Instruction Sheet for the Inter-Provincial Calculation for CPP and QPP Contributions and Overpayments

The Canada Pension Plan (CPP) and the Quebec Pension Plan (QPP) have different contribution rates. As of January 2013, changes were made so that the Canada Revenue Agency (CRA) can calculate your CPP and/or QPP contributions separately using the applicable rate(s). The CRA will use the information you provide on this form to determine the portion of the yearly basic exemption, and the maximum contributory earnings, that will be applied to the CPP and the portion that will be applied to the QPP.

Do you have to complete this form?

You **must** complete this form and attach it to your return if you are in one of the following situations:

- You earned employment income **in the province of Quebec** in 2016 and you **were a resident of a province or territory other than Quebec** on December 31, 2016. If this is your case, complete **Part 1**. If you were at least 65 to 70 years of age, read **Part 2**. If you were self-employed and/or had other earnings on which you want to elect to pay CPP contributions on, also complete **Part 3**.
- You earned employment income **in a province or territory other than Quebec** in 2016 and you **were a resident of Quebec** on December 31, 2016. If this is your case, complete **Part 1**. If you were also self-employed and/or you had income on which you want to make optional contributions on, also complete **Part 4**.

If these situations do not apply to you, complete Schedule 8, *Canada Pension Plan Contributions and overpayment for 2016,* to calculate any CPP overpayment.

Instructions

Part 1 – CPP/QPP calculation

Boxes A and B

To calculate your contributions, you need to determine the number of months that the rules for the CPP and the QPP apply to you for the year.

Enter 12 in **both** box A and box B **unless** the information below applies to you.

Box A:

- If you turned 18 years of age in 2016 enter the number of months in the year after the month you turned 18.
- If throughout 2016, you were receiving a CPP or QPP disability pension, enter "0". If you started or stopped receiving a CPP or QPP disability pension in 2016, enter the number of months during which you were not receiving a disability pension.
- If you were 65 to 70 years of age in 2016, you were receiving a CPP or QPP retirement pension, and you elected to stop paying CPP contributions in 2016, enter the number of months in the year up to and including the month you made the election. If you had self-employment income in 2016 and have an entry in box 372, enter the number of months in the year prior to the month you entered in box 372.
- If you were 65 to 70 years of age in 2016, you were receiving a CPP or QPP retirement pension, you elected to stop paying CPP contributions in a prior year, and you have not revoked that election, enter "0".
- If you were 65 to 70 years of age in 2016, you were receiving a CPP or QPP retirement pension, you elected to stop paying CPP contributions in a prior year, and you revoked that election in 2016, enter the number of months in the year after the month you revoked the election. If you had self-employment income in 2016 and have an entry in box 374, enter the number of months in the year after and including the month you entered in box 374.
- If you turned 70 years of age in 2016 and you did not elect to stop paying CPP contributions, enter the number of months in the year up to and including the month you turned 70 years of age.
- If throughout 2016 you were 70 years of age or older, enter "0".
- If the individual died in 2016, enter the number of months in the year up to and including the month the individual died.

Box B:

- If you turned 18 years of age in 2016, enter the number of months in the year after the month you turned 18.
- If throughout 2016, you were receiving a CPP or QPP disability pension, enter "0". If you started or stopped receiving a CPP or QPP disability pension in 2016, enter the number of months during which you were not receiving a disability pension.
- If the individual died in 2016, enter the number of months in the year up to and including the month the individual died.

Note the following:

- Do not enter a number greater than 12 in box A and box B.
- The number of months entered in box A and box B will be the same unless you elected to stop paying CPP contributions, you revoked such an election in the year, or you are 70 years of age or older.
- The number of months you enter in box A cannot be more than the number of months you enter in box B.

Examples for determining the entries in box A and box B of Part 1:

Karen turned 18 in February 2016. She will enter "10" in box A and box B (she is subject to the CPP and the QPP from March to December, inclusively).

Marty is 67 years old. In May 2016, he elected to stop contributing to the CPP by completing Form CPT30, *Election to Stop Contributing to the Canada Pension Plan, or Revocation of a Prior Election*. He will enter "5" in box A (he is subject to the CPP from January to May, inclusively), and "12" in box B (his election to stop contributing does not apply to the QPP, and he is therefore subject to the QPP for the whole year).

Janet was 68 years old. She elected to stop paying CPP contributions in June 2015 and she did not revoke that election. She passed away in September 2016. The person who files her return will enter "0" in box A (her election to stop paying CPP contributions being valid for the whole year), and "9" in box B (she was subject to the QPP from January to September, inclusively).

Anne turned 70 years of age in April 2016 and she did not elect to stop paying CPP contributions. She will enter "4" in box A (she is subject to the CPP from January to April, inclusively) and "12" in box B (she is subject to the QPP for the whole year).

Arthur is 72 years old. He will enter "0" in box A (he is not subject to the CPP during the whole year) and "12" in box B (he is subject to the QPP for the whole year).

Lines 1 and 2

Use the monthly proration table below to figure out the amount to enter on lines 1 and 2. Use the number of months entered in box A to find the amount to enter on line 1, and use the number of months entered in box B to find the amount to enter on line 2.

Lines 14 and 23

Use the monthly proration table below to figure out the amount to enter on lines 14 and 23. Use the number of months entered in box A to find the amount to enter on line 14, and use the number of months entered in box B to find the amount to enter on line 23.

Part 2 – Election to stop contributing to the Canada Pension Plan or revocation of a prior election

If you were not a resident of **Quebec** on December 31, 2016, and you were 60 to 70 years of age, you received a CPP or QPP retirement pension, and you had employment and/or self-employment income, you were considered a CPP working beneficiary and had to make CPP contributions. However, if you were at least 65 years of age but under 70, you can elect to stop paying CPP contributions. Read **Part 2** of this form.

Part 3 – Residents of a province or territory other than Quebec – CPP contributions on self-employment and other earnings

If you are completing this form, **do not** complete Schedule 8, *Canada Pension Plan Contributions and overpayment for 2016.*

Part 4 – Residents of Quebec – QPP contributions on self-employment and other earnings

If you are completing this form, **do not** complete Schedule 8, *Quebec Pension Plan Contributions for 2016* .

Monthly proration table for 2016		
Part 1		
Applicable number of months	**Line 1 and line 2** Maximum CPP/QPP pensionable earnings	**Line 14 and line 23** Maximum basic * CPP/QPP exemption
1	$4,575.00	$291.67
2	$9,150.00	$583.33
3	$13,725.00	$875.00
4	$18,300.00	$1,166.67
5	$22,875.00	$1,458.33
6	$27,450.00	$1,750.00
7	$32,025.00	$2,041.67
8	$36,600.00	$2,333.33
9	$41,175.00	$2,625.00
10	$45,750.00	$2,916.67
11	$50,325.00	$3,208.33
12	$54,900.00	$3,500.00

* If you started receiving CPP retirement benefits in 2016, your basic exemption may be prorated by the CRA.

Inter-Provincial Calculation for CPP and QPP Contributions and Overpayments for 2016

Read the instruction sheet for more information on completing this form.

You **must** complete this form and attach it to your return if you are in one of the following situations:

- You earned employment income **in the province of Quebec** in 2016 and you **were a resident of a province or territory other than Quebec** on December 31, 2016. If this is your case, complete **Part 1**. If you were at least 65 to 70 years of age, read **Part 2**. If you were self-employed and/or had other earnings on which you want to elect to pay CPP contributions on, also complete **Part 3**.

- You earned employment income **in a province or territory other than Quebec** in 2016 and you **were a resident of Quebec** on December 31, 2016. If this is your case, complete **Part 1**. If you were also self-employed and/or you had income on which you want to make optional contributions on, also complete **Part 4**.

Part 1 – CPP/QPP calculation

Enter the number of months during which the **CPP** applies to you in 2016. (read the instruction sheet)		A
Enter the number of months during which the **QPP** applies to you in 2016. (read the instruction sheet)		B

Enter your yearly maximum **CPP** pensionable earnings.
(see the monthly proration table on the instruction sheet to find
the amount that corresponds to the number of months entered in box A above)   **CPP (maximum $54,900)**   **1**

Enter your yearly maximum **QPP** pensionable earnings.
(see the monthly proration table on the instruction sheet to find
the amount that corresponds to the number of months entered in box B above)   **QPP (maximum $54,900)**   **2**

Total CPP pensionable earnings. Enter the total of box 26 of all your T4 slips (maximum $54,900 per slip)
where the province of employment **is not Quebec**. If box 26 is blank, use box 14.   5549   **3**

Total QPP pensionable earnings. Enter the total of box 26 of all your T4 slips (maximum $54,900 per slip)
where the province of employment **is Quebec**. If box 26 is blank, use box 14.   5548   +   **4**

Add lines 3 and 4.   **Total pensionable earnings**   =   **5**

Canada Pension Plan

Enter the amount from line 3.		**6**
Enter the amount from line 5.	÷	**7**
Line 6 divided by line 7 (include 5 decimals after the period)	=	**8**
Enter the amount from line 1.	×	**9**
Multiply line 8 by line 9.	=	**10**
Enter the amount from line 1 or the amount from line 10, whichever is **less**.		**11**
Enter the amount from line 3 or the amount from line 11, whichever is **less**.		**12**
Enter the number from line 8 (include 5 decimals after the period).		**13**

Enter your maximum basic **CPP** exemption.
(see the monthly proration table on the instruction sheet to find the amount that
corresponds to the number of months entered in box A above)   **(maximum $3,500)**   ×   **14**

Multiply line 13 by line 14.   **Basic exemption for CPP purposes**   =   ▶ −   **15**

Earnings subject to CPP contributions: Line 12 minus line 15 (if negative, enter "0").   =   **16**

CPP contributions on CPP pensionable earnings: Multiply the amount from line 16 by 4.95%.   **17**

Actual CPP contributions: Enter the total CPP contributions deducted from box 16 of all your T4 slips.   5034   • **18**

Quebec Pension Plan

Enter the amount from line 2.		**19**
Enter the amount from line 11.	−	**20**
Line 19 minus line 20	=	**21**
Enter the amount from line 4 or the amount from line 21, whichever is **less**.		**22**

Enter your maximum basic **QPP** exemption.
(see the monthly proration table on the instruction sheet to find the amount that
corresponds to the number of months entered in box B above)   **(maximum $3,500)**   **23**

Enter the amount from line 15.   −   **24**

Line 23 minus line 24   **Basic exemption for QPP purposes**   =   ▶ −   **25**

Earnings subject to QPP contributions: Line 22 minus line 25 (if negative, enter "0").   =   **26**

QPP contributions on pensionable QPP earnings: Multiply the amount from line 26 by 5.325%.   **27**

Actual QPP contributions: Enter the total QPP contributions deducted from box 17 of all your T4 slips.   5033   • **28**

Continue on the next page.

RC381 E (16)   (Vous pouvez obtenir ce formulaire en français à arc.gc.ca/formulaires ou en composant le **1-800-959-7383**.)

Canada

Part 1 − **CPP/QPP calculation** (continued)

Line 308 (for all provinces and territories) and line 448 (for residents outside Quebec)

Enter the amount from line 18.			**29**
Enter the amount from line 28.	+		**30**
Add lines 29 and 30. **Actual CPP/QPP contributions**	=	▶	**31**
Enter the amount from line 17.			**32**
Enter the amount from line 27.	+		**33**
Add lines 32 and 33. **CPP/QPP contributions based on pensionable earnings**	=	▶ −	**34**
Line 31 minus line 34 (if negative, enter "0") **CPP/QPP overpayment**		=	**35**

If you are **self-employed** and/or you are **electing to pay additional** CPP/QPP contributions on other earnings, enter the amount from line 31 on **line 308** of your Schedule 1 and, if applicable, on **line 5824** of Form 428. Then continue with Part 3 or Part 4, whichever applies.

Otherwise, enter the amount from line 31 or line 34, whichever is **less**, on **line 308** of your Schedule 1 and, if applicable, on **line 5824** of Form 428. If the amount from line 35 is **negative**, you may be able to make additional CPP contributions; see "Making additional CPP contributions" on page 48 of the *General Income Tax and Benefit Guide*, except if you are a resident of Quebec. If the amount from line 35 is **positive**, enter it on **line 448** of your return, except if you are a resident of Quebec. If you are a resident of Quebec, see line 452 in your Quebec provincial income tax guide.

Part 2 − Election to stop contributing to the Canada Pension Plan or revocation of a prior election

If in 2016 you were 60 to 70 years of age, you received a CPP or QPP retirement pension, and you had employment and/or self-employment income, you were considered a CPP working beneficiary and you were required to make CPP contributions. However, if you were at least 65 years of age but under 70, you can elect to stop paying CPP contributions.

If you have **employment income** for 2016 and elected in 2016 to stop paying CPP contributions, or revoked in 2016 an election made in a prior year, you should have already completed and submitted Form CPT30, *Election to Stop Contributing to the Canada Pension Plan, or Revocation of a Prior Election*, to us and your employer(s).

If you had **both** employment income and self-employment income in 2016 and wanted to elect in 2016 to stop paying CPP contributions in 2016, or to revoke in 2016 an election made in a prior year, you should have completed Form CPT30 in 2016. An election filed using Form CPT30 applies to all income from pensionable earnings, including self-employment earnings, as of the first day of the month after the date you gave this form to your employer. If you completed and submitted Form CPT30 when you became employed in 2016 but your intent was to elect in 2016 to stop paying CPP contributions or revoke an election made in a prior year on your self-employment income before you became employed, enter the month you want to stop contributing in **box 372** below or if you want to revoke in 2016 an election made in a prior year, enter the month you want to resume contributing in **box 374** below. If you did not complete and submit Form CPT30 for 2016 when you became employed, you cannot elect to stop paying CPP contributions or revoke an election made in a prior year on your self-employment earnings for 2016 on this form.

To be valid, an election or revocation that begins in 2016 must be filed on or before June 15, 2018.

I elect to **stop** contributing to the Canada Pension Plan on my self-employment earnings on the first day of the month that I entered in box 372.   **372** Month

I want to **revoke** an election made in a prior year to stop contributing to the Canada Pension Plan on my self-employment earnings and resume contributing on the first day of the month that I entered in box 374.   **374** Month

Part 3 – Residents of a province or territory other than Quebec – CPP contributions on self-employment and other earnings

Pensionable net self-employment earnings* (amounts from line 122 and lines 135 to 143 of your return)		**1**
Employment earnings not shown on a T4 slip on which you elect to pay additional CPP contributions (attach Form CPT20)	373 +	**2**
Employment earnings shown on a T4 slip on which you elect to pay additional CPP contributions, line 12 of Form CPT20 (attach Form CPT20)	399 +	**3**
Add lines 1, 2, and 3.	=	**4**

Canada Pension Plan

Enter the amount from line 18 of Part 1.	**Actual CPP contributions**	**5**

If the amount at line 35 of Part 1 is positive, complete lines 6 and 7.
Otherwise, enter "0" on line 8 and continue on line 9.

Enter the amount from line 5 above.		**6**
Enter the amount from line 17 of Part 1.	−	**7**
Line 6 minus line 7 (if negative, enter "0")	= ▶ −	**8**
Line 5 minus line 8 (if negative, enter "0")	=	**9**
Multiply the amount from line 9 by 20.202.	=	**10**

Quebec Pension Plan

Enter the amount from line 28 of Part 1.	**Actual QPP contributions**	**11**

If the amount at line 35 of Part 1 is positive, complete lines 12 and 13.
Otherwise, enter "0" on line 14 and continue on line 15.

Enter the amount from line 11 above.		**12**
Enter the amount from line 27 of Part 1.	−	**13**
Line 12 minus line 13 (if negative, enter "0")	= ▶ −	**14**
Line 11 minus line 14 (if negative, enter "0")	=	**15**
Multiply the amount from line 15 by 18.7793.	=	**16**
Add line 10 and line 16.	=	**17**
Enter the amount from line 1 of Part 1.	**CPP pensionable earnings (maximum $54,900)**	**18**
Enter the amount from line 1 of Part 1.	**Basic exemption (maximum $3,500)** −	**19**
Line 18 minus line 19	**(maximum $51,400)** =	**20**
Enter the amount from line 17 above.	−	**21**
Line 20 minus line 21 (if negative, enter "0")	=	**22**
Enter the amount from line 4 or line 22, whichever is **less**.		**23**

If the amount at line 5 of Part 1 is less than the amount at line 14 of Part 1, complete lines 24 to 27. Otherwise, enter "0" on line 28 and continue on line 29.

Enter the result of line 14 of Part 1 minus line 5 of Part 1.		**24**
Enter the amount from line 4 above.		**25**
Enter the amount from line 20 above.	−	**26**
Line 25 minus line 26 (if negative enter "0")	= ▶ −	**27**
Line 24 minus line 27 (if negative, enter "0")	= ▶ −	**28**
Earnings subject to contributions: line 23 minus line 28 (if negative, enter "0")	=	**29**
Multiply the amount from line 29 by 9.9%.	=	**30**
Multiply the amount from line 35 of Part 1 (if positive only) by 2.	−	**31**

CPP contributions payable on self-employment and other earnings:

Line 30 minus line 31 (if negative, enter "0"). Enter this amount on line 421 of your return. **	=	**32**

Deduction and tax credit for CPP contributions on self-employment and other earnings:

Multiply the amount from line 32 by 50%.	=	**33**

Enter the amount from line 33 on line 222 of your return and on line 310 of Schedule 1.

* Self-employment earnings should be prorated according to the number of months entered in box A in Part 1
  (do not prorate the self-employment earnings if the individual died in 2016).

** If the result at line 32 is negative, you may have an overpayment. If so, we will calculate it for you.

Part 4 – Residents of Quebec – QPP contributions on self-employment and other earnings

Net business income *
(amount from line 21 of Revenu Quebec Form LE-35-V; if negative, enter "0") **371** | **1**

Income on which you wish to make optional contributions
(amount from line 22.1 of Revenu Quebec Form LE-35-V) **373** + | **2**

Add lines 1 and 2. = | **3**

Canada Pension Plan

Enter the amount from line 18 of Part 1. **Actual CPP contributions** | **4**

If the amount at line 35 of Part 1 is positive, complete lines 5 and 6.
Otherwise, enter "0" on line 7 and continue on line 8.

Enter the amount from line 4 above. | **5**
Enter the amount from line 17 of Part 1. − | **6**
Line 5 minus line 6 (if negative, enter "0") = ▶ − | **7**
Line 4 minus line 7 (if negative, enter "0") = | **8**

Multiply the amount from line 8 by 20.202. = | **9**

Quebec Pension Plan

Enter the amount from line 28 of Part 1. **Actual QPP contributions** | **10**

If the amount at line 35 of Part 1 is positive, complete lines 11 and 12.
Otherwise, enter "0" on line 13 and continue on line 14.

Enter the amount from line 10 above. | **11**
Enter the amount from line 27 of Part 1. − | **12**
Line 11 minus line 12 (if negative, enter "0") = ▶ − | **13**
Line 10 minus line 13 (if negative, enter "0") = | **14**

Multiply the amount from line 14 by 18.7793. = | **15**

Add line 9 and line 15. = | **16**

Enter the amount from line 2 of Part 1. **QPP pensionable earnings (maximum $54,900)** | **17**
Enter the amount from line 23 of Part 1. **Basic exemption (maximum $3,500)** − | **18**
Line 17 minus line 18 **(maximum $51,400)** = | **19**
Enter the amount from line 16 above. − | **20**
Line 19 minus line 20 (if negative, enter "0") = | **21**

Enter the amount from line 3 or line 21, whichever is **less**. | **22**

If the amount at line 5 of Part 1 is less than the amount at line 23 of Part 1, complete lines 23 to 26.
Otherwise, enter "0" on line 27 and continue on line 28.

Enter the result of line 23 of Part 1 minus line 5 of Part 1. | **23**
Enter the amount from line 3 above | **24**
Enter the amount from line 19 above. − | **25**
Line 24 minus line 25 (if negative enter "0") = ▶ − | **26**
Line 23 minus line 26 (if negative, enter "0") = ▶ − | **27**
Earnings subject to contributions: line 22 minus line 27 (if negative, enter "0") = | **28**
Multiply the amount from line 28 by 10.65%. = | **29**
Multiply the amount from line 35 of Part 1 (if positive only) by 2. − | **30**
Line 29 minus line 30 (if negative, enter "0") = | **31**

Deduction and tax credit for QPP contributions on self-employment and other earnings:
Multiply the amount from line 31 by 50%. = | **32**

Enter the amount from line 32 on line 222 of your federal return and on line 310 of Schedule 1.

* Self-employment earnings should be prorated according to the number of months entered in box B in Part 1
(do not prorate the self-employment earnings if the individual died in 2016).