

Definitions

Transferer: The payer who transfers the funds.

Transferee: The issuer of the plan or carrier of the fund to which funds are to be transferred.

Spouse: We use the definition of **spouse** which appears in subsection 252(4) of the Income Tax Act.

Qualifying RRIF: A qualifying RRIF as used in Area III of the form is a RRIF established before 1993 that has no property transferred or contributed to it after 1992, or any RRIF established after 1992, that contains only property transferred from a qualifying RRIF. Refer to Section 7308 of the Income Tax Regulations.

Qualifying amounts

We describe below the qualifying amounts for which you need authorization for exemption from Part XIII non-resident withholding tax.

Amounts must be transferred **by** the trustee, insurer, issuer, or carrier of the transferer plan or fund **to** the trustee, insurer, issuer, or carrier of the transferee plan or fund. For more information, see IC 79-8R3, Forms to use to directly transfer funds to or between plans, or to purchase an annuity.

1. Pension or Superannuation benefits – 212(1)(h)(iii.1)

The following amounts are exempt:

a) a lump sum amount from an RPP described in any of subsections 147.3(1) to (8) that:

- is transferred to an RPP for the non-resident person's benefit or, where permissible, to an RRSP or a RRIF under which the non-resident person is the annuitant; and
- would not, under subsection 147.3(9), have to be included in the non-resident person's income if that person had been resident in Canada throughout the year in which the transfer was made.

This exemption applies to transfers of lump sum amounts on behalf of the RPP member, the spouse of the member due to the member's death if subsection 147.3(7) applies, or the spouse or former spouse of the member due to a breakdown of the marriage or common-law relationship if the requirements of subsection 147.3(5) have been met.

b) A lump sum payment out of or under a non-registered pension plan that is attributable to services rendered by a person in a period throughout which the person was not resident in Canada and that is not exempted from non-resident withholding tax under subparagraphs 212(1)(h)(v) and (vi). To qualify, the amount must be transferred, on behalf of the non-resident person to whom it would otherwise be paid, to an RRSP under which that person is the annuitant or to an RPP for that person's benefit. The amount transferred would, under paragraph 60(j), also have to be deductible in computing the person's income for the year if the person had been resident in Canada throughout the year.

2. Retiring allowances – 212(1)(j.1)

The amount of a retiring allowance for which the exemption is allowable is limited to the part transferred to an RRSP under which the non-resident person is the annuitant or to an RPP for that person's benefit that would, under paragraph 60(j.1), be deductible in computing the person's income if the person had been resident in Canada throughout the year. The amount deductible under paragraph 60(j.1) is limited to the total of:

- \$2,000 for each year **before 1996** of employment by the employer or a person related to the employer from whom the retiring allowance was received; and
- \$1,500 for each year of that employment that is before 1989 for which no part of the employer's contributions to an RPP or deferred profit-sharing plan (DPSP) vested in the person for whom the retiring allowance was paid.

3. RRSP payments – 212(1)(l)

Payments to which the exemption applies are those made to an annuitant in full or partial commutation of an RRSP, or those made to a beneficiary because the annuitant has died that qualify as a refund of premiums. Non-resident income tax does not have to be withheld to the extent that the amount transferred would, under paragraph 60(l), be deductible when computing the non-resident person's income for the year if that person had been resident in Canada throughout the year. The transfer has to be made:

- to an RRSP under which the non-resident person is the annuitant;
- to a RRIF under which the non-resident person is the annuitant; or
- to purchase an annuity described in subparagraph 60(l)(ii), under which the non-resident person is the annuitant.

Note: A refund of premiums under an RRSP is an amount received due to the annuitant's death by:

- the spouse of the deceased annuitant out of or under an unmaturing RRSP; or
- a financially dependent child or grandchild of the deceased annuitant under any RRSP if the annuitant had no spouse at the time of death.

4. DPSP payments – 212(1)(m)

An amount to which the exemption applies is a lump sum amount described in subsection 147(19) from a DPSP that is transferred:

- to an RRSP under which the non-resident person is the annuitant, or to an RPP for that person's benefit; and
- that would not, under subsection 147(20), have to be included in the non-resident person's income if that person had been resident in Canada throughout the year in which the payment was made.

This exemption applies to a lump sum amount to be paid to the DPSP member or to the member's spouse because the member has died.

5. RRIF payments – 212(1)(q)

The payment for which the exemption is allowable is the amount required to be paid out of a RRIF for the year that exceeds the minimum amount for the year to the extent that this excess amount:

- is transferred to an RRSP under which the non-resident person is the annuitant;
- is used to purchase an annuity described in subparagraph 60(l)(ii) under which the non-resident person is the annuitant; or
- is transferred to another RRIF under which the non-resident person is the annuitant;

and would, under paragraph 60(l), be deductible in computing that person's income for the year if that person had been a resident in Canada throughout the year.

Completing and signing the different areas of the form

- The applicant who is requesting the transfer has to complete and sign **Area I** of all copies of this form, and send them to the transferee for completion. If the transferee completes Area I for the applicant, the transferee can attach to each copy of the form a copy of a letter, signed by the applicant, requesting the transfer.
- The transferee has to complete and sign **Area II** of all copies, and send them to the transferer.
- The transferer has to complete and sign **Area III** of all copies, keep copy 4, and send copies 1, 2, and 3 to the transferee, along with the amount being transferred.
- The transferee has to complete and sign **Area IV** of copies 1, 2, and 3, return copy 1 to the transferer, give copy 2 to the applicant, and keep copy 3.