



Tax on Excess Employees Profit Sharing Plan Amounts for 2018

If you are a specified employee and employer contributions made to an employees profit sharing plan (EPSP) are allocated to you, you may have to pay a special tax on the portion of the EPSP amount that exceeds 20% of your employment income from this employer for the year. This form will help you calculate the excess EPSP amount and the related taxes.

Generally, a **specified employee** is an employee who deals with an employer in a non-arm's length relationship or with a significant (10% or more) equity interest in their employer or in any other corporation that is related to their employer.

Multiple EPSPs

If you are a beneficiary under **more than one EPSP with the same employer**, you will have more than one T4PS slip. If this applies to you, total the amounts from your T4PS and T4 slips and enter the totals on lines 1 and 3, below.

If you have EPSPs from **different employers**, complete a separate form for each employer. Add the amount from line 7 of each form and include the total on line 229 of your income tax return. Also add the amount from line 10 of each form and include the total on line 418 of your Schedule 1, Federal Tax.

Taxpayer information

| | | |
|-----------|------------|-----------------------------|
| Last name | First name | Social insurance number |
|-----------|------------|-----------------------------|

Excess EPSP amount

If you are a specified employee, enter the amount of contributions from box 41 of your T4PS slip. _____ 1

Enter your employment income from the same employer who made contributions to the EPSP for which you received your T4PS slip. Also include wage loss replacement benefits received related to this employment. _____ 2

Subtract any of the following that are related to the employment income reported on line 2: security options benefits (box 38 of your T4 slip), or other employment income (box 35 of your T4PS slip). _____ 3

Line 2 minus line 3 = _____ 4

Rate × 20% _____ 5

Multiply line 4 by line 5. = _____ 6

Line 1 minus line 6 (if negative, enter "0") **Excess EPSP amount** 6821 = _____ 7

Include the amount from line 7 on line 229 of your return and enter it on line 8 below.

Tax on excess EPSP amount

| AB | BC | MB | NB | NL | NS | NT | NU | ON | PE | QC | SK | YT | Other* |
|-----|-------|-------|-------|-------|-----|--------|-------|--------|--------|-----|-------|-----|--------|
| 48% | 49.8% | 50.4% | 53.3% | 51.3% | 54% | 47.05% | 44.5% | 53.53% | 51.37% | 33% | 47.5% | 48% | 47% |

* If you were not a resident of a province or territory in Canada, use the rate for "Other" for the calculation on line 9 below.

Enter the amount from line 7. _____ 8

Enter the rate for your province or territory of residence at the end of the year (from the above chart). × _____ % 9

Multiply line 8 by line 9. **Tax on excess EPSP amount** = _____ 10

Include the amount from line 10 on line 418 of your Schedule 1, and attach this form to your return.

See the privacy notice on your return.