

Employee Contributions to a Foreign Pension Plan or Social Security Arrangement for 2010 – Non-United States Plans or Arrangements

Complete Part A of this form if you contributed in 2010 to a social security arrangement in any of the following countries*:

Chile	France	Latvia	Slovenia
Estonia	Germany	Lithuania	Sweden
Finland	Ireland	Netherlands	United Kingdom

Complete Part B of this form if you contributed in 2010 to an employer-sponsored pension plan in any of the following countries*:

Chile	France	Lithuania	Sweden
Ecuador	Germany	Netherlands	Switzerland
Estonia	Ireland	Slovenia	United Kingdom
Finland	Latvia	South Africa	Venezuela

* The Canadian Competent Authority has to agree that social security arrangements generally correspond to the Canada Pension Plan (CPP) and that foreign pension plans generally correspond to a Canadian registered pension plan (RPP). For information on how to communicate with the Canadian Competent Authority (Legislative Policy Directorate), go to www.cra.gc.ca/tx/nnrstdnts/cmp/wh-eng.html.

Note

If you participated in your employer's retirement plan in the United States, see Form RC267, *Employee Contributions to a United States Retirement Plan for 2010 – Temporary Assignments*, and Form RC268, *Employee Contributions to a United States Retirement Plan for 2010 – Cross-border Commuters*.

Enter all amounts in Canadian dollars. To get the average exchange rates, go to www.cra.gc.ca/exchangerates.

Part A – Contributions to a social security arrangement

Complete Part A if you made contributions to an eligible social security arrangement. These contributions may be eligible for a 15% non-refundable tax credit. In addition, you may be able to claim a deduction in Part B for any contributions in excess of those eligible for the tax credit.

If **all** of the following conditions are met, you can proceed with the calculation of the non-refundable tax credit below:

- You were participating in the arrangement on a regular basis just before you began performing services in Canada.
- The contributions are attributable to services you performed in Canada and were made during the period you performed the services.
- The remuneration that you received for those services is taxable in Canada.
- The total period during which you made contributions while you were temporarily residing in Canada is no more than 60 months (48 months for Finland).
- The eligible contributions are deductible only in the year in which they were made and only to the extent that they would qualify for tax relief in your home country if you had been a resident and performed the services in that country.

A statement from your employer or the plan administrator will indicate the amount of your contributions. Do not attach the statement to your income tax and benefit return, but keep it in case we ask to see it.

Calculating the non-refundable tax credit

CPP pensionable earnings (box 26 of all your T4 slips)				1
Earnings for services performed in Canada on which the social security contributions were made	5118	+		2
Line 1 plus line 2.		=		3
			(maximum \$47,200)	
CPP basic exemption		-	3,500 00	
Subtotal		=		4
Employee CPP contribution rate		×	4.95%	
Your CPP contribution limit		=		5
Amount of CPP contributions from line 308 of Schedule 1		-		6
Line 5 minus line 6.		=		7
Amount contributed to a social security arrangement for earnings reported on line 2 above	5119			8
Enter the amount from line 7 or line 8, whichever is less.	5120			9

How to make your claim

Add the amount from line 9 to line 335 of your Schedule 1. If you are completing Schedule 11, add this amount to line 12 of your Schedule 11. Do **not** enter any amount for social security contributions on line 308 of Schedule 1.

On provincial/territorial forms (excluding those for Quebec), add the amount from line 9 to line 5880 of your Form 428. If you are completing Schedule S11, also add this amount to any lines where field 5824 forms part of the calculation. If you performed employment services in Quebec, contact Revenu Québec.

Part B – Contributions to an employer-sponsored pension plan

Complete Part B if:

(a) you contributed to an eligible foreign employer-sponsored pension plan and **all** of the following conditions are met:

- You were participating in the plan on a regular basis just before you began performing services in Canada.
- The contributions are attributable to services you performed in Canada and were made during the period you performed the services.
- The remuneration that you received for those services is taxable in Canada.
- The total period during which you made contributions while you were temporarily residing in Canada is no more than 60 months (48 months for Finland).
- The eligible contributions are deductible only in the year in which they were made and only to the extent that they would qualify for tax relief in your home country if you had been a resident and performed the services in that country.

or

(b) you contributed to an eligible social security arrangement and the amount you entered on line 8 of Part A is greater than the amount you entered on line 9.

A statement from your employer or the plan administrator will indicate the amount of your contributions. Do not attach the statement to your income tax and benefit return, but keep it in case we ask to see it.

Calculating your deduction

Amount of your 2010 contributions to the foreign employer-sponsored pension plan	5121			1
Line 8 from Part A, minus line 9 from Part A*	+			2
Line 1 plus line 2.	=			3
Your resident compensation in 2010** _____	5122	x 9% =		4
Money purchase limit x 50%			1 1, 2 2 5 0 0	5
Enter the amount from line 3, line 4, or line 5, whichever is the least.				6

Add the amount from line 6 to the amount on **line 207** of your income tax return. ***

Pension adjustment

If you participate in a foreign employer-sponsored pension plan and receive a T4 slip, your employer should have reported a pension adjustment (PA) to the CRA. Enter on line 206 of your return the total of all amounts shown in box 52 of your T4 slips. The PA will reduce your registered retirement savings plan (RRSP) contribution room for 2011.

If you are making a claim for your excess social security contributions or if you do not receive a T4 slip showing your PA, you have to calculate and report it as follows:

Your resident compensation in 2010** _____		x 18% =		1
Money purchase limit			2 2, 4 5 0 0 0	2
Enter the amount from line 1 or line 2, whichever is less.	5123			3

Add the amount from line 3 to the amount on **line 206** of your return.

Notes

- * If you are contributing to a registered pension plan (RPP) or a deferred profit sharing plan (DPSP), you **cannot** claim the excess social security contributions.
- ** Your **resident compensation** in 2010 is the total of your salaries, wages, and other amounts from your employment with the employer, excluding amounts that are exempt from income tax in Canada under a tax convention or agreement.
- *** Any resulting claim you choose to make on line 207 will eliminate **all** RRSP deduction room that would otherwise be created due to this employment income.