



OVERSEAS EMPLOYMENT TAX CREDIT

Complete this form to claim the overseas employment tax credit. For more information, see Interpretation Bulletin IT-497, *Overseas Employment Tax Credit*.

Before you can complete Part 2 on the back, your employer has to complete Part 1 of this form.

Enter the year for which you are claiming the credit in the designated box. If your employment period covers more than one year, complete a separate form for each year. Attach a completed copy of this form to your income tax return.

Claiming this tax credit may result in you having to pay alternative minimum tax. To determine if minimum tax applies to you, complete Form T691, *Alternative Minimum Tax*.

Tax year																			
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Part 1 – Specified employer certification

Complete this part to certify the employment conditions of the employee identified below as they relate to the employment that qualifies for the overseas employment tax credit.

Complete this part only if the employment income qualifies. If you are in the business of providing services and you did not employ more than five full-time employees throughout the year or if you are not dealing at arm's length with the employee, the income may not qualify.

Employee's name	Social Insurance Number
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A. Did this employee work for you in connection with a contract described in item C below **throughout** a period of **more than six consecutive months**, that began before the end of the year, and included any part of the year indicated **above**? Yes No

If **yes**, please indicate the period of employment (referred to as the **qualifying period**):

	Year	Month	Day	to	Year	Month	Day
from							

B. Throughout the qualifying period, did this employee perform services **that were not** under an international development assistance program of the Canadian International Development Agency? Yes No

C. Throughout the qualifying period, did the employee perform all or substantially all (**we consider this test to be met by 90%**) of their employment duties **outside Canada** in connection with a contract (or for the purpose of obtaining a contract) under which you carried on a business outside Canada conducting one of the following activities? Yes No

If **yes**, tick the applicable box below:

- the exploration for or exploitation of petroleum, natural gas, minerals, or other similar resources;
- any construction, installation, agricultural, or engineering activity;
- any activity performed under contract with the United Nations;
- any activity performed to obtain a contract on your behalf to undertake any of the above activities.

Enter the name of the country where the activities were performed and a brief description of the project:

D. Throughout the qualifying period, were you an employer in one of the following categories? Yes No

If **yes**, tick the applicable box below:

- a person resident in Canada;
- a partnership in which persons resident in Canada, or corporations controlled by persons resident in Canada, own interests that exceed 10% of the fair market value of all interests in the partnership; or
- a corporation that is a foreign affiliate of a person resident in Canada.

Employer's name	Employer's account number	Name of the tax services office that processed a tax waiver for this credit (if one was requested)

I, _____, am an authorized signing officer of the business. I certify that the information given on this form is, to the best of my knowledge, correct and complete.

Date	Signature of authorized officer	Telephone number

Part 2 – Overseas employment tax credit calculation

Complete this part **only** if your employer answered **yes** to questions A, B, C, and D in **Part 1**.

Limit based on period of employment

Number of days in the qualifying period (referred to in question A of **Part 1**) that are in the tax year identified on the front of this form and during which you were a resident of Canada for tax purposes **6770** _____ **1**

Enter the number of days from line 1 above and calculate as follows: $\frac{\text{_____}}{365} \times \$80,000 = \text{_____}$ **E**

Limit based on employment income

Employment income for the period referred to on line 1 (included on lines 101 and 104 of your return) _____ **2**

Employment deductions related to the amount on line 2 (if only some of the employment deductions relate to the amount on line 2, multiply the deductions by the number of days from line 1, then divide the result by 365):

Annual union, professional, or like dues (included on line 212 of your return) ...	_____	3	
Registered pension plan deduction (included on line 207 of your return)	+	_____	4
Other employment expenses (included on line 229 of your return)			
Specify: _____	+	_____	5
Add lines 3 to 5.	=	_____	6

Line 2 minus line 6 **6772** = _____ **7**

Enter the amount from line 7 _____ $\times 80\% =$ _____ **F**

Calculation of the allowable tax credit

Net income for the year (from line 236 of your return) _____ **8**

Employee home relocation loan deduction (from line 248 of your return)	_____	9	
Security options deductions (from line 249 of your return)	+	_____	10
Net capital losses of other years (from line 253 of your return)	+	_____	11
Capital gains deduction (from line 254 of your return)	+	_____	12
Other deductions (from lines 250 and 256 of your return)	+	_____	13
Add lines 9 to 13	=	_____	14

Line 8 minus line 14 _____ **G**

Amount from line 36 of Schedule 1, *Federal Tax* or from line 39 if you are a resident of Quebec or a deemed resident of Canada _____ **15**

Non-refundable tax credits from line 350 of Schedule 1 _____ **16**

Line 15 minus line 16 _____ **H**

Enter the amount from line E or line F, whichever is **less** _____ \times Amount from line H _____ = **6774** _____ **17**

Divide by the amount from line G _____

Enter the amount from line 17, on line 426 of Schedule 1.

This amount may also be used to calculate a provincial or territorial overseas employment tax credit on your provincial or territorial Form 428.