

2018 tax year reference guide



Mutual fund income and taxation	
Type of income	Overview of details
Capital gains	<ul style="list-style-type: none"> 50% inclusion rate. Example: \$100 capital gain distribution = \$50 taxable income.
Dividend income	<ul style="list-style-type: none"> 2018 eligible dividend gross-up rate = 38%. 2018 dividend tax credit as a percentage of the taxable amount of the eligible dividend is 15.02.
Foreign income	<ul style="list-style-type: none"> Taxed at the investor's marginal rate. Received by unitholders for funds that received interest and dividends from other foreign sources.
Management fee rebate (MFR)	<ul style="list-style-type: none"> If a mutual fund is distributing taxable income, the MFR is also taxable income, in accordance with the prospectus and the Income Tax Act. If no taxable income is distributed, the MFR distribution is treated as return of capital (ROC). MFRs are not reported on a T5 or R3; they are reported on the year-end statements. Fidelity reports ROC if the fund had other distributions.
Capital structure	<ul style="list-style-type: none"> If distributions were paid on any Class funds, taxable income is reported on a T5 or R3.
T-SWP	<ul style="list-style-type: none"> The amount the investor receives and the taxable income amount will not be the same as distributions in a T-SWP fund that primarily consist of return of capital (ROC). ROC is not taxable until the units are sold or until the ACB goes below zero. <p>Note 1: <i>If an underlying fund pays a distribution, the T-SWP fund may also be subject to dividend income which is taxable and reported on a T3 or R16.</i></p> <p>Note 2: <i>ROC is reported on T3 or R16 and not on client statements, while ACB is reported on the transaction history of statements.</i></p>
Home Buyers Plan (HBP) / Life Learning Plan (LLP)	<ul style="list-style-type: none"> Repayment can be made at any financial institution and must be reported on Schedule 7 of the income tax return. The amount which can be repaid into an RRSP is detailed on the investor's Notice of Assessment.
Spousal attribution rules	<ul style="list-style-type: none"> If a spousal RRSP contribution is made any time within the year or two preceding years of a withdrawal from a spousal RRSP, then all or part of the money withdrawn will be taxed as part of the contributor's income. If the withdrawal is made after the above timeframe, then the money will be taxed as part of the annuitant's income.

Federal	QC	Tax type	Overview of details
Non-registered tax slips			
T3	R16	Non-reg	<ul style="list-style-type: none"> Issued to investors who held trust funds that reported distributions in the current tax year. Includes income, dividends and capital gains, as well as return of capital (ROC).
T5	R3	Non-reg	<ul style="list-style-type: none"> Income in the form of dividends received by shareholders of a fund under a mutual fund corporation structure. Is issued only if the Capital Structure Funds (Class Funds) had a distribution. Slips report return of capital (ROC).
T5008	R18	Non-reg	<ul style="list-style-type: none"> Issued to investors who have capital gains or losses to report.
Registered tax slips and receipts			
CR		RRSP	<ul style="list-style-type: none"> Contribution receipt (CR). Contributions made during the first 60 days of the year – between January 1 and March 1 (inclusive) – are reported on the CR and can be attributed to the prior or current year's tax filing. Contributions made after March 1 and up to December 31 are also reported. They are only attributable to the taxation year when the contributions are made.
T4RSP	R2	RRSP LIRA	<ul style="list-style-type: none"> Issued for amounts withdrawn from RRSP (individual or spousal) or a LIRA.
T4RIF	R2		<ul style="list-style-type: none"> Issued for amounts withdrawn from RRIF (individual or spousal), LRIF, RLIF, PRIF or LIF.
60J		RRSP	<ul style="list-style-type: none"> A type of contribution receipt issued when purchases are made into an RRSP from a retiring allowance or from a TD2 transfer from an employer.
60L		RRSP RRIF	<ul style="list-style-type: none"> A type of contribution receipt. Issued when a transfer is made from an individual or spousal RRSP/RRIF account into a spouse's individual or spousal RRSP/RRIF account due to estate settlement. Generally offsets the T4RSP or T4RIF withdrawal receipt issued due to the estate transfer. <p>Note: <i>This is also generated when a transfer takes place from a RIF, LIF or LRIF to an RRSP (non-estate related).</i></p>
T4A	R1	RESP TFSA	<ul style="list-style-type: none"> RESP EAP withdrawals – Beneficiary receives T4A/R1. Must include educational assistance payment (EAP) as income for the year they received it. TFSA – Issued for the income earned from date of death until date of settlement for a transfer of assets from a deceased owner of a TFSA to a non-successor beneficiary

Mandatory minimum withholding tax rates for Canadian residents		
Gross redemption (net of DSC fees)	Outside of Quebec	Inside Quebec
\$0.00–\$5,000.00	10%	20% (5% Fed + 15% Provincial)
\$5,000.01–\$15,000.00	20%	25% (10% Fed + 15% Provincial)
\$15,000.01 and over	30%	30% (15% Fed + 15% Provincial)

Read a fund's prospectus and consult your financial advisor before investing. Mutual funds are not guaranteed; their values change frequently and past performance may not be repeated. Investors will pay management fees and expenses, may pay commissions or trailing commissions and may experience a gain or loss.

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