



# Employee Contributions to a Foreign Pension Plan or Social Security Arrangement for 2011 – Non-United States Plans or Arrangements

Complete **Part A** of this form if you contributed in 2011 to a **social security arrangement** in any of the following countries\*:

Chile	France	Ireland	Lithuania	Slovenia
Estonia	Germany	Italy	Netherlands	Sweden
Finland	Greece	Latvia		

Complete **Part B** of this form if you contributed in 2011 to an **employer-sponsored pension plan** in any of the following countries\*:

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

\* 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 more information on **eligible** foreign employer-sponsored pension plan and **eligible** social security arrangements, go to [www.cra-arc.gc.ca/tx/nnrstdnts/crssbrdrpnsn-eng.html](http://www.cra-arc.gc.ca/tx/nnrstdnts/crssbrdrpnsn-eng.html). For information on how to contact the Canadian Competent Authority (**Legislative Policy Directorate**), go to [www.cra.gc.ca/tx/nnrstdnts/cmp/wh-eng.html](http://www.cra.gc.ca/tx/nnrstdnts/cmp/wh-eng.html).

**Notes**

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 2011 – Temporary Assignments*, and Form RC268, *Employee Contributions to a United States Retirement Plan for 2011 – Cross-border Commuters*.

Enter all amounts in Canadian dollars. To get the average exchange rates, go to [www.cra.gc.ca/exchangerates](http://www.cra.gc.ca/exchangerates).

A statement from your employer or the plan administrator will indicate the amount of your contributions. Do not send us this statement, but keep it in case we ask to see it at a later date.

**Part A – Contributions to a social security arrangement**

Complete this part 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.

**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	<b>5118</b>	+	2
Line 1 plus line 2	=		3
CPP basic exemption	-	3,500 00	4
Line 3 minus line 4			5
		(maximum \$44,800)	
Employee CPP contribution rate	x	4.95%	6
Multiply line 5 by 4.95% (your CPP contribution limit).	=		7
Amount of CPP contributions from line 308 of Schedule 1	-		8
Line 7 minus line 8	=		9
Amount contributed to a social security arrangement for earnings reported on line 2 above	<b>5119</b>		10
Enter the amount from line 9 or line 10, whichever is <b>less</b> .	<b>5120</b>		11

**How to make your claim**

Include the amount from line 11 when you calculate the amount on **line 335** of your Schedule 1. If you are completing Schedule 11, include this amount when you calculate the amount on line 12 of your Schedule 11. Do **not** include any amount of social security contributions when you calculate line 308 of Schedule 1.

On provincial/territorial forms (excluding those for Quebec), include the amount from line 11 when you calculate line 5880 on your Form 428. If you are completing Schedule S11, also include this amount when you calculate any line where field 5824 forms part of the calculation. If you performed employment services in Quebec, contact Revenu Québec.

If the amount you entered on line 10 is greater than the amount you entered on line 11, you may choose to complete Part B.

## Part B – Contributions to an employer-sponsored pension plan

Complete this part 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) the amount you entered on line 10 of Part A is greater than the amount you entered on line 11 and you choose to claim a deduction for the excess contributions to an eligible social security arrangement.\*\*\*

### Calculating your deduction

Amount of your 2011 contributions to the foreign employer-sponsored pension plan	<b>5121</b>		1
<b>Complete this line if (b) above applies</b>			
Line 10 from Part A, minus line 11 from Part A *	+		2
Line 1 plus line 2	=		3
Your <b>resident compensation</b> in 2011 **	<b>5122</b>		4
Rate	×	9%	5
Multiply line 4 by 9%.	=		6
Money purchase limit (22,970) × 50%		11,485   00	7
Enter the amount from line 3, line 6, or line 7, whichever is the <b>least</b> .			8

Add the amount from line 8 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 2012.

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 <b>resident compensation</b> in 2011 **		1
Rate	×	18%
Multiply line 1 by 18%.	=	3
Money purchase limit	22,970   00	4
Enter the amount from line 3 or line 4, whichever is <b>less</b> .	<b>5123</b>	5

Add the amount from line 5 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** for 2011 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 include at line 207 for the excess social security contributions will eliminate **all** RRSP deduction room that would otherwise be created due to this employment income.