduct for 2011	\$ 23,500	16
17. Enter the amount from line 11 in Area B that you deduct for 2011	+ \$ 3,500	17
18. Line 16 plus line 17 = \$ ▶	– \$ 27,000	18

19. Line 15 **minus** line 18
(if negative, enter "0") = \$ _____ ▶ \$ 0 **19**

20. Enter the amount from line 14 or 19,
whichever is less. This is the amount of
your past service contributions for 1989 and
earlier years for service while a contributor
that you can deduct for 2011. Enter the
amount you deduct for 2011 on line 23 of
Area D** \$ 0 **20**

** There is no annual deduction limit for deceased individuals. The legal representative can choose to deduct these amounts in the year of death or the year before, or a part in each year, whichever is more beneficial.

Area D – Complete this area to calculate the total amount you can deduct on line 207 of your 2011 return.

21. Enter the amount from line 3 in Area A that
you deduct for 2011 (if you did not complete
Area A, enter "0"). \$ 23,500 **21**

22. Enter the part of the amount from line 11 in Area B that you deduct for 2011	+ \$	<u>3,500</u>	22
23. Enter the part of the amount from line 20 in Area C that you deduct for 2011	+ \$	<u>0</u>	23
24. Add lines 21 to 23. Enter this amount on line 207 of your 2011 return	= \$	<u>27,000</u>	24

Chapter 2 – RRSP contributions

This chapter has general information on contributing to your RRSPs or your spouse's RRSPs or common-law partner's RRSPs and lists your options if you contribute more than the amount you can deduct. This chapter also applies to you if you want to know how to calculate your 2011 RRSP deduction limit. The rules we explain in this chapter apply to all RRSPs.

February 29, 2012, is the deadline for contributing to an RRSP for the 2011 tax year.

Under proposed changes, for the purposes of this chapter, a contribution made by an individual after 2009 to an account under the SPP is considered to be a contribution made by the individual to an RRSP. Similarly, an individual's account under the SPP is considered to be an RRSP.

Canada Savings Bonds – You can transfer your holdings of past series compound-interest Canada Savings Bonds to your RRSPs or your spouse's or common-law partner's RRSPs. The amount you transfer is considered a contribution to the RRSP. For more information, contact your RRSP issuer.

Self-directed RRSPs – If you want to, you can control the assets of your RRSP and make the investment decisions yourself. Your financial institution can tell you if it offers self-directed RRSPs. The issuer (such as a bank, credit union, trust, or insurance company) can take care of the administrative details, including getting the plan registered, receiving the amounts you contribute, and trading securities. **Securities cannot be held in your own name.**

Qualified Investments – Common types of qualified investments for a trust governed by an RRSP or RRIF include: money, guaranteed investment certificates (GICs), government and corporate bonds, mutual funds, and securities listed on a designated stock exchange.

For more information, see Interpretation Bulletin IT-320, QUALIFIED INVESTMENTS – TRUSTS GOVERNED BY REGISTERED RETIREMENT SAVINGS PLANS, REGISTERED EDUCATION SAVINGS PLANS AND REGISTERED RETIREMENT INCOME FUNDS, or contact your RRSP issuer.

You should pay particular attention to the type of investments you choose for the plan. If you buy non-qualified investments in your RRSP or if qualified investments held in your RRSP become non-qualified, there are tax implications.

Under proposed changes, modifications will be made to the existing tax rules that apply when an RRSP or RRIF acquires a non-qualified investment. The proposed changes also include the introduction of a special tax on the annuitant of an RRSP or RRIF that acquires a prohibited investment. For more information on anti-avoidance rules, visit www.cra.gc.ca.

How do you claim your RRSP deduction?

On line 208 of your return, you can deduct the RRSP contributions you made up to the limits we explain in the following sections.

Your RRSP issuer will give you an official receipt for the amounts you contributed. If you contributed to your spouse's or common-law partner's RRSP, the receipt should show your name as the contributor and your spouse's or common-law partner's name as the annuitant. Attach the receipt(s) with your paper return to support the amount you contributed. If you are using EFILE, show your receipts to your service provider and keep them in case we ask to see them. If you are using NETFILE or TELEFILE, also keep your receipts in case we ask to see them. If you do not get your receipts before the filing deadline, complete and file your return without deducting your contribution.

When you get your receipts, see your income tax guide for instructions on how to make changes to your return.

If you deduct an amount for 2011 that you contributed to an RRSP from March 2, 1995, to March 1, 2011, which you had not previously deducted, you should have completed and filed a Schedule 7, RRSP

UNUSED CONTRIBUTIONS, TRANSFERS, AND HBP OR LLP ACTIVITIES, for these contributions. If you did not, you should submit a completed copy of the appropriate Schedule 7, along with the appropriate RRSP receipts, to your tax centre, separate from your 2011 tax return.

Age limit for contributing to an RRSP

The year you turn 71 is the last year in which you can make a contribution to your RRSP.

You can contribute to an RRSP under which your spouse or common-law partner is the annuitant until the end of the year your spouse or common-law partner turns 71.

Contributing to your RRSPs

This section will help you determine how much of your RRSP contributions you can deduct on line 208 of your 2011 return.

How much can you deduct?

The amount of RRSP contributions that you can deduct for 2011 is based on your 2011 RRSP deduction limit, which appears on your latest notice of assessment or notice of reassessment, or on a T1028, YOUR RRSP INFORMATION FOR 2011.

You can also deduct amounts for contributions you make for certain income you transfer to your RRSP. Your RRSP deduction limit is not reduced by these amounts. For more information on transfers, see "Chapter 5 – Transfers to registered plans or funds and annuities" on page 142 [30].

Any income you earn in your RRSP is usually exempt from tax for the time the funds remain in the plan. However, you cannot claim a deduction for capital losses within your RRSP.

You cannot claim a deduction for amounts you pay for administration services for an RRSP. Also, you cannot deduct brokerage fees charged to buy and dispose of securities within a trustee RRSP.

If we reassess a previous year's return, your revised 2011 RRSP deduction limit will appear on your notice of reassessment or in some

cases on a T1028, YOUR RRSP INFORMATION FOR 2011. We will also send you a T1028 with a new RRSP deduction limit if your RRSP deduction limit has changed for reasons other than a reassessment of a previous year's return.

If you do not have a copy of your notice or a T1028, you can find out the amount of your RRSP deduction limit by going to **www.cra.gc.ca/myaccount**, **www.cra.gc.ca/quickaccess**, or by calling our automated TIPS RRSP service. For more information, see "My Account" and "Tax Information Phone Service (TIPS)" on pages 187 and 188 [39].

Calculating your 2011 RRSP deduction limit

Your 2011 RRSP deduction limit is shown on the latest notice of assessment or notice of reassessment or T1028 we sent you after we processed your 2010 return. We determined your limit from information on your 2010 and previous year's returns, and from information we keep on record. If any of that information changes, your 2011 RRSP deduction limit may also change. In most cases, we will tell you about any change to your 2011 RRSP deduction limit.

You can also find out your deduction limit by registering for **My Account**. Once you've registered and received your password, you can sign in and access your RRSP Deduction Limit Statement online. You can also use **Quick Access** (see "My Account" on page 187 [39]).

If you want to calculate your 2011 RRSP deduction limit, use Chart 3 on pages 70 to 80 [16 and 17].

Note

The RRSP dollar limit for 2011 is \$22,450. If you did not use your entire RRSP deduction limit for the years 1991 to 2010, you have unused RRSP deduction room at the end of 2010 that was carried forward to 2011. Therefore, your 2011 RRSP deduction limit may be more than \$22,450. If you are a Canadian who works in the United States, see "Other deductions" on page 26 [6].

Contributions you can deduct for 2011

For 2011, you can deduct contributions you made to your RRSP from January 1, 1991, to February 29, 2012. You can deduct these contributions if you did not deduct them for any other year, and if they

are not more than your RRSP deduction limit for 2011. Even if you can no longer contribute to your RRSP in 2011 because of your age, you can deduct your unused RRSP contributions up to your RRSP deduction limit.

Note

You cannot deduct the interest you paid on money you borrowed to contribute to an RRSP.

The HBP and the LLP – If you participate in the HBP or LLP, you may not be able to deduct, for any year, all or part of the contributions you made to your RRSP during the 89-day period just before you withdrew an amount under either of these plans. To determine the part of the contributions you made to your RRSP that you cannot deduct, see Guide RC4135, HOME BUYERS' PLAN (HBP) or Guide RC4112, LIFELONG LEARNING PLAN (LLP), whichever applies.

Contributing to your spouse's or common-law partner's RRSP

This section applies to you if you contribute to an RRSP for your spouse or common-law partner. Generally, the total amount you can deduct on line 208 of your 2011 return for contributions you make to your spouse's RRSP or common-law partner's RRSP and your RRSP cannot be more than your 2011 RRSP deduction limit.

Example

Joey's 2011 RRSP deduction limit is \$9,500. Joey contributes \$4,000 to his RRSP in 2011, and \$6,000 to his common-law partner Ghislaine's RRSP in 2011. Joey deducts the \$4,000 he contributed to his RRSP on line 208 of his 2011 return. Although Joey contributed \$6,000 to his common-law partner's RRSP in 2011, he can only deduct \$5,500 of this contribution on his 2011 return (\$9,500 – \$4,000). He may be able to deduct the remaining \$500 on a future year's tax return. To find out what other options are available, see "Unused RRSP contributions" on page 80 [18].

If you cannot contribute to your RRSP because of your age, you can still contribute to your spouse's RRSP or common-law partner's RRSP until the end of the year he or she turns 71.

Contributions made after death – No contributions can be made to a deceased individual's RRSP after the date of death. However, the deceased individual's legal representative can make contributions to the surviving spouse's RRSP or common-law partner's RRSP in the year of death or during the first 60 days after the end of that year. Contributions made to a spouse's RRSP or common-law partner's RRSP can be claimed on the deceased individual's return up to that individual's RRSP deduction limit for the year of death.

Example

Dave died in August 2011. His 2011 RRSP deduction limit is \$7,000. Before he died, Dave did not contribute to either his RRSP or his wife's RRSP for 2011. His wife Paula is 66 years old in 2011. On Dave's behalf, his legal representative can contribute up to \$7,000 to Paula's RRSP for 2011. The legal representative can then claim an RRSP deduction of up to \$7,000 on line 208 of Dave's 2011 final return.

Note

If you contributed amounts to your spouse's RRSP or common-law partner's RRSP in 2009, 2010, or 2011, you may have to include in your 2011 income all or part of the amount your spouse or common-law partner withdrew in 2011 from his or her spousal or common-law partner RRSP. For more information, see "Amounts from a spousal or common-law partner RRSP or RRIF" on page 136 [28].

The HBP and the LLP – If your spouse or common-law partner participates in the HBP or LLP, you may not be able to deduct, for any year, all or part of the contributions you made to your spouse's RRSP or common-law partner's RRSP during the 89-day period just before your spouse or common-law partner withdrew an amount under either of these plans. To determine the part of the contributions you made to your spouse's RRSP or common-law partner's RRSP that you cannot deduct, see Guide RC4135, HOME BUYERS' PLAN (HBP) or Guide RC4112, LIFELONG LEARNING PLAN (LLP), whichever applies.

If you have a payment arrangement contract with a financial institution to make RRSP contributions, you can use Form T1213, REQUEST TO REDUCE TAX DEDUCTIONS AT SOURCE FOR YEAR(S) _____, to

request authorization for your employer to reduce your tax deductions at source.

Keeping track of your RRSP contributions – Schedule 7

Use Schedule 7, RRSP UNUSED CONTRIBUTIONS, TRANSFERS, AND HBP OR LLP ACTIVITIES, to keep track of your RRSP contributions.

If you made contributions to your RRSP or your spouse's or common-law partner's RRSP from March 2, 2011, to February 29, 2012, and you are not deducting the total contributions on your 2011 return, attach a completed Schedule 7 to your 2011 return. If you have already filed your return, complete Schedule 7 and send it to your tax centre with **your RRSP receipts** and a note showing your name and social insurance number.

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 on pages 61 to 68 [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** service at our Tax Information Phone Service (see page 188 [39]).

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.**

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 account, or your spouse or common-law partner's account, under the SPP from March 2, 2011 to February 29, 2012;
- transferred to your own RRSP (see "Line 11 – Transfers" on page 67 [the next page]); and
- designated as HBP or LLP repayments (see "Lines 6 and 7 – Repayments under the HBP and the LLP" on page 65 [the next page]).

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).
- Contributions you made to your RRSP used to cancel a withdrawal under the HBP or LLP.

Note

You cannot withdraw funds from an SPP under the LLP or the HBP. However, an SPP contribution can be designated as an LLP or an HBP repayment.

- 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 RPP.
- The excess part of a direct transfer of a lump-sum payment from your RPP to an RRSP or 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 HBP before 2010, you have to make a repayment for 2011. If you withdrew funds from your RRSP under the 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.

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 Tax Information Phone Service (see page 188 [39]), or call **1-800-959-8281**.

If you would like to calculate your RRSP deduction limit for 2011, use Chart 3 on page 70 [16].

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, you would 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 "Chapter 5 – Transfers to registered plans or funds and annuities" on page 142 [30].

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 that your spouse or common-law partner was 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.

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.

2010 and earlier years – If you made contributions in the first 60 days of 2011 or an earlier year, and you did not claim them for the previous year, you should have completed and filed a Schedule 7 for that previous year. If you did not file a Schedule 7 when it was required, complete one and submit it to your tax centre. By doing so, you will avoid having your deduction **reduced** or **disallowed** for contributions made in the first 60 days of the year or in an earlier year. If you have not already filed your RRSP receipts, submit them with your Schedule 7. If you did not receive a copy of Schedule 7 with your income tax and benefit package, you can get one from our Web site at **www.cra.gc.ca/forms**, or by calling us at **1-800-959-2221**.

Note

You may have to pay a special tax if you have RRSP excess contributions. For more information, see "Tax on RRSP excess contributions" on page 84 [18].

Chart 3 – 2011 RRSP deduction limit

The line numbers in brackets refer to the line numbers on your 2010 income tax return.

Step 1 – Calculating your unused RRSP deduction room at the end of 2010

- | | | | | |
|-------|---|----|-------|----------|
| 1. | Enter your RRSP deduction limit for 2010* | \$ | _____ | 1 |
| <hr/> | | | | |
| 2. | Enter the total RRSP contributions you deducted on line 208, and Saskatchewan Pension Plan contributions you deducted on line 209 (do not include amounts you deducted for transfers of payments or benefits to an RRSP, or the excess amount you withdrew from your RRSP in connection | | | |

with the certification of a provisional PSPA that you re-contributed to your RRSP in 2010)

— 2

3. Line 1 **minus** line 2. This is your unused RRSP deduction room at the end of 2010. This amount can be negative. Enter this amount on line 39.

= \$ 3

Step 2 – Calculating your 2010 earned income (include each amount only once in this step)**

4. **Total** of lines 101 and 104 on your return

\$ 4

5. Royalties for a work or invention that you authored or invented (line 104)

\$ 5

6. Net research grants you received (line 104)

+ 6

7. Unemployment benefit plan payments (line 104)

+ 7

8.	Wage earner protection plan payments you received line 104)			+		8
9.	Add lines 5 to 8	= \$		▶	-	9
10.	Line 4 minus line 9			=	\$	10
11.	Annual union, professional, or like dues (line 212) that relate to the employment earnings you reported on line 4 on page 71 [above]				\$	11
12.	Employment expenses (line 229) that relate to the employment earnings you reported on line 4 on page 71 [above]				+	12
13.	Line 11 plus line 12	= \$		▶	-	13
14.	Line 10 minus line 13 (if negative, enter "0")	= \$		▶	\$	14
15.	Amount from line 9 above				+	15

16. Net income from a business you carried on alone or as an active partner (lines 135 to 143) Enter losses on line 21 on page 74 [below]	+		16
<hr/>			
17. Disability payments you received from the CPP or Quebec Pension Plan (line 152)	+		17
<hr/>			
18. Net rental income from real property (line 126). Enter losses on line 23 on page 74 [below]	+		18
<hr/>			
19. Total taxable support payments you received in 2010. Also, the support payments you previously paid and deducted for the year in which you paid them but that were later repaid to you and that you included as income for 2010 (line 128)	+		19
<hr/>			
20. Add lines 14 to 19	=	\$	20
<hr/>			

21. Current-year loss from a business you carried on alone or as an active partner (lines 135 to 143)		\$	21
22. Amount included on line 16 on page 73 [above] that represents the taxable portion of gains on the disposition of eligible capital property	+		22
23. Current-year rental loss from real property (line 126)	+		23
24. Enter the total deductible support payments you made in 2010, and the support payments you received and included as income for the year in which you received them that you later repaid in 2010 or the previous two years and deducted for 2010 (line 220)	+		24
25. Add lines 21 to 24	=	\$	25
26. Line 20 minus line 25. This amount is your 2010 earned income	=	\$	26

- * If you had a **net** PSPA in 2010 or a previous year and your 2010 RRSP deduction limit is "0," leave lines 1 and 2 in Step 1 blank and enter your unused RRSP deduction room at the end of 2010 on line 3.
- ** Certain income you earned in 2010 while you were a non-resident of Canada qualifies as earned income. To find out the types of income that qualify, call the International Tax Services Office at one of the following telephone numbers: **1-800-267-5177** (for calls from anywhere in Canada and the U.S.) or **613-952-3741** (for calls from outside Canada and the U.S.) – call collect. For more information on residency, see Interpretation Bulletin IT-221, DETERMINATION OF AN INDIVIDUAL'S RESIDENCE STATUS.

Step 3 – RRSP dollar limit for 2011

27. Enter the amount from line 26	\$	× 18%	▶ =	\$	27
					27
28. RRSP dollar limit for 2011				\$	28
					28

29. Enter the amount from line 27 or 28,
whichever is less = \$ **29**

Step 4 – Your 2010 pension adjustment (PA)

30. Enter your 2010 PA (the total from box 52 of
your 2010 T4 slips and box 034 of your 2010
T4A slips)*** – **30**

31. Line 29 **minus** line 30 (if negative, enter "0") = \$ **31**

Step 5 – Your 2011 pension adjustment reversal (PAR)

32. Enter your PAR (the total from box 2 of your
2011 T10 slips) + \$ **32**

33. Line 31 **plus** line 32 (enter this amount on
line 40) = \$ **33**

Step 6 – Your 2011 net past service pension adjustment (PSPA)

34. Enter your exempt PSPA for 2010 (the total
from box 2 of your 2010 T215 slips) \$ **34**

35. Enter your certified PSPA for 2011 (line A in Part 3 of Form T1004, APPLYING FOR THE CERTIFICATION OF A PROVISIONAL PSPA)	+		35
<hr/>			
36. Line 34 plus line 35	=	\$	36
<hr/>			
37. Enter your qualifying withdrawals for 2011 (Part 3 of Form T1006, DESIGNATING AN RRSP WITHDRAWAL AS A QUALIFYING WITHDRAWAL)	-		37
<hr/>			
38. Line 36 minus line 37. This amount is your 2011 net PSPA. (this amount can be negative; enter this amount on line 42)	=	\$	38
<hr/>			

Step 7 – Your 2011 RRSP deduction limit

39. Enter your 2010 unused RRSP deduction room from line 3 in Step 1		\$	39
<hr/>			
40. Enter the amount from line 33	+		40
<hr/>			
41. Line 39 plus line 40	=	\$	41
<hr/>			

42. Enter your 2011 net PSPA from line 38	—	<u> </u>	42
43. Line 41 minus line 42. This amount is your 2011 RRSP deduction limit (if negative, enter "0")	= \$	<u> </u>	43

Step 8 – Your 2011 unused RRSP deduction room

44. Enter the amount from line 41	\$	<u> </u>	44
45. Enter the amount from line 42 (this amount can be negative)	—	<u> </u>	45
46. Line 44 minus line 45 (this amount can be negative)	= \$	<u> </u>	46

47. Enter the amount of RRSP contributions you deduct on line 208 of your return (cannot be more than the amount on line 43). Do not include amounts that you deduct for transfers of payments or benefits to an RRSP, or for the excess amount you withdrew from your RRSP in connection with

the certification of a provisional PSPA that you re-contributed to your RRSP in 2011	–	<u>47</u>
48. Line 46 minus line 47. This amount is your 2010 unused RRSP deduction room that you can carry forward to 2012 (this amount can be negative)	= \$	<u>48</u>

******* If you are a "connected person" you may have to enter an amount on line 30 in addition to amounts from your T4 or T4A slips. If this applies to you, your employer will give you Form T1007, CONNECTED PERSON INFORMATION RETURN. For more information on connected persons, see Interpretation Bulletin IT-124, CONTRIBUTIONS TO REGISTERED RETIREMENT SAVINGS PLANS.

If you participate in a foreign plan and your employer does not carry on a business in Canada, you may have to enter an amount on line 30 in addition to amounts from your T4 or T4A slips. To determine the amount you have to enter, call the International Tax Services Office at one of the following numbers: **1-800-267-5177** (for calls from anywhere in Canada

and U.S.) or **613-952-3741** (for calls from outside of Canada and U.S.) – call collect.

Unused RRSP contributions

This section applies to you if you did not use all of your RRSP contributions as a deduction in the year you made them or in the preceding year. It does not apply to contributions that were designated as repayments under the HBP or the LLP, or contributions that were used to cancel an LLP or HBP withdrawal. Your unused RRSP contributions from previous years will be on your RRSP DEDUCTION LIMIT STATEMENT shown on your latest notice of assessment, notice of reassessment or a T1028. To report new unused contributions, you have to file Schedule 7, RRSP UNUSED CONTRIBUTIONS, TRANSFERS, AND HBP OR LLP ACTIVITIES, with your return. For more information, see "Keeping track of your RRSP contributions – Schedule 7" on page 60 [13].

If you did not deduct all of the contributions you made to your RRSP or your spouse's or common-law partner's RRSP in 1991 and later years, you have two options: you can leave the unused contributions

in the plan or you can withdraw them. In either case, you may have to pay a 1% per month tax on the part of your unused contributions that are excess contributions. For more information, see "Tax on RRSP excess contributions" later on page 84 [this page].

Withdrawing the unused contributions

If you withdraw the unused contributions, you have to include them as income on your return. However, you may be able to deduct an amount equal to the withdrawn contributions that you include in your income, if you or your spouse or common-law partner received the unused RRSP contributions from an RRSP or RRIF:

- in the year you contributed them;
- in the following year; or
- in the year that you were sent a notice of assessment or notice of reassessment for the year you contributed them, or in the following year.

You can deduct the amount if you meet **all** of the following conditions:

- You have not deducted, for any year, the unused contributions that you made to your RRSP or to your spouse's or common-law partner's RRSP.
- You have not designated the withdrawal of the unused RRSP contributions as a qualifying withdrawal to have your PSPA certified.
- No part of the withdrawn contributions was a lump-sum payment from an RPP, or certain DPSP amounts that you transferred directly to an RRSP. For more information, see "Direct transfer of an RPP lump-sum payment" on page 167 [34].
- No part of the withdrawn contributions was a lump-sum payment from the SPP that you transferred directly to an RRSP.

In addition, it has to be reasonable for us to consider that at least one of the following applies:

- you reasonably expected to be able to fully deduct the RRSP contributions for the year you made the contributions or the immediately preceding year; or

- you did not make the unused RRSP contributions intending to withdraw them and deduct an offsetting amount.

Withdrawal made using Form T3012A, Tax Deduction Waiver on the Refund of Your Unused RRSP Contributions made in _____ –

If you meet all of the previous conditions and have not already withdrawn the unused contributions, you can withdraw them without having tax withheld. To do this, complete Form T3012A. This form cannot be used to withdraw unused RRSP contributions that were transferred to a RRIF. To make a withdrawal from a RRIF, see "Withdrawal made without Form T3012A" on page 84 [below].

If the unused RRSP contributions are withdrawn based on a Form T3012A we approved, do the following:

- Attach a copy of that form and the related T4RSP slip to your return.
- Report the amount shown in box 20 of your or your spouse's or common-law partner's 2011 T4RSP slip on line 129 of your return. For more information, see "Calculating the income you and your spouse or common-law partner have to report" on page 137 [29].

- Deduct an amount on line 232 of your return equal to the unused contributions withdrawn.

Withdrawal made without Form T3012A – If you withdraw unused RRSP contributions without Form T3012A, the issuer of the plan has to withhold tax. The amount you withdraw should be reported on line 129 of your return if it appears in box 22 of the T4RSP slip. If the amount appears in box 16 and box 24 of the T4RIF slip and you are 65 years or older at the end of December 2011, report the amount from box 16 on line 115. Otherwise, report that amount on line 130.

In either case, claim the tax the issuer withheld on line 437 of your return.

Complete Form T746, CALCULATING YOUR DEDUCTION FOR REFUND OF UNUSED RRSP CONTRIBUTIONS, to calculate the amount you can deduct for the withdrawal.

Tax on RRSP excess contributions

Generally, you have RRSP excess contributions if your unused contributions from prior years and your current calendar year

contributions are more than your RRSP deduction limit shown on your latest notice of assessment, notice of reassessment, or a T1028, YOUR RRSP INFORMATION FOR 2011, **plus \$2,000**.

The \$2,000 is reduced when you have a negative RRSP deduction limit which may be due to a PSPA amount. Also, you can only qualify for the additional \$2,000 amount if you were 19 or older at any time in 2011.

Generally, you have to pay a tax of 1% per month on your unused contributions that exceed your RRSP deduction limit by more than \$2,000. Your notice of assessment or notice of reassessment will indicate that you may have to pay a 1% tax on RRSP excess contributions if your unused RRSP contributions exceed your RRSP deduction limit. However, if you withdrew the excess amounts, or all your contributions were **qualifying group RRSP contributions**, or from contributions that you made before February 27, 1995, you may not have to pay this 1% tax on all your excess contributions.

Follow the six-step process described in Chart 4 on page 89 [the next page] to determine if you have to complete Form T1-OVP, 2011

INDIVIDUAL TAX RETURN FOR RRSP EXCESS CONTRIBUTIONS, which is the form used to calculate the amount subject to tax and the tax payable.

If you determine that you have to pay this 1% tax, you have to file your completed T1-OVP return and pay the tax no later than 90 days after the end of the year in which you had the excess contributions.

Penalties – If you owe tax in a year and do not file your return within 90 days after the end of that year, we will charge you a late-filing penalty. The penalty is 5% of your balance owing, plus 1% of your balance owing for each month that your return is late, to a maximum of 12 months. Your late-filing penalty may be higher if we charged you a late-filing penalty on Form T1-OVP return for any of three previous years.

Attach your payment to your completed T1-OVP return and submit it to your tax centre. If you do not pay your tax by the deadline, you may also have to pay arrears interest on any unpaid amount.

Interest – If you have a balance owing in a year, we charge compound daily interest starting on the 91st day (ordinarily April 1) of the following year on any unpaid amounts owing for that year. This

includes any balance owing if we reassess your return. In addition, we will charge you interest on the penalties indicated in the previous section, starting on that 91st day.

Voluntary disclosure – You may have had to file a previous year return, but you have not sent it 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.

Be sure to indicate clearly, on any disclosure you make, that you are submitting information under the Voluntary Disclosures Program.

Which return do you have to use?

- If you have RRSP excess contributions made from February 27, 1995, to December 31, 2011, that are subject to tax, complete Form T1-OVP-S, (YEAR) SIMPLIFIED INDIVIDUAL TAX RETURN FOR RRSP EXCESS CONTRIBUTIONS, for each applicable tax year.
- If you have RRSP excess contributions made from January 1, 1991, to February 26, 1995 inclusively or, you made mandatory contributions to a group RRSP in 2010 or 2011 that are subject to tax, you must complete Form T1-OVP, (YEAR) INDIVIDUAL TAX RETURN FOR RRSP EXCESS CONTRIBUTIONS, for each applicable tax year.

Waiver of the RRSP excess contribution tax – If you determined that you must pay a tax on your RRSP excess contributions, you may ask in writing that the CRA waive the tax if:

- your excess contributions on which the tax is based arose due to a reasonable error; **and**
- you are taking, or have taken, reasonable steps to eliminate the excess contributions.

To consider your request, we will need a letter from you that explains:

- why you made excess contributions and why this is a reasonable error; **and**
- the steps you are taking, or have taken, to eliminate the excess contributions.

All supporting documents should be included with your letter, such as copies of your RRSP or RRIF account statements that identify the date you withdrew your excess contributions, as well as any other correspondence that shows that your excess contributions arose due to a reasonable error.

For relief from the assessment of late-filing penalties and interest, see Information Circular IC07-1 TAXPAYER RELIEF PROVISIONS.

Chart 4 – Do you have to complete a 2011 T1-OVP return?

- If you follow the chart on page 90 [below] and arrive at a point where we say, "You do not have to complete a 2011 T1-OVP," you are not subject to the 1%-per-month tax.

- If your 2011 RRSP deduction limit includes a net PSPA for 2011 or your unused RRSP deduction limit at the end of 2010 is a negative amount, complete a 2011 T1-OVP return to determine if you are subject to the 1%-per-month tax. If you are not subject to this tax for 2011, you may be subject to it for 2012.

Situation

Step 1 – Does one of these situations apply to you?

- You contributed amounts to your RRSP or your spouse's RRSP or common-law partner's RRSP from January 1, 1991, to December 31, 2011, that you did not and will not deduct on line 208 on your 2011 or earlier year returns.
- A gift was made to your RRSP from January 1, 1991, to December 31, 2011. A gift is any amount that someone other than you or your spouse or common-law partner contributed to your RRSP.

Action

- If **one** of these situations **applies to you**, go to Step 2.

- If **neither** of these situations **applies to you**, you do not have to complete a 2011 T1-OVP.

Situation

Step 2 – Is your 2011 RRSP deduction limit from your latest notice of assessment, notice of reassessment, or T1028, YOUR RRSP INFORMATION FOR 2011, more than the total of your unused RRSP contributions (including gifts) made from January 1, 1991, to December 31, 2010, **plus** the total of any RRSP contributions (including gifts) made during 2011?

Action

- If **no**, go to Step 3.
- If **yes**, you do not have to complete a 2011 T1-OVP.

Situation

Step 3 – Were you younger than 19 at any time in 2011?

Action

- If **no**, go to Step 4.

- If **yes**, you may be subject to tax on your unused RRSP contributions. Complete a 2011 T1-OVP-S to determine the amount of this tax.

Situation

Step 4 – Are your unused RRSP contributions (including gifts) made from January 1, 1991, to December 31, 2011, **less** than the total of your 2011 RRSP deduction limit from your latest notice of assessment or notice of reassessment plus \$2,000?

Action

- If **no**, go to Step 5.
- If **yes**, you do not have to complete a 2011 T1-OVP.

Situation

Step 5 – Do any of these situations apply to you?

- At the end of 2011, all of your unused RRSP contributions (including gifts) were made before February 27, 1995.

- All of your unused RRSP contributions (including gifts) were made from January 1, 1991, to February 26, 1995, and their total was \$8,000 or less.
- You did not contribute to an RRSP from February 27, 1995, to December 31, 2011.

Action

- If **all** of these situations apply to you, you do not have to complete a 2011 T1-OVP.
- If **one** of these situations **does not apply** to you, go to Step 6.

Situation

Step 6 – Were all the unused contributions mandatory contributions made in 2011 as a result of your participation in a qualifying group RRSP?

Action

- If **yes**, you do not have to complete a 2011 T1-OVP.

- If **no**, you may be subject to tax on your unused RRSP contributions. Complete a 2011 T1-OVP to determine the amount of this tax.
-

Chapter 3 – RRIF contributions

This chapter provides general information about RRIFs and lists the types of payments you can contribute to your RRIF. Usually, you can only contribute to your RRIF by directly transferring certain types of payments you receive or are considered to have received.

You can have more than one RRIF and you can have **self-directed RRIFs**. The rules that apply to self-directed RRIFs are generally the same as those for RRSPs. For more information, see "Self-directed RRSPs" on page 49 [11].

Property from an RRSP

You can contribute to your RRIF by having property transferred directly from:

- your unmatured RRSP;
- your matured RRSP, including a direct transfer of a commutation payment from your RRSP annuity; or
- an unmatured RRSP under which your current or former spouse or common-law partner is the annuitant, if you and your current or former spouse or common-law partner was living separate and apart at the time of the transfer and if the transfer is made:
 - under a decree, order, or judgment of a court, or under a written separation agreement; and
 - to settle rights arising out of your relationship on or after the breakdown of your relationship.

In addition, you can contribute to your RRIF any amounts you receive or are considered to have received from a deceased annuitant's RRSP in the following situations:

- The annuitant under an RRSP dies and, at the time of death, you were the deceased annuitant's spouse or common-law partner.

- You were a financially dependent child or grandchild of the deceased annuitant who depended on the annuitant because of an impairment in physical or mental functions. For more information, see Information Sheet RC4177, DEATH OF AN RRSP ANNUITANT, or Form T2019, DEATH OF AN RRSP ANNUITANT – REFUND OF PREMIUMS FOR 20_____.

RPP payments

You can contribute to your RRIF by directly transferring a lump-sum payment from:

- an RPP under which you are a member, if you are entitled to receive the lump-sum;
- an RPP under which your current or former spouse or common-law partner was the member, if you are entitled to receive the lump-sum because your current or former spouse or common-law partner died; or
- an RPP under which your current or former spouse or common-law partner is a member, if you are entitled to receive the lump-sum under the following conditions:

- under a decree, order, or judgment of a court, or under a written separation agreement; and
- to settle rights arising out of your relationship on or after the breakdown of your relationship.

Note

In some cases, the INCOME TAX ACT limits how much can be transferred without tax consequences. For more information, see "Direct transfer of an RPP lump-sum payment" on page 167 [34].

DPSP payments

Under proposed changes, you will be able to contribute to your RRIF by directly transferring a lump-sum payment from:

- a DPSP under which you are a member, or former member, if you are entitled to receive the lump-sum;
- a DPSP under which your current or former spouse or common-law partner was the member, or former member, if you are entitled to receive the lump-sum because your current or former spouse or common-law partner died; or

- a DPSP under which your current or former spouse or common-law partner is a member, or former member, if you are entitled to receive the lump-sum:
 - under a decree, order, or judgment of a court, or under a written separation agreement; and
 - to settle rights arising out of your relationship on or after the breakdown of your relationship.

For exceptions to the direct transfer requirement and other rules, see Interpretation Bulletin IT-528, TRANSFERS OF FUNDS BETWEEN REGISTERED PLANS.

Property from another RRIF

You can contribute to your RRIF by directly transferring property from:

- another RRIF under which you are the annuitant; or
- a RRIF under which your current or former spouse or common-law partner is the annuitant, if the transfer is made:

- under a decree, order, or judgment of a court, or under a written separation agreement; and
- to settle rights arising out of your relationship on or after the breakdown of your relationship.

In addition, you can contribute to your RRIF any amount up to the eligible amount of the designated benefit you receive or are considered to have received from the deceased annuitant's RRIF in the following situations:

- the annuitant under a RRIF dies and, at the time of death, you were the deceased annuitant's spouse or common-law partner; or
- you were a financially dependent child or grandchild of the deceased annuitant who depended on the annuitant because of an impairment in physical or mental functions.

For more information, see Information Sheet RC4178, DEATH OF A RRIF ANNUITANT, or Form T1090, DEATH OF A RRIF ANNUITANT – DESIGNATED BENEFIT FOR YEAR 20_____.

Saskatchewan Pension Plan (SPP) payments

If you are a member of the SPP, you can contribute to your RRIF by directly transferring a lump-sum payment from the SPP.

You can also transfer a lump-sum payment from the SPP if you are entitled to it because your current or former spouse or common-law partner was a member of the SPP, and one of the following situations applies:

- your current or former spouse or common-law partner has died; or
- you and your current or former spouse or common-law partner are living separate and apart at the time of the transfer and you are entitled to receive the lump-sum:
 - under a decree, order or judgment of a court, or under a written separation agreement; and
 - to settle rights arising out of your relationship on or after the breakdown of your relationship.

For more information on transfers, see "Chapter 5 – Transfers to registered plans or funds and annuities" on page 142 [30].

Chapter 4 – Payments from an RRSP or a RRIF

If you have an RRSP or a RRIF, you probably have a certain amount of flexibility on the types of payments you can get from these plans.

Generally, an RRSP must mature by the last day of the year in which you turn 71. On maturity, the funds must be withdrawn, transferred to a RRIF, or used to purchase an annuity. There are no immediate tax implications when amounts are transferred to a RRIF or used to purchase an annuity. However, if you withdraw funds from your RRSP, tax will be withheld and the amount withdrawn has to be included in your income for the year it is withdrawn.

Sometimes there can be an **increase** in the fair market value (FMV) of an RRSP or a RRIF between the date of death and the date of final distribution to the beneficiary or estate. Generally, this amount has to be included in the income of the beneficiary or the estate for the year it is received. A T4RSP slip or T4RIF slip may be issued for this amount.

Sometimes, the FMV of the property of an unmatured RRSP or a RRIF can decrease between the date of death and the date of final

distribution to the beneficiary or the estate. If the total of all the amounts paid from an unmatured RRSP or RRIF is less than the FMV of the unmatured RRSP or RRIF at the time of the annuitant's death, a deduction may be claimed on the final return of the annuitant. The deductible amount will generally be calculated as the difference between:

- the FMV at the time of the death that was included in the deceased annuitant's income for the year of death; and
- the total of all the amounts paid from the unmatured RRSP or RRIF.

This applies where the final payment from the unmatured RRSP or the RRIF occurs after 2008. For more information, see charts 6 and 7 on pages 112 [25] and 121 [26].

Note

The deduction will generally not be available if the unmatured RRSP or the RRIF held a non-qualified investment after the annuitant died or if the final payment is made after the end of the year that follows the year in which the annuitant died. However, the CRA may waive these conditions to allow the deduction for a deceased annuitant on

a case-by-case basis. Form RC249, POST-DEATH DECLINE IN THE VALUE OF AN UNMATURED RRSP OR A RRIF – FINAL DISTRIBUTION MADE IN 20_____, must accompany any request by the legal representative for an adjustment to the deceased annuitant's final tax return.

Example 1

Mark died on August 12, 2010. When he died, the FMV of his unmatured RRSP was \$185,000. The RRSP contract named Mark's estate as the sole beneficiary. A 2010 T4RSP slip was issued in Mark's name to report the \$185,000 FMV of the RRSP in box 34, "Amounts deemed received on death." This amount was included in income on line 129 of Mark's 2010 final income tax return.

The RRSP property was distributed to Mark's estate on March 15, 2011. The FMV of that property was \$150,000. The financial institution completed Form RC249, POST-DEATH DECLINE IN THE VALUE OF AN UNMATURED RRSP OR A RRIF – FINAL DISTRIBUTION MADE IN 20_____.

The \$35,000 difference between the \$185,000 included in Mark's 2010 income, and the \$150,000 that the estate received can be

deducted on Mark's 2010 return. This is because the RRSP did not hold any non-qualified investment at any time after death, and the RRSP was fully distributed by the end of the year following the year of death. Mark's legal representative should write and ask for an adjustment to the 2010 return to allow the \$35,000 post-death loss to be deducted on line 232. The completed Form RC249 must be sent with the request.

Example 2

Martin died on September 10, 2010. When he died the FMV of his unmatured RRSP was \$185,000. The RRSP contract named Martin's spouse Elaine as the sole beneficiary. In February 2011, Elaine asked the financial institution to directly transfer all of the RRSP property to her RRSP. On February 15, 2011, when the RRSP was fully transferred, its FMV was \$150,000.

As the transfer was completed by the end of the year following the year of death, no 2010 T4RSP slip was issued in Martin's name to report the \$185,000. A 2011 T4RSP slip was issued to Elaine to report the \$150,000 in box 18, "Refund of premiums." Elaine also received an official RRSP receipt for the \$150,000 transferred (contributed) to her RRSP.

The \$185,000 FMV of the RRSP at the time of death was not included in income on Martin's 2010 final tax return. Elaine includes in income on line 129 of her 2011 return, the \$150,000 reported as income on her 2011 T4RSP slip. She completes Schedule 7 and deducts the \$150,000 transfer (contribution) on line 208.

No deduction can be claimed on Martin's 2010 final income tax return for the \$35,000 post-death loss as the \$185,000 was not included in his 2010 income.

The following charts contain information on amounts you can receive or that we consider you to receive from your RRSP or RRIF, or from a deceased individual's RRSP or RRIF. This chapter also provides information on spousal or common-law partner RRSPs and RRIFs.

Chart 5 – Amounts from your RRSP or RRIF

- Report your RRSP income on line 129 of your return and any tax deducted (box 30 of the T4RSP slip) on line 437 of your return.
- Report your RRIF income on line 115 of your return if you were 65 or older on December 31, 2011. In all other cases, report your RRIF income on line 130. For more information, see Line 115 in

your income tax and benefit guide. In **all** cases, claim any tax deducted (box 28 of the T4RIF slip) on line 437 of your return.

Description of amount

Withdrawal from an RRSP – You can withdraw amounts from your RRSP before it starts to pay you a retirement income. If your spouse or common-law partner contributed to your RRSP, see Note 1 on page 111 [below].

Information slip and box number: T4RSP – Box 22

Will tax be withheld? Yes

Description of amount

You can withdraw unused contributions you made to an RRSP based on an approved Form T3012A, TAX DEDUCTION WAIVER ON THE REFUND OF YOUR UNUSED RRSP CONTRIBUTIONS MADE IN _____. If you transferred the unused contributions to your RRIF, see Note 2 on page 112 [below].

Information slip and box number: T4RSP – Box 20

Will tax be withheld? No

Description of amount

Annuity payments from an RRSP – When an RRSP matures, you can draw an annuity from that RRSP. You have to include the payments in your income. If you receive the annuity payments because your spouse or common-law partner died, or if you were 65 or older on December 31, 2011, the payments qualify for the pension income amount. In addition to receiving a retirement income out of your RRSP, you can also choose to transfer the property to a RRIF or to buy yourself an eligible annuity. The value of all the property the plan holds is included in your income unless you draw an annuity from the matured RRSP, use the RRSP to buy yourself an eligible annuity, or transfer the funds to a RRIF. For more information about the pension income amount, see Line 314 in your income tax guide.

Information slip and box number: T4RSP – Box 16

Will tax be withheld? No

Description of amount

Commutation payments from an RRSP – A commutation payment is a fixed or single lump-sum payment from your RRSP annuity that is equal to the current value of all or part of your future annuity payments from the plan. If your spouse or common-law partner contributed to your RRSP, see Note 1 on page 111 [below].

Information slip and box number: T4RSP – Box 22

Will tax be withheld? Yes

Description of amount

Minimum amount from a RRIF – Starting in the year after the year you establish a RRIF, you have to be paid a yearly minimum amount. The payout period under your RRIF is for your entire life. Your carrier calculates the minimum amount based on your age at the beginning of each year. However, you can elect to have the payment based on your spouse or common-law partner's age. You must select this option when filling out the original RRIF application form. Once you make this election, you cannot change it. If you want more information, contact your carrier.

Information slip and box number: T4RIF – Box 16

Will tax be withheld? No

Description of amount

Excess amount from a RRIF – In any year, you can be paid more than the minimum amount for that year. Amounts paid to you from a RRIF in a year that are more than the minimum amount for that year are called excess amounts. Check with your carrier to make sure that your RRIF allows such payments. Under certain circumstances, you can directly transfer the excess amount from a RRIF. For more information, see "Excess amount from a RRIF" in chart 9 on page 153 [33]. The excess amount shown in box 24 of your T4RIF slip is for information purposes only. Only include the amount shown in box 16 on your return. If you received the excess amount from your spousal or common-law partner RRIF, see Note 1 on page 111 [below].

Information slip and box number: T4RIF – Box 16

Will tax be withheld? Yes

Description of amount

Amounts deemed received on deregistration of an RRSP or a RRIF – If in 2011 your RRSP or RRIF was changed and it no longer satisfies the rules under which it was registered, it is no longer an RRSP or a RRIF. It is now an amended plan or fund. In such a case, we consider you to have received, in 2011, an amount that equals the fair market value of all the property the plan or fund held at the time it ceased being an RRSP or a RRIF. If the deregistration was from your spousal or common-law partner RRSP or RRIF, see Note 1 on page 111 [below].

Information slip and box number: T4RSP – Box 26, T4RIF – Box 20

Will tax be withheld? Note 3

Description of amount

Other income and deductions from an RRSP or a RRIF – You may have to include other RRSP or RRIF amounts in your income, or you may be able to deduct other amounts for 2011. This applies if, in 2011, your RRSP or RRIF trust acquires or disposes of a non-qualified investment. It also applies if trust property was used

as security for a loan, sold for an amount less than its fair market value, or the trust acquired property for an amount more than its fair market value. If the amount in box 28 of your T4RSP slip or in box 22 of your T4RIF slip appears in brackets (negative amount,) claim it on line 232 of your return.

Information slip and box number: T4RSP – Box 28, T4RIF – Box 22

Will tax be withheld? No

Note 1

If the RRSP from which you receive the withdrawal or commutation payment in 2011 is a spousal or common-law partner RRSP, or the RRIF from which you receive excess amounts in 2011 is a spousal or common-law partner RRIF, and your spouse or common-law partner made contributions to any of your RRSPs in 2009, 2010, or 2011, your spouse or common-law partner may have to include in income all or part of the amount received. For more information, see "Amounts from a spousal or common-law partner RRSP or RRIF" on page 136 [28].

Note 2

If you made contributions to your RRSP or to your spouse's RRSP or common-law partner's RRSP that you did not deduct for any year and those funds are transferred from that RRSP to a RRIF, you may be allowed a deduction for amounts you or your spouse or common-law partner withdraws from that RRIF for those unused RRSP contributions. Claim this deduction on line 232 of your return. For more information, see "Unused RRSP contributions" on page 80 [18].

Note 3

Tax will be withheld only if the amount is paid in the year of deregistration.

Chart 6 – Amounts from a deceased annuitant's RRSP

In all cases, tax will not be withheld. Report the amount on line 129 of the return.

Effective July 1, 2011, you can rollover the proceeds of a deceased annuitant's RRSP to the RDSP of a financially dependant infirm

child or grandchild. For the special transitional rules, go to www.cra.gc.ca/rdsp.

Description of amount

Payments from a matured RRSP

If the surviving spouse or common-law partner is:

- **the beneficiary of the RRSP**, as specified in the RRSP contract, the remaining annuity payments under the RRSP become payable to the annuitant's surviving spouse or common-law partner and he or she will begin to receive the annuity payments; or

T4RSP box number: 16

Slip issued in the name of, and to be reported by: Surviving spouse or common-law partner

Description of amount

Payments from a matured RRSP

If the surviving spouse or common-law partner is:

- **the beneficiary of the estate**, the spouse or common-law partner and legal representative can jointly elect in writing to treat amounts the RRSP paid to the estate as being paid to the spouse or common-law partner. The surviving spouse or common-law partner must attach a copy of the written election to his or her return. The election has to specify that the surviving spouse or common-law partner is electing to become the annuitant of the RRSP. If such an election is made, no T4RSP slip will be issued in the name of the estate even if the estate received the amounts.

T4RSP box number: 16

Slip issued in the name of, and to be reported by: Surviving spouse or common-law partner

Description of amount

Payments from a matured RRSP

For all other beneficiaries – Annuity payments from an RRSP registered after June 29, 1978, that are to be paid to a beneficiary other than the RRSP annuitant's surviving spouse or common-law partner, have to be commuted. This commutation payment is not taxable in the beneficiary's hands. The fair market value of the property the RRSP held at the time of the annuitant's death is included in the deceased annuitant's income for the year of death.

The amount reported on the deceased annuitant's final return may be reduced if, at the time of death, you were a financially dependent child or grandchild of the annuitant and an amount is paid from the RRSP to you or to the estate of which you are a beneficiary. For more information, see Information Sheet RC4177, DEATH OF AN RRSP ANNUITANT, and Form T2019, DEATH OF AN RRSP ANNUITANT – REFUND OF PREMIUMS FOR 20_____.

T4RSP box number: 34

Slip issued in the name of, and to be reported by: Deceased annuitant

Description of amount

Payments from a matured RRSP

Income earned in the RRSP after the annuitant dies that the beneficiary receives.

T4RSP box number: 28

Slip issued in the name of, and to be reported by: Beneficiary

Description of amount

Payments from a matured RRSP

Income earned in the RRSP after the annuitant dies that the estate receives.

T4RSP box number: 28

Slip issued in the name of, and to be reported by: Estate

Description of amount

Payments from an unmaturred RRSP

Transfer to the surviving spouse or common-law partner (named as beneficiary in the RRSP contract) – If, **by** the end of the year following the year of death of the annuitant, **all** of the property the RRSP held is paid to you as the deceased annuitant's spouse or common-law partner (as specified in the RRSP contract), and that payment is directly transferred to your RRSP, claim a deduction equal to the amount transferred to your RRSP on line 208 of your return. If the amount is directly transferred to your RRIF or directly transferred to an issuer to buy yourself an eligible annuity, claim a deduction equal to the amount transferred on line 232 of your return.

T4RSP box number: 18

Slip issued in the name of, and to be reported by: Surviving spouse or common-law partner

Description of amount

Payments from an unmaturred RRSP

For all other situations – The fair market value of the property the RRSP held at the time of death is included in the deceased annuitant's income for the year of death.

T4RSP box number: 34

Slip issued in the name of, and to be reported by: Deceased annuitant's final return

Description of amount

Payments from an unmaturred RRSP

The amount reported on the deceased annuitant's final return may be reduced if:

- You were the spouse or common-law partner of the annuitant at the time of death, and an amount is paid from the unmaturred RRSP to you or to the estate of which you are the beneficiary.

T4RSP box number: 18 or 28

Slip issued in the name of, and to be reported by: Surviving spouse or common-law partner or estate

Description of amount

Payments from an unmatured RRSP

The amount reported on the deceased annuitant's final return may be reduced if:

- You were, at the time of death, a financially dependent child or grandchild of the annuitant and an amount is paid from the unmatured RRSP to you or to the estate of which you are a beneficiary. For more information, see Information Sheet RC4177, DEATH OF AN RRSP ANNUITANT, and Form T2019, DEATH OF AN RRSP ANNUITANT – REFUND OF PREMIUMS FOR 20_____.

T4RSP box number: 28

Slip issued in the name of, and to be reported by:
Child/grandchild or estate

Description of amount

Payments from an unmaturred RRSP

The amount reported on the deceased annuitant's final return may be reduced if:

- There is a decrease in the FMV of an unmaturred RRSP between the date of death and the date of final distribution to the beneficiary or the estate. For more information, see Information Sheet RC4177, DEATH OF AN RRSP ANNUITANT, and Form RC249, POST-DEATH DECLINE IN THE VALUE OF AN UNMATURRED RRSP OR A RRIF – FINAL DISTRIBUTION MADE IN 20_____.

T4RSP box number: 18

Slip issued in the name of, and to be reported by: Deceased annuitant's final return

Description of amount

Payments from an unmaturred RRSP

Income earned in the RRSP after the annuitant dies that the beneficiary receives.

T4RSP box number: 28

Slip issued in the name of, and to be reported by: Beneficiary

Description of amount

Payments from an unmaturred RRSP

Income earned in the RRSP after the annuitant dies that the estate receives.

T4RSP box number: 28

Slip issued in the name of, and to be reported by: Estate

Chart 7 – Amounts from a deceased annuitant's RRIF

- In all cases, tax will not be withheld.
 - If you are 65 or older on December 31, 2011, or if you received the payments because your spouse or common-law partner died, report these payments on line 115 of your return. In all other cases, report the payments on line 130 of your return.
-

Description of amount

Spouse or common-law partner is designated as the new annuitant – If the RRIF annuitant made a written election in the RRIF contract or in the will to have the RRIF payments continue to the spouse or common-law partner after death, the surviving spouse or common-law partner becomes the annuitant after death and will begin to get the RRIF payments as the new annuitant.

The spouse or common-law partner can become the annuitant of the RRIF after the deceased annuitant's death, even if the deceased annuitant did not make this election in the RRIF contract or in the will. This is the case if the legal representative consents to the spouse or common-law partner becoming the annuitant, and if the RRIF carrier agrees to continue the payments under the deceased annuitant's RRIF to the surviving spouse or common-law partner.

T4RIF box number: 16

Slip issued in the name of, and to be reported by: Surviving spouse or common-law partner

Description of amount

Spouse or common-law partner is designated as beneficiary of the RRIF – If, **by** the end of the year following the year of death of the annuitant, **all** of the property the RRIF held is paid to you (as specified in the RRIF contract) as the deceased annuitant's spouse or common-law partner and the eligible amount of that payment is directly transferred to your RRSP, claim a deduction equal to the amount transferred on line 208 of your return. If the amount is directly transferred to your RRIF or directly transferred to an issuer to buy an eligible annuity, claim a deduction equal to the amount transferred on line 232 of your return. The eligible amount of the payment is shown in box 24 of your T4RIF slip, and this is the maximum amount that can be directly transferred.

T4RIF box number: 16 and 24

Slip issued in the name of, and to be reported by: Surviving spouse or common-law partner

Description of amount

For all other situations – On line 130 of the deceased annuitant's final return, include the fair market value of the property the RRIF held at the time of death.

T4RIF box number: 18

Slip issued in the name of, and to be reported by: Deceased annuitant's final return

Description of amount

The amount reported on the deceased annuitant's final return may be reduced if one of the following conditions applies:

- You were the spouse or common-law partner of the annuitant at the time of death and an amount is paid from the RRIF to you or to the estate of which you are a beneficiary.
 - Effective July 1, 2011, you can rollover the proceeds of a deceased annuitant's RRIF to the RDSP of a financially dependent infirm child or grandchild. For the special transitional rules, go to **www.cra.gc.ca/rdsp**.

T4RIF box number: 16 or 22

Slip issued in the name of, and to be reported by: Surviving spouse or common-law partner or estate

Description of amount

The amount reported on the deceased annuitant's final return may be reduced if one of the following conditions applies:

- You were, at the time of death, a financially dependent child or grandchild of the annuitant and an amount is paid from the RRIF to you or to the estate of which you are a beneficiary. For more information, see Information Sheet RC4178, DEATH OF A RRIF ANNUITANT, and Form T1090, DEATH OF A RRIF ANNUITANT – DESIGNATED BENEFIT FOR YEAR 20_____.

T4RIF box number: 22

Slip issued in the name of, and to be reported by:
Child/grandchild or estate

- Effective July 1, 2011, if you were a financially dependant infirm child or grandchild you can rollover the proceeds of a deceased annuitant's RRIF to your RDSP.

Slip issued in the name of, and to be reported by:
Deceased annuitant's final return

Description of amount

The amount reported on the deceased annuitant's final return may be reduced if one of the following conditions applies:

- There is a decrease in the FMV of a RRIF between the date of death and the date of final distribution to the beneficiary or the estate. See Information Sheet RC4178, DEATH OF A RRIF ANNUITANT, and Form RC249, POST-DEATH DECLINE IN THE VALUE OF AN UNMATURED RRSP OR A RRIF – FINAL DISTRIBUTION MADE IN 20_____.

T4RSP box number: n/a

Slip issued in the name of, and to be reported by: Deceased annuitant's final return

Description of amount

Income earned in the RRIF after the annuitant dies that the beneficiary receives.

T4RIF box number: 22

Slip issued in the name of, and to be reported by: Beneficiary

Description of amount

Income earned in the RRIF after the annuitant dies that the estate receives.

T4RIF box number: 22

Slip issued in the name of, and to be reported by: Estate

Transfers to registered disability savings plans

Effective July 1, 2011, for deaths occurring after March 3, 2010, the existing RRSP rollover rules are extended to allow a rollover of a deceased individual's RRSP proceeds to the RDSP of the deceased individual's financially dependent child or grandchild with an impairment in physical or mental functions. These rules also apply for RRIFs proceeds, certain lump-sum amounts paid from RPPs, and, **under proposed legislation**, certain payments from a SPP.

In addition, where the death of an RRSP annuitant occurred after 2007 and before 2011, special transitional rules allow a contribution to be made to the RDSP of a financially dependent child or grandchild of the annuitant who has an impairment in physical or mental functions. To be eligible, the contribution to an RDSP can only be made after **June 30, 2011**, and, where the death of the annuitant occurs **after** 2007 and **before** 2011, the contribution must be made before **2012**.

Note

The amount of RRSP proceeds rolled over to an RDSP cannot exceed the beneficiary's available RDSP contribution room. The rolled over proceeds will reduce the beneficiary's RDSP contribution room, but will not be eligible for any Canada Disability Savings Grants.

Eligible individual – An eligible individual is a child or grandchild of a deceased annuitant under an RRSP or RRIF, or of a deceased member of an RPP and, **under proposed changes**, the SPP, who was financially dependent on the deceased for support at the time of the deceased's death by reason of an impairment in physical or mental

functions. The eligible individual must also be the beneficiary under the RDSP into which the eligible proceeds will be paid.

For more information on the RDSP and the special transitional rules, go to **www.cra.gc.ca/rdsp**.

The following chart shows what you have to do when there is a rollover to an RDSP. Use form RC4625, ROLLOVER TO A REGISTERED DISABILITY SAVINGS PLAN (RDSP) UNDER PARAGRAPH 60(m), or the form provided by your RDSP issuers to document the transaction.

Rollover from:

RRSP – Beneficiary named in the contract

Deceased individual

n/a

Eligible individual (see definition on page 128 [above])

The refund of premiums is shown in box 28 of a T4RSP slip. Enter this amount on line 129 and claim a deduction equal to the amount

transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your return.

Rollover from:

RRSP – No beneficiary named in the contract

Deceased individual

The refund of premiums is shown in box 28 of a T4RSP slip. On the deceased's final return, enter this amount on line 129 and claim a deduction equal to the amount transferred on line 232.

Note

The deceased annuitant's legal representative and the qualified beneficiary must have designated the amount the annuitant's estate received from the RRSP to have been received by the qualified beneficiary as a refund of premiums. Form T2019 must be attached to the deceased's final return.

Eligible individual (see definition on page 128 [above])

Enter the refund of premiums transferred to the RDSP on line 130 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your return.

When there is no beneficiary named in the contract, the dependent child or grandchild will not receive a T4RSP slip. However, Forms T1-ADJ, RC4625, and T2019 will have to be filed to have the deceased return adjusted to allow an eligible deduction on line 232.

When there is no beneficiary named in the contract, the recipient of the annuity will be unknown and so the income is recorded as "Other income" in Box 28.

Rollover from:

RRIF – Beneficiary named in the contract

Deceased individual

n/a

Eligible individual (see definition on page 128 [above])

The designated benefit is shown in box 22 of a T4RIF slip. Enter this amount on line 130 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your return.

Rollover from:

RRIF – No beneficiary named in the contract

Deceased individual

The designated benefit is shown in box 22 of a T4RIF slip. On the deceased's final return, enter this amount on line 130 and claim a deduction equal to the amount transferred on line 232.

Note

The deceased annuitant's legal representative and the qualified beneficiary must have designated the amount the annuitant's estate received from the RRIF to have been received by the qualified beneficiary as a designated benefit. Form T1090 must be attached to the deceased's final return.

Eligible individual (see definition on page 128 [above])

Enter the designated benefit transferred to the RDSP on line 130 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your return.

When there is no beneficiary named in the contract, the dependent child or grandchild will not receive a T4RIF slip. However, Forms T1-ADJ, RC4625, and T1090 will have to be filed to have the deceased return adjusted to allow an eligible deduction on line 232.

Rollover from:

RPP

Deceased individual

n/a

Eligible individual (see definition on page 128 [above])

The amount is shown in box 018 on T4A slip, Enter this amount on line 130 and claim a deduction equal to the amount transferred on

line 232. Attach Form RC4625 or a letter from the RDSP issuer to your return.

Rollover from:

Saskatchewan pension plan

Deceased individual

n/a

Eligible individual (see definition on page 128 [above])

The amount is shown in box 018 of a T4A slip. Enter this amount on line 130 and claim a deduction equal to the amount transferred on line 232. Attach Form RC4625 or a letter from the RDSP issuer to your return.

Locked-in RRSP

A locked-in RRSP is a plan containing funds transferred from an RPP for a member of the RPP. **Under the pension laws of certain**

provinces, locked-in RRSPs are sometimes called locked-in retirement accounts (LIRAs). This means that the member cannot receive the transferred funds. They either have to stay in the plan or be transferred to another locked-in RRSP to provide the member with a retirement income.

You cannot withdraw funds from a locked-in RRSP. The money has to stay in the RRSP and will be used to buy a life annuity at retirement age.

Note

You may be able to withdraw funds from a locked-in RRSP under special circumstances. Contact your RRSP issuer.

However, under the pension laws of certain provinces, pension funds or funds from a locked-in RRSP can be transferred to a locked-in RRIF. These locked-in RRIFs are sometimes called life income funds (LIFs) or locked-in retirement income funds (LRIFs).

Your employer or pension plan administrator can answer any questions you have about locked-in funds.

Note

Do not confuse locked-in RRSPs with fixed-term investments in an RRSP. A fixed-term investment, such as a guaranteed investment certificate, can have a locked-in interest rate for the term of the certificate.

LIRAs and locked-in RRIFs are taxed in the same manner as regular RRSPs and RRIFs.

Amounts from a spousal or common-law partner RRSP or RRIF

This section applies to you if you receive income from a spousal or common-law partner RRSP or a spousal or common-law partner RRIF. This section may also apply to you if you contributed to your spouse's RRSPs or common-law partner's RRSPs.

Under proposed changes, this section will also apply to a spousal or common-law partner account under the SPP.

A spousal or common-law partner RRSP is any of your RRSPs:

- to which your spouse or common-law partner contributed;
- that received payments or transfers of property from your RRSPs to which your spouse or common-law partner had contributed; or
- that received payments or transfers of property from your RRIFs to which you had transferred amounts from your spousal or common-law partner RRSPs.

A spousal or common-law partner RRIF is any of your RRIFs that received payments or transfers of property from:

- a spousal or common-law partner RRSP; or
- any of your other spousal or common-law partner RRIFs.

Calculating the income you and your spouse or common-law partner have to report

If you contributed to any spousal or common-law partner RRSPs in 2009, 2010, or 2011, you may have to include in your 2011 income all or part of:

- the amounts your spouse or common-law partner received in 2011 from any of his or her unmatured spousal or common-law partner RRSPs;
- the commutation payments your spouse or common-law partner received in 2011 from any of his or her matured spousal or common-law partner RRSPs;
- the amounts we consider your spouse or common-law partner to have received in 2011 from any of his or her deregistered spousal or common-law partner RRSPs; and
- the amounts your spouse or common-law partner received, or those we consider he or she received, in 2011 from any of his or her spousal or common-law partner RRIFs that are more than the minimum amount for the year.

To determine the amount to include in your income or your spouse's or common-law partner's income, your spouse or common-law partner (the annuitant) should complete Form T2205, AMOUNTS FROM A SPOUSAL OR COMMON-LAW PARTNER RRSP OR RRIF TO INCLUDE IN INCOME FOR _____.

Tax Tip

If you want to ensure that you do not have to include any amount in your income when your spouse or common-law partner withdraws funds from a spousal or common-law partner RRSP or spousal or common-law partner RRIF, make sure you have not contributed to any spousal or common-law partner RRSPs in the year your spouse or common-law partner withdraws the funds, or in either of the two preceding years. Otherwise, you (the contributor) will probably have to include in your income the funds your spouse or common-law partner (the annuitant) withdraws.

Example

In May 2009, Joshua started contributing to his wife Keri's RRSPs. He contributed the following amounts to her RRSPs:

Year	Amount
2009	\$ 2,000
2010	2,000
2011	+ 1,000
Total	<u>\$ 5,000</u>

In 2011, Keri withdrew \$4,000 from her spousal RRSPs. Before 2011, she had not withdrawn any amounts from her spousal or common-law partner RRSPs.

Keri determines that Joshua has to include \$4,000 in his income on line 129 of his 2011 return, since the amount Joshua has to include as income is the **lesser of**:

- the amounts he contributed to all spousal RRSPs for his wife in 2009, 2010, and 2011 (\$5,000); and
- the amount his wife withdrew from her spousal or common-law partner RRSPs in 2011 (\$4,000).

Keri does not include any amount in her income for this withdrawal.

Exceptions – The rule that requires you, the contributor, to include certain amounts from spousal or common-law partner RRSPs or spousal or common-law partner RRIFs as income **does not** apply to the following situations:

- At the time of payment, or when we consider the payment to have been received, you and your spouse or common-law partner were

living separate and apart because of the breakdown of your relationship.

- At the time of payment, or when we consider the payment to have been received, you or your spouse or common-law partner were non-residents.
- The amount is a commutation payment that is transferred directly for your spouse or common-law partner to another RRSP, to a RRIF, or to an issuer to buy an eligible annuity that cannot be commuted for at least three years.
- The contributor dies in the year of payment or the year we consider the payment to have been received.
- We consider the deceased annuitant to have received the amount because of death.

In any such case, the annuitant spouse or common-law partner includes the payment in income for the year he or she receives it or is considered to have received it.

Tax deducted – In all cases, the tax deducted has to be claimed by the individual to whom the slip is issued. In most cases, the

information slip issued for the withdrawal will be in the name of the annuitant. However, report the income according to the calculations completed in Parts 1 and 2 of Form T2205.

For more information, see Interpretation Bulletin IT-307, SPOUSAL OR COMMON-LAW PARTNER REGISTERED RETIREMENT SAVINGS PLANS.

Chapter 5 – Transfers to registered plans or funds and annuities

You can transfer certain types of payments to an RPP, an RRSP, a RRIF, or a deferred profit sharing plan (DPSP). You can also use certain payments from an RRSP or a RRIF to buy yourself an eligible annuity.

You have to transfer certain payments directly. For other payments, you can transfer them either directly or indirectly. This chapter provides information about the rules on these transfers.

The three charts in this chapter list the most common types of payments that you can transfer and the types of plans or funds to

which you can transfer them. Chart 8 covers payments that you can transfer either directly or indirectly. Chart 9 covers payments that you have to transfer directly. Chart 10 covers payments that you transfer because of the breakdown of your relationship.

Note

If you are a non-resident of Canada, see Form NRTA1, AUTHORIZATION FOR NON-RESIDENT TAX EXEMPTION, for more information on transfers.

Registered education savings plan accumulated income payments

Investment earnings in a RESP can be paid out to an individual other than the beneficiary. These payments are called accumulated income payments (AIP) and are included in the individual's income. An additional 20% tax is also applied to these payments.

However, you can reduce the AIP subject to the special 20% tax if you are the original subscriber or the spouse or common-law partner of

the deceased original subscriber (if there is no other subscriber) and you meet **both** of the following conditions:

- You contribute an amount not more than the amount of the AIPs (to a lifetime maximum of \$50,000 of AIPs) to your RRSP, or to your spouse's or common-law partner's RRSP, in the year the AIPs are received or in the first 60 days of the following year.
- Your RRSP deduction limit allows you to deduct the amount contributed to your or your spouse's or common-law partner's RRSP on line 208 of your return. You must claim the RRSP deduction for the year in which the AIPs are received.

You cannot reduce the AIPs subject to tax if you became a subscriber because of the death of the original subscriber.

For more information, see Information Sheet RC4092, REGISTERED EDUCATION SAVINGS PLANS.

Other transfers

Depending on the source of income, the following payments can also be transferred to your RPP or RRSP:

- certain lump-sum payments from a non-registered pension plan that relate to services rendered throughout a period while a non-resident;
- eligible pension income from an estate or a testamentary trust; and
- amounts received from foreign retirement arrangements, such as United States Individual Retirement Accounts (IRAs).

For more information on these types of transfers, see Interpretation Bulletin IT-500, REGISTERED RETIREMENT SAVINGS PLANS – DEATH OF AN ANNUITANT, or IT-528, TRANSFERS OF FUNDS BETWEEN REGISTERED PLANS. For information on how to report the income, see your income tax guide.

Under proposed changes, for the purposes of this chapter and unless otherwise indicated, an individual's account under the SPP is considered to be an RRSP after 2009.

Chart 8 – Payments that you can transfer directly or indirectly

- To deduct a payment, you have to make the contributions to a plan or fund in the year you receive the payment or no later than 60 days after the end of that year.
- If you transfer the amount to your RRSP, you must be 71 years of age or younger at the end of the year you transfer the funds. You also have to complete Schedule 7, RRSP UNUSED CONTRIBUTIONS, TRANSFERS, AND HBP OR LLP ACTIVITIES and file it with your 2011 return. If you did not receive a Schedule 7 in your income tax package, you can get one at www.cra.gc.ca/forms or by calling **1-800-959-2221**.

Type of payment

Retiring allowance

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
Yes	Yes	No	No

Instructions

- A retiring allowance is an amount you receive on or after retirement from an office or employment in recognition of long service. It includes payment for unused sick leave and amounts you receive for loss of office or employment, whether as a payment of damages or a payment under an order or judgment of a tribunal.
- You can transfer only the eligible part of your retiring allowance to your own RPP or RRSP. The eligible part is \$2,000 for each year or part-year of service before 1996 in which you were employed by the employer or a person related to that employer from whom you received the retiring allowance. You can also transfer an additional \$1,500 for each year or part-year of service before 1989 in which you had earned no pension or DPSP benefit from employer contributions that were either vested in you at the time of payment or that were previously paid to you.
- For 2009 and prior years, box 26 of your T4A slip shows the **eligible** portion of your retiring allowance. Box 27 shows the part of your retiring allowance that is **not eligible**. For 2011, the **eligible** portion of your retiring allowance will be reported in

box 66 of your T4 slip and box 67 will show the part of your retiring allowance that is **not eligible**. On a T3 slip, the **eligible** part of a retiring allowance appears in box 47.

- Report the retiring allowance shown in boxes 66 and 67 of your 2011 T4 slip, or in box 26 of your T3 slip on line 130 of your return. Similarly, report the retiring allowance shown in boxes 26 and 27 of your T4A slip, or in box 26 of your T3 slip for 2009 and prior years on line 130 of your return for the year in which you received the retiring allowance. Claim a deduction for the amount you transfer to your RPP on line 207 of your return. Claim a deduction for the amount you transfer to your RRSP on line 208 of your return. Write the amount of the transfer on line 11 of Schedule 7.
- You cannot transfer the eligible part of your retiring allowance to your spouse's RRSP or common-law partner's RRSP. You may be able to contribute amounts you received from your retiring allowance to your own or your spouse's RRSP or common-law partner's RRSP, up to the limits explained in Chapter 2.
- If you transfer the amount to your RPP, you may have a PA. For more information, contact your plan administrator.

Note

No tax is withheld if your employer directly transfers the eligible part of your retiring allowance.

Type of payment

Amounts paid from an RRSP* or RRIF upon death of the annuitant

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
No	Yes	Yes	Yes

Instructions

If, at the time of death, you are the deceased annuitant's spouse or common-law partner, or you are a financially dependent child or grandchild of the annuitant because of an impairment in physical or mental functions, you can transfer, tax free, certain amounts paid from the annuitant's RRSP or RRIF.

Effective July 1, 2011, you can rollover the proceeds to a RDSP of a financially dependent infirm child or grandchild. For special transitional rules, go to **www.cra.gc.ca/rdsp**.

If you are the child or grandchild of the deceased annuitant, and are not financially dependent because of an impairment in physical or mental functions, you can only transfer the amounts to a term annuity. For more information on these transfers, see Information Sheets RC4177, DEATH OF AN RRSP ANNUITANT, and RC4178, DEATH OF A RRIF ANNUITANT. No tax is withheld at source on these payments. For more information, see Chart 6 – Amounts from a deceased annuitant's RRSP on page 112 [25] or Chart 7 – Amounts from a deceased annuitant's RRIF on page 121 [26].

Type of payment

Lump-sum paid from an RRP upon death of the member (under proposed changes, lump-sum paid from an SPP upon death of the member)

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
No	Yes	Yes	Yes

Instructions

If, at the time of death, you are a child or grandchild of the deceased member, and are financially dependent on the member because of an impairment in physical or mental functions, you can transfer, tax-free, certain amounts paid from the member's RPP or, under proposed changes, account under the SPP.

Effective July 1, 2011, you can rollover the proceeds to your RDSP if you are an eligible individual**.

If you are the child or grandchild of the deceased member, and are not financially dependent on the member because of an impairment

in physical or mental functions, you can only transfer the amounts to a term annuity.

- * For the purposes of this type of payment these comments do not apply to the SPP.
- ** See definition on page 128 [27].

Chart 9 – Payments that you have to transfer directly

- If you receive any of the types of payments listed on pages 154 to 160 [below] (for example in cash or by cheque), you have to include them in your income for the year you receive them and you cannot transfer them tax-free. Instead, if you want to transfer these amounts tax-free to another registered plan or fund, make sure you inform the payer to transfer them directly.
- If you transfer the amount to your RRSP, you must be 71 or younger at the end of the year in which you transfer the funds.
- You do not have to use the forms listed in this chart. The institution that transfers your payments may use other types of documents

to record the transfer. The institution has to provide you with confirmation of the details of the transfer.

Type of payment

RPP lump-sum

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
Yes	Yes	Yes	No

Instructions

- This includes a lump-sum payment you are entitled to receive from your RPP or from your current or former spouse's RPP or common-law partner's RPP because your current or former spouse or common-law partner has died.
- Do not claim a deduction for the amount you transfer, and do not report any amount on your return.

- If you transfer an excess RPP lump-sum payment, see "Excess transfer of an RPP lump-sum payment" on page 167 [the next page].

Form*: T2151

Type of payment

DPSP lump-sum

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
Yes	Yes	Yes**	No

Instructions

- This includes a lump-sum payment you are entitled to receive from your DPSP or from your current (or former**) spouse's or common-law partner's DPSP because your current (or former**) spouse or common-law partner has died.
- You can also transfer this amount to another DPSP.

- Do not claim a deduction for the amount you transfer, and do not report any amount on your return.

Form*: T2151

Type of payment

RRSP*** commutation payment

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
No	Yes	Yes	Yes

Instructions

- The commutation payment is shown in box 22 of your T4RSP slip. Report it on line 129 of your return.
- If you transfer the amount to your RRSP, claim a deduction for the amount you transfer on line 208 of your return. If you transfer the amount to your RRIF or to an issuer to buy an eligible

annuity, claim a deduction for the amount you transfer on line 232.

- Attach official receipts to your return showing the amount transferred.

Form*: T2030

Type of payment

Property from an unmaturred RRSP***

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
Yes	Yes	Yes	No

Instructions

- This is a payment you are entitled to receive from an RRSP that has not yet started to pay you retirement income.
- Do not claim a deduction for the amount you transfer, and do not report any amount on your return.

Form*: T2033

Type of payment

Property from a RRIF

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
Yes	No	Yes	No

Instructions

- This is an amount you transfer from one of your RRIFs to another of your RRIFs or to a money purchase provision of an RPP under which you had been a member.
- Do not claim a deduction for the amount you transfer, and do not report any amount on your return.

Form*: T2033

Type of payment

Excess amount from a RRIF

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
No	Yes	Yes	Yes

Instructions

- The excess amount is shown in boxes 16 and 24 of your T4RIF slip unless it is directly transferred to another RRIF for you. Report the total amount shown in box 16 on your return.
- See Line 115 of your income tax and benefit guide for details on how to report this income.
- If the excess amount is directly transferred to your RRSP, claim a deduction for the amount you transfer on line 208 of your return. If the excess amount is directly transferred to an issuer to buy an eligible annuity, claim a deduction for the amount you transfer on line 232.

Form*: T2030

Instructions

- The excess amount directly transferred to another of your RRIFs should not be reported on your T4RIF slip. Do not report the amount transferred as income on your return, and do not claim any deduction for the amount transferred.

Form*: T2033

Type of payment

Saskatchewan Pension Plan (SPP) lump-sum

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
No	Yes	Yes	Yes

Instructions

- This includes a lump-sum payment you receive from the SPP as a member. It also includes a lump-sum payment you receive as the

current or former spouse or common-law partner of a member if the member has died.

- Do not claim a deduction for the amount you transfer, and do not report any amount on your return.
- * You can find the titles of the forms on page 181 [38].
- ** Under proposed changes.
- *** For the purposes of this type of payment, these comments do not apply to the SPP.

Chart 10 – Payments that you transfer directly because of the breakdown of your relationship

- **In all cases, the transfer must be direct.** If you receive any of the types of payments listed on pages 162 to 166 [below] (for example in cash or by cheque), you have to include them in your income for the year you receive them and you cannot transfer them tax-free. Instead, if you want to transfer these amounts tax free to another

registered plan or fund, make sure you inform the payer to transfer them directly.

- In all cases, you must be entitled to the payment under a decree, order, or judgment of a court, or under a written agreement relating to a division of property between you and your current or former spouse or common-law partner in settlement of rights arising from the breakdown of your relationship.
- If you transfer the amount to your RRSP, you must be 71 or younger at the end of the year you transfer the funds.

Type of payment

RPP lump-sum

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
Yes	Yes	Yes	No

Instructions

- Do not claim a deduction for the amount you transfer, and do not report any amount on your return.

Form*: T2151

Type of payment

DPSP lump-sum

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
Yes**	Yes**	Yes**	No

Instructions

- Do not claim a deduction for the amount you transfer, and do not report any amount on your return.

Form*: T2151

Type of payment

Property from an unmaturred RRSP****

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
No	Yes***	Yes	No

Instructions

- You and your current or former spouse or common-law partner have to be living separate and apart at the time of the transfer because of the breakdown of your relationship.
- Do not claim a deduction for the amount you transfer, and do not report any amount on your return.

Form*: T2220

Type of payment

Property from a RRIF

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
No	Yes	Yes	No

Instructions

- Do not claim a deduction for the amount you transfer, and do not report any amount on your return.

Form*: T2220

Type of payment

Saskatchewan Pension Plan (SPP) lump-sum

Can be transferred to your:			
RPP	RRSP	RRIF	Annuity
No	Yes	Yes	Yes

Instructions

- You and your current or former spouse or common-law partner have to be living separate and apart at the time of the transfer because of the breakdown of your relationship.
 - Do not claim a deduction for the amount you transfer, and do not report any amount on your return.
- * You can find the titles of the forms on page 181 [38].
- ** Under proposed changes.
- *** You and the RRSP issuer have to complete Form T2220 for this type of transfer. The RRSP issuer reports the transfer in

box 35 of a T4RSP or T4RIF slip issued in your name. Do not report any amount on your tax return.

**** For the purposes of this type of payment, these comments do not apply to the SPP.

Direct transfer of an RPP lump-sum payment

In most cases, if you transfer an RPP lump-sum payment directly to another RPP, to an RRSP, or to a RRIF, you do not have to include any part of the payment in your income, and you cannot deduct it. However, the INCOME TAX ACT limits the amount you may transfer tax-free from a defined benefit provision of an RPP to a money purchase provision of an RPP, an RRSP, or a RRIF.

Excess transfer of an RPP lump-sum payment

If the amount you transfer is more than the limit, you have to include the excess transfer in your income. Your T4A slip shows the excess transfer as pension income in box 018, which you report on line 130 of your return.

If you made the excess transfer to your RRSP for 2011, we consider you to have contributed it to the RRSP in the year in which you transferred it. Even if the excess transfer is made to your RRIF, we still consider you to have contributed it to your RRSP. In both cases, the carrier will give you an official RRSP receipt for this contribution.

You can deduct these RRSP contributions on line 208 of your return, up to your RRSP deduction limit for the year in which you made the transfer. If you cannot deduct the contributions because they are more than your RRSP deduction limit for the year, you can leave them in your RRSP or your RRIF and deduct them for future years up to your RRSP deduction limit for those years.

Note

You may be subject to the 1%-per-month tax on the part of your unused RRSP contributions that are excess contributions during the period these contributions stay in the RRSP or the RRIF. For more information, see "Tax on RRSP excess contributions" on page 84 [18].

Withdrawal from an RRSP or a RRIF – If you withdraw an excess transfer amount from an RRSP or a RRIF in 2011 and we consider you

to have contributed an excess transfer to your RRSP, a deduction is available if you meet both of the following conditions:

- you did not previously deduct the excess amount as an RRSP contribution; and
- you included the excess amount in your income for the year you received it.

You can use Form T1043, DEDUCTION FOR EXCESS REGISTERED PENSION PLAN TRANSFERS YOU WITHDREW FROM AN RRSP OR RRIF, to calculate your deduction. Deduct the amount on line 232 of your return.

Note

You **cannot** use Form T3012A, TAX DEDUCTION WAIVER ON THE REFUND OF YOUR UNUSED RRSP CONTRIBUTIONS MADE IN _____, to withdraw unused contributions for an excess RPP lump-sum payment transferred to the RRSP or RRIF.

Chapter 6 – PAs, PARs, and PSPAs

Pension adjustments (PAs)

The following is an overview of PAs under RPPs and DPSPs. If you want to know how your PA is calculated or why you have a PA, contact your employer or plan administrator.

Your PA for a year is the total pension credits for the year under a DPSP or a defined benefit or money purchase provision of an RPP of which you are a member. You may also have a pension credit if you participate in a foreign plan. The pension credit is a measure of the value of the benefits that accrued to you during the year under these arrangements.

Does your employer have to report a PA for you?

Your employer usually has to report a PA for you even if your benefit is not yet vested.

Where is your PA shown on your T4 or T4A slip? Your PA appears in box 52 of your T4 slip, or in box 034 of your T4A slip. If you worked for more than one employer in 2011 and each employer sponsors their

own RPP or DPSP, you may have more than one PA for 2011. Enter the total of your 2011 PAs from your T4 or T4A slips on line 206 of your 2011 return.

What does your PA affect?

Your PA for a year reduces your RRSP deduction limit for the following year. Your PA does not affect your income. If you contribute to an RRSP, your PA may indirectly affect the income taxes you pay or the refund you receive for the following year, because it reduces your RRSP deduction limit for the following year. For details on how to calculate your RRSP deduction limit, see "Calculating your 2011 RRSP deduction limit" on page 54 [12].

You can also find out your RRSP deduction limit by registering for My Account. Once you've registered and received your password, you can sign in and access your RRSP Deduction Limit Statement online. See "My Account" on page 187 [39].

If you participate in a foreign plan, you may have to report an amount similar to a PA that will reduce your RRSP deduction limit for the following year. To determine the amount you have to report, contact

the International Tax Services Office at one of the following telephone numbers: **1-800-267-5177** (for calls from anywhere in Canada and U.S.) or **613-952-3741** (calls from outside Canada and U.S.) – call collect.

For more information concerning PA, see Guide T4084, PENSION ADJUSTMENT GUIDE.

Pension adjustment reversals (PARs)

A PAR restores your RRSP deduction limit when you end your membership in an RPP or a DPSP in certain circumstances. Your plan administrator or trustee will report a PAR for you if the amount you receive from the plan is **less** than the total PAs and PSPAs that were previously reported for you. You will only have a PAR under a DPSP or a money purchase provision of an RPP if you are not fully vested at termination.

Your plan administrator or trustee will send you a T10 slip that shows your PAR amount in box 2. Do not report this amount on your return. Your plan administrator or trustee will send us a copy of your

T10 slip. We use that copy to increase your RRSP deduction limit for the year.

If you have a PAR for a termination in 2011, it increases your 2011 RRSP deduction limit. In such a case, we will usually send you a T1028, YOUR RRSP INFORMATION FOR 2011, and give you your revised 2011 RRSP deduction limit when we have updated our records.

For more information on PAR, see Guide RC4137, PENSION ADJUSTMENT REVERSAL GUIDE.

If you do not receive a T1028 and you want to confirm your 2011 RRSP deduction limit, go to **www.cra.gc.ca/myaccount**, or call our Tax Information Phone Service (TIPS) at **1-800-267-6999**.

The TIPS RRSP service is available from mid-September to April 30. For RRSP information, you will be asked to provide your social insurance number, your month and year of birth, and the total income you reported on line 150 of your 2010 return.

Past service pension adjustments (PSPAs)

The following is an overview of PSPAs. If you have questions about how your PSPA is calculated or why you have a PSPA, contact your employer or plan administrator.

A PSPA is an amount your RPP administrator calculates when benefits relating to a previous period of pensionable service are improved or when you are credited with a new period of pensionable past service. A PSPA only occurs if the improved benefits or the new past service benefits relate to a period of service after 1989. A PSPA is the sum of the additional pension credits that would have been included in your PA if the upgraded benefits had actually been provided, or the additional service credited in those previous years.

Types of PSPAs

The plan administrator calculates your PSPA and determines whether we have to certify the PSPA before the RPP can provide the past service benefits. There are two types of PSPAs: **certifiable** PSPAs, and PSPAs that are **exempt from certification** (exempt PSPAs).

In most cases, the plan administrator has to report each PSPA to us, whether exempt or certifiable.

Note

Certifiable PSPAs are also applicable to small plans with fewer than 10 members.

Exempt PSPAs – An exempt PSPA usually occurs when all or almost all plan members receive past service benefit upgrades. In most cases, when an employer provides past service benefits and there is an exempt PSPA that is more than zero, the plan administrator has to report the PSPA to us and to the plan member. For exempt PSPAs, the plan administrator has to complete a T215 slip, PAST SERVICE PENSION ADJUSTMENT (PSPA) EXEMPT FROM CERTIFICATION. Do not attach the T215 slip to your return.

An exempt PSPA will not reduce your RRSP deduction limit until the year following the year of the past service event. For details on how to calculate your RRSP deduction limit, see "Calculating your 2011 RRSP deduction limit" on page 54 [12].

Certifiable PSPAs – A certifiable PSPA usually occurs if you, as a plan member, decide to buy a period of past service that is pensionable service under your RPP.

We have to certify most PSPAs that are more than zero and do not meet the conditions for exemption outlined on page 175 [above]. We have to certify the PSPA before you have the right to receive the benefits under the plan. A certified PSPA will reduce your RRSP deduction limit for the year in which it is certified.

Your plan administrator applies for PSPA certification by submitting a completed Form T1004, APPLYING FOR THE CERTIFICATION OF A PROVISIONAL PSPA. Since the INCOME TAX ACT has limits on the PSPA amount for past service benefits that we can certify, we will apply these limits to the information on Form T1004 and determine if we can certify the PSPA.

Cost of past service benefits

The amount it costs you to pay for past service benefits will likely not equal the PSPA associated with the benefits, since a PSPA reflects

a general measure of the value of the past service benefits rather than the actual cost to fund the benefits.

Usually, you can pay for the cost of past service benefits by:

- making a lump-sum contribution;
- making instalment contributions; or
- directly transferring amounts from certain other registered plans. In this case, transfers may reduce the PSPA amount your plan administrator has to report to us.

In some cases, your employer may fund all or part of the cost of the past service benefits.

Qualifying transfers – Generally, a qualifying transfer is a direct transfer of a lump-sum amount from an unmaturred RRSP, a money purchase provision of an RPP, or a DPSP. You can make a qualifying transfer to pay for all or part of the cost of the past service benefits related to the PSPA. If you make a qualifying transfer, the amount you transfer will reduce the PSPA amount the plan administrator has to

report. Do not report your qualifying transfer amount as income and do not deduct it.

What happens if we cannot certify your PSPA?

If we cannot certify your PSPA because the PSPA amount is more than the allowable limit, you may still be able to obtain certification if you agree to make a qualifying RRSP withdrawal. We will send you Form T1006, DESIGNATING AN RRSP WITHDRAWAL AS A QUALIFYING WITHDRAWAL. Complete this form and return it to us within 30 days.

To speed up the certification process, your plan administrator can review the certification formula before sending Form T1004 to us. If your plan administrator knows that we will not certify the PSPA, the administrator may ask you in advance if you want to designate an RRSP qualifying withdrawal. If you choose to do so, the administrator may ask you to complete Form T1006, and will send it to us with the certification request. If you cannot or choose not to make an RRSP qualifying withdrawal, we will not certify the PSPA.

If you choose not to proceed with Form T1006, you have the following options:

- make a qualifying withdrawal, which will have the effect of increasing your RRSP room;
- make a qualifying transfer, which will have the effect of reducing the amount of the PSPA;
- buy the amount of service that the RRSP room plus the additional \$8,000 (allowance for a shortfall) could purchase; or
- wait and buy back the service at a later date when you have sufficient RRSP room.

For more information, see Guide T4104, PAST SERVICE PENSION ADJUSTMENT GUIDE, Chapter 6.4, "PSPAs requiring certification."

Qualifying withdrawal – Generally, a qualifying withdrawal is an amount you withdraw from your RRSP or, after 2009, **under proposed changes**, your account under the SPP, and include in your income for the year you withdraw it. You have to meet a number of conditions before we will consider the amount to be a qualifying withdrawal. If you meet these conditions, you can designate the withdrawal and we can certify the PSPA. We outline these conditions in Part 3 of Form T1006, which you use to designate a qualifying withdrawal.

Net PSPA

Your net PSPA for 2011 reduces the amount of RRSP contributions you can deduct for 2011. Your 2011 net PSPA is the total of:

- your exempt PSPAs for 2010 (total from box 2 of your T215 slips);

plus

- your certified PSPAs for 2011 (Form T1004, Part 3, line A);

minus

- your RRSP qualifying withdrawals (Form T1006, Part 3).

Your RRSP deduction limit may be reduced by the net PSPA or similar amount for the year if you participated in a foreign plan or specified retirement arrangement and your past service benefits accruing under the plan were improved.

For more information, see Guide T4104, PAST SERVICE PENSION ADJUSTMENT GUIDE.

You can find your 2011 RRSP deduction limit on your latest notice of assessment or notice of reassessment. If you receive a certified Form T1004 after we send you your notice, we may reduce your 2011 RRSP deduction limit. In such a case, we will usually send you a T1028, YOUR RRSP INFORMATION FOR 2011, and give you your revised 2011 RRSP deduction limit when we have updated our records.

If you do not receive a T1028 and you want to confirm your 2011 RRSP deduction limit, go to **www.cra.gc.ca/myaccount**, or call our Tax Information Phone Service (TIPS) at **1-800-267-6999**.

The TIPS RRSP service is available from mid-September to April 30. For RRSP information, you will be asked to provide your social insurance number, your month and year of birth, and the total income you reported on line 150 of your 2010 return.

Related forms and publications

Guides

RC4112 Lifelong Learning Plan (LLP)

- RC4135 Home Buyers' Plan (HBP)
- RC4137 Pension Adjustment Reversal Guide
- T4084 Pension Adjustment Guide
- T4104 Past Service Pension Adjustment Guide

Information sheets

- RC4092 Registered Education Savings Plans
- RC4177 Death of an RRSP Annuitant
- RC4178 Death of a RRIF Annuitant

Forms

- NRTA1 Authorization for Non-Resident Tax Exemption
- RC96 Lifelong Learning Plan (LLP) Request to Withdraw Funds from an RRSP
- RC249 Post-death decline in the value of an Unmatured RRSP or a RRIF – Final distribution made in 20_____

- RC267 Employee Contributions to a United States Retirement Plan for 2011 – Temporary Assignments
- RC268 Employee Contributions to a United States Retirement Plan for 2011 – Cross-Border Commuters
- RC269 Employee Contributions to a Foreign Pension Plan or Social Security Arrangement for 2011 – Non-United States Plans or Arrangements
- T1-OVP 2011 Individual Tax Return for RRSP Excess Contributions
- T1-OVP-S 2011 Simplified Individual Tax Return for RRSP Excess Contributions
- T746 Calculating Your Deduction for Refund of Unused RRSP Contributions
- T1004 Applying for the Certification of a Provisional PSPA
- T1006 Designating an RRSP Withdrawal as a Qualifying Withdrawal
- T1007 Connected Person Information Return

- T1036 Home Buyers' Plan (HBP) Request to Withdraw Funds from an RRSP
- T1043 Deduction for Excess Registered Pension Plan Transfers You Withdrew from an RRSP or RRIF
- T1090 Death of a RRIF Annuitant – Designated Benefit for year 20_____
- T1171 Tax Withholding Waiver on Accumulated Income Payments from RESPs
- T1172 Additional Tax on Accumulated Income Payments from RESPs
- T2019 Death of an RRSP Annuitant – Refund of Premiums for 20_____
- T2030 Direct Transfer Under Subparagraph 60(l)(v)
- T2033 Direct Transfer under Subsection 146.3(14.1) or Paragraph 146(16)(a) or 146.3(2)(e) (available on the Internet only)

- T2078 Election Under Subsection 147(10.1) in Respect of a Single Payment Received from a Deferred Profit Sharing Plan
- T2151 Direct Transfer of a Single Amount Under Subsection 147(19) or Section 147.3
- T2205 Amounts from a Spousal or Common-law Partner RRSP or RRIF to Include in Income for _____
- T2220 Transfer from an RRSP or a RRIF to Another RRSP or RRIF on Breakdown of Marriage or Common-law Partnership
- T3012A Tax Deduction Waiver on the Refund of Your Unused RRSP Contributions Made in _____

Interpretation bulletins

- IT-124 Contributions to Registered Retirement Savings Plans
- IT-167 Registered Pension Funds or Plans – Employee's Contributions
- IT-221 Determination of an Individual's Residence Status

- IT-307 Spousal or Common-Law Partner Registered Retirement Savings Plan
- IT-320 Qualified Investments – Trusts Governed by Registered Retirement Savings Plans, Registered Education Savings Plans and Registered Retirement Income Funds
- IT-337 Retiring Allowances
- IT-412 Foreign Property of Registered Plans
- IT-499 Superannuation or Pension Benefits
- IT-500 Registered Retirement Savings Plans – Death of an Annuitant
- IT-528 Transfers of Funds Between Registered Plans

Information circulars

- IC00-1 Voluntary Disclosure Program
- IC07-1 Taxpayer Relief Provisions
- IC72-22 Registered Retirement Savings Plans

- IC77-1 Deferred Profit Sharing Plans
- IC78-18 Registered Retirement Income Funds
- IC93-3 Registered Education Savings Plans

For more information

What if you need help?

If you need help after reading this guide, visit **www.cra.gc.ca** or call **1-800-959-5525**.

Forms and publications

To get our forms or publications, go to **www.cra.gc.ca/forms** or call **1-800-959-2221**.

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.

Tax Information Phone Service (TIPS)

TIPS is an automated service that sends you personal and general information. You can call TIPS to determine the amount of RRSP contributions you can deduct for 2011.

TIPS RRSP service is available from mid-September to April 30. For RRSP information, you will be asked to provide your social insurance number, your month and year of birth, and the total income you reported on line 150 of your 2010 return. The TIPS telephone number is **1-800-267-6999**.

Teletypewriter (TTY) users

TTY users can call **1-800-665-0354** for bilingual assistance during regular business hours.

Our service complaint process

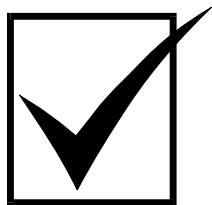
If you are not satisfied with the **service** that you have received, please contact the CRA employee you have been dealing with or call the telephone number that you have been given. If you are not pleased with the way your concerns are addressed, you can ask to discuss the matter with the employee's 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.

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