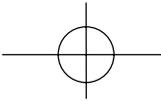
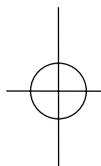
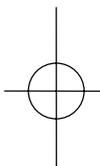
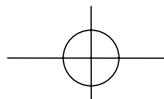


Fishers and Employment Insurance





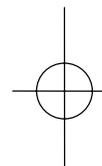
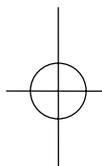
Your Opinion Counts!

We review this booklet each year. If you have any comments or suggestions that would help us improve the information it contains, we would like to hear from you.

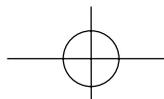
Please send your comments to:

Client Services Directorate
Canada Customs and Revenue Agency
Vanier Place, Tower A
Ottawa ON K1A 0L5

Visually impaired persons can get this publication in braille or large print, or on audio cassette or computer diskette by calling 1-800-267-1267 weekdays between 8:15 a.m. and 5:00 p.m. (Eastern Time).



La version française de cette brochure est intitulée *Les pêcheurs et l'assurance-emploi*.



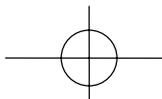
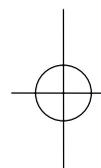
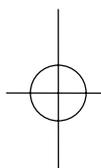
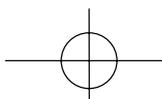


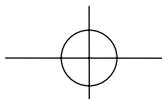
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- Related guides:**
- *Payroll Deductions (Basic Information)* (T4001)
 - *Remitting Payroll Deductions* (RC4163)
 - *Filing the T4F Slip and Summary Form* (RC4200)





Introduction

This booklet will help you determine if you are a designated employer of fishers under the *Employment Insurance (Fishing) Regulations*. It also explains your responsibilities as a designated employer, and how to calculate the insurable earnings of a fisher.

Is this booklet for you?

If you are an individual or corporation considered as a designated employer of fishers under the *Employment Insurance (Fishing) Regulations*, this booklet is for you.

If you are an employer in the fishing industry who engages workers under contracts of service, this booklet is not for you. Instead, use the guide called *Payroll Deductions (Basic Information)* and the *Payroll Deductions Tables*.

Forms and publications

We have included in this booklet samples of the following forms:

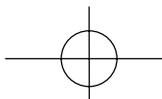
- Form PD7A, *Statement of Account for Current Source Deductions*;
- T4F Summary, *Summary of Fishing Income*; and
- T4F slip, *Statement of Fishing Income*.

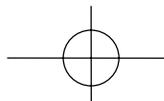
You can get blank copies of T4F slips and T4F Summary forms, or other publications, by:

- printing or downloading them from our Web site at www.ccra.gc.ca/forms;
- completing the order form at www.ccra.gc.ca/orderforms; or
- calling 1-800-959-2221.

Do you need more information?

This booklet uses plain language to explain the most common situations. If, after reading this booklet, you need more information, you can call our Business Enquiries line at 1-800-959-5525 for service in English or 1-800-959-7775 for service in French.





Glossary

Here are the definitions of words and expressions we use in this booklet.

Buyer – A person who buys a catch to resell it raw or after processing it. A buyer does not buy a catch for food, feed, or bait.

Catch – Any natural product or by-product of the sea or any other body of water that a crew catches or takes. A catch includes fresh fish, cured fish, Irish moss, kelp, and whales. However, it does not include fish scales or seals.

If only part of a catch is delivered to a buyer, the part delivered is the catch. If more than one catch or part of a catch is delivered to a buyer at one time, the catches or parts delivered are the catch.

Crew – A group of fishers who generally or actually make a catch together. For a single fisher, it means that single fisher.

Cured fish – Fish and fish products identified as follows:

- salted groundfish, smoked and pickled herring, pickled mackerel, pickled turbot, pickled and salted alewives, pickled trout, and other pickled fish products; and
- cod oil and cod livers.

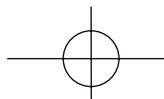
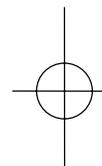
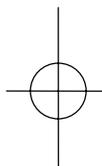
Fisher – A self-employed person who fishes. It includes a person who does the following:

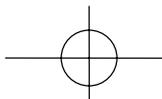
- makes a catch;
- builds a fishing vessel for personal use or for the use of a crew of which the person is a member in making a catch; or
- works in relation to making or handling a catch. This includes loading, unloading, transporting, or curing a catch made by the crew of which the person is a member. Also, it includes preparing, repairing, dismantling, or laying-up the fishing vessel or fishing gear the crew uses in making or handling a catch, when a person doing this work is also making the catch.

A fisher does not include a person under a contract of service or who fishes for personal or another person's sport.

Fishing gear – Any specialized equipment that a crew uses only to make a catch. It does not include hand tools or clothing.

Fresh fish – Fish that is not cured fish.





Determining a Designated Employer

Here are the various circumstances when a person can be considered the designated employer of a fisher.

Buyer of a catch

When a member of a crew who makes a catch delivers it in Canada to a buyer or a buyer's agent, the buyer is considered the employer of the crew's fishers who share the proceeds from selling the catch.

Head fisher of a crew

When a member of a crew who makes a catch delivers it to a person who is not the employer, and the gross returns from the catch's sale are paid to the crew's head fisher, the head fisher is considered the employer of all the other fishers in the crew.

Agent who sells a crew's catch

When a crew member delivers a crew's catch to a person who is not the employer, and the gross returns from the catch's sale are paid to the agent who sells the catch, the agent is considered the employer of all the fishers in the crew, whether or not the agent is a member of the crew.

Common agent

A common agent acts at the same time for both the crew and a buyer. The common agent may or may not be a crew member. In either case, the agent is the employer of all the other fishers in the crew. The common agent has to pay employer Employment Insurance (EI) premiums, but can recover them from the buyers.

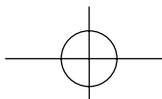
Responsibilities of Designated Employers

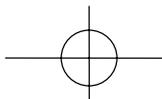
In this section we give you information about your responsibilities as the designated employer.

Books and records

You have to keep books and records to determine the following:

- the earnings of your fishers;
- if you have to pay EI premiums; and
- the dates on which the EI premiums are payable.





The records should include the following:

- the name, address, and social insurance number of each crew member and the member's share of proceeds from the sale of a catch;
- the amount and date of each fisher's insurable earnings for the period; and
- the amount and date the EI premiums are payable.

Your records must accurately reflect all transactions and contain documentation that substantiate your claims. Do not send your records with your T4F return. However, you have to keep the records in case we need to verify them. If we determine that your books, records, accounts, and documents are inadequate, we may estimate insurable earnings and premiums payable by calculating 5% of the estimated earnings.

Note

If you are a designated employer, you have to keep your books, records, accounts, and documents for your fishers separate from those of other insured persons.

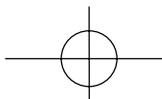
Time limit

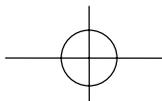
You have to keep your books and records for six years. However, if you want to destroy them before the six-year period is over, you have to get permission from the director of any tax services office. To do this, either use Form T137, *Request for Destruction of Books and Records*, or prepare your own written request. For more details, see Information Circular 78-10, *Books and Records Retention/Destruction*.

Information return

To file the T4F information return, you have to complete slips **and** the related summary form. If a fisher gives you a completed Form TD3F, *Fisher's Election to Have Tax Deducted at Source*, in a calendar year, you have to file an information return for that year. You have to file T4F information return as applicable and give to each of your fishers and crew members their copies of the T4F slips, **each year by the last day of February following the calendar year to which the information return applies.**

At the back of the booklet, you will find a sample of the T4F Summary form and the T4F slip. For more information on how to complete these forms, see the guide called *Filing T4F Slip and Summary Form*.





Is the Fisher a Self-Employed Person?

A fisher, defined under the *Employment Insurance (Fishing) Regulations*, must be a self-employed person.

We have included a simplified method to help you determine if a fisher is a self-employed person.

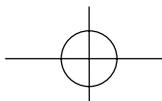
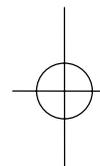
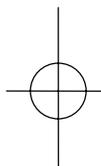
To be a self-employed person, a fisher:

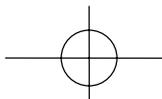
- participates in making a catch;
- is not fishing for his or her own or another person's sport; and
- meets at least one of the following conditions:
 - owns or leases the boat used to make the catch;
 - owns or leases specialized fishing gear (not including hand tools or clothing) used to make the catch;
 - holds a *Species Licence*, issued by the Department of Fisheries and Oceans, necessary to make the catch; or
 - has a right of ownership to all or part of the proceeds from the sale of the catch, and is responsible for all or part of the expenses incurred in making the catch. This means the fisher is required to pay a predetermined amount or percentage of the expenses incurred by the crew in making the catch, regardless of the value of the catch. Such expenses could include the cost of fuel used in making the catch.

Notes

If a fisher does not meet any of the above conditions and believes that he or she is a self-employed person, he or she should contact the CPP/EI Rulings Section of any tax services office for a determination. It is important that a person's employment status be determined as it could affect the person's treatment under the *Canada Pension Plan* and *Income Tax Act*.

You can also see the pamphlet called *Employee or Self-Employed?* (RC4110)





Earnings of a Fisher

The earnings of a fisher are the amount paid or payable to the fisher from the proceeds of a catch. These earnings do not include amounts paid for a catch or part of a catch made by other persons who were not members of the crew.

Determining the earnings of a fisher

Calculate the earnings of a fisher as follows:

- determine the amount paid or payable to the fisher from the proceeds of a catch based on the share arrangement;
- do not include any amounts paid for a catch or any part of a catch made by other persons who were not members of the fisher's crew.

Calculate separately the earnings of a fisher who is a member of the crew and meets one or both of the following conditions:

- owns or leases specialized gear used to make a catch; or
- employs under a contract of service other persons to make a catch.

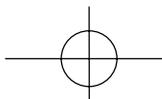
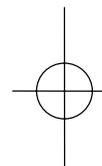
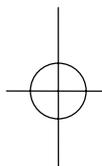
If a fisher meets any of the above conditions, do not include the value of any part of a catch the crew did not make. The head fisher, or an agent (if the agent is the employer), establishes this value.

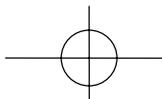
From the **gross value** of a catch, deduct the following amounts:

- 25% of the **gross value** of a catch;
- the amounts paid or payable to other members of the crew; and
- the total amount of wages paid to others employed, as employees, to make a catch.

Note

A single fisher may have borrowed a boat and gear without compensation and have no employees. In this case, do not deduct 25% of the catch's gross value. You should ask for the details of ownership or leasing from the person who makes the delivery.





Determining the date of remuneration

If you are the employer and the **head fisher** or the **agent** of a crew, we consider that you paid remuneration on the last day of the week in which you received the proceeds from the sale of the catch.

If you are the employer and the **buyer** who settles accounts with a fisher at intervals of more than seven days, we consider that you paid remuneration on the day the account is settled.

If the employer is **any other person**, we consider remuneration to have been paid on the last day of the week in which delivery of the catch is made.

Insurable Earnings

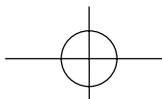
Each employer has to deduct Employment Insurance (EI) premiums on the first \$39,000 of insurable earnings in each calendar year.

There is no **minimum** amount of insurable earnings. EI premium deductions start with the first dollar of insurable earnings until premiums have been deducted on \$39,000 in that year. At that point, insurable earnings continue to accrue without any additional premium deduction by the employer.

For information on how to deduct and remit EI premiums, see the guides called *Payroll Deductions (Basic Information)* and *Remitting Payroll Deductions*. The publication called *Payroll Deductions Tables (T4032)* contains information on how to calculate the amounts you have to deduct from the remuneration of your employees.

Note

We consider each employer separately. In other words, the first \$39,000 of insurable earnings applies to **each employer**. If an employee leaves one employer during the year to start work with another one, the new employer also has to deduct EI premiums without considering what the previous one paid.



Examples

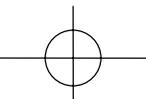
We have included examples to explain the various types of earnings of a fisher and how to calculate insurable earnings. For information on calculating employment insurance premiums, see the guide called *Payroll Deductions (Basic Information)*.

Note

We use the 2001 EI premium rates (2.25%) in these examples.

Example 1			
Catch: Fresh lobster	Gross value: \$1,200.00		
Date caught: June 13	Date delivered: June 13		
Crew: A – Owner and sole fisher	Sharing arrangement: A – 100%		
Determining the earnings			Insurable earnings
Gross value of catch	\$1,200.00		
Deduct 25% (prescribed amount)	<u>– 300.00</u>		\$900.00
EI premiums to be deducted on			\$900.00
Record of employment will show			\$900.00
The T4F slip will show			
	Gross earnings	EI insurable earnings	EI premiums
	\$1,200.00	\$900.00	\$20.25

Example 2			
Catch: Fresh clams	Gross value: \$100.00		
Date caught: June 13	Date delivered: June 13		
Crew: A – sole fisher – no boat required	Sharing arrangement: A – 100%		
Determining the earnings			Insurable earnings
Gross value of catch			\$100.00
EI premiums to be deducted on			\$100.00
Record of employment will show			\$100.00
The T4F slip will show			
	Gross earnings	EI insurable earnings	EI premiums
	\$100.00	\$100.00	\$2.25



Example 3

Catch: Fresh herring	Gross value: \$1,000.00
Date caught: June 13	Date delivered: June 13
Crew: A – Owner	Sharing arrangement: A – 60%
B – Shareperson	B – 20%
C – Shareperson	C – 20%

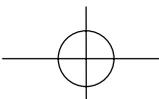
Determining the earnings of A			Insurable earnings
Gross value of catch		\$1,000.00	
Deduct 25% (prescribed amount)	\$250.00		
Amount paid to B and C (\$200.00 each)	<u>400.00</u>	<u>- 650.00</u>	
			\$350.00

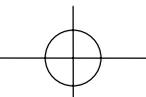
Determining the earnings of B and C		
B has 20% of the gross value of the catch (\$1,000.00 × 20%)		\$200.00
C has 20% of the gross value of the catch (\$1,000.00 × 20%)		\$200.00

EI premiums to be deducted on		
A		\$350.00
B and C (each)		\$200.00

Record of employment will show		
A		\$350.00
B and C (each)		\$200.00

The T4F slip will show	Gross earnings	EI insurable earnings	EI premiums
A – Owner	\$1,000.00	\$350.00	\$7.88
B – Shareperson	\$ 200.00	\$200.00	\$4.50
C – Shareperson	\$ 200.00	\$200.00	\$4.50





Example 4

Catch: Fresh mackerel	Gross value: \$1,000.00
Date caught: June 13	Date delivered: June 13
Crew: A – Owner of boat	Sharing arrangement: A – 65%
B – Owner of gear	B – 35%

Determining the earnings

Gross value of catch	\$1,000.00	Insurable earnings
Deduct 25% (prescribed amount)	<u>– 250.00</u>	
		\$750.00
Divide proportionately		
A – 65%		\$487.50
B – 35%		\$262.50

EI premiums to be deducted on

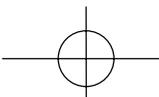
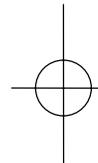
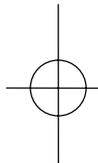
A – 65%	\$487.50
B – 35%	\$262.50

Record of employment will show

A – 65%	\$487.50
B – 35%	\$262.50

The T4F slip will show

	Gross earnings	EI insurable earnings	EI premiums
A – Co-owner	\$1,000.00	\$487.50	\$10.97
B – Co-owner	\$1,000.00	\$262.50	\$ 5.91



Example 5

Catch: Fresh crab	Gross value: \$1,000.00
Date caught: June 13	Date delivered: June 13
Crew: A – Co-owner 60% of partnership	Sharing arrangement:
B – Co-owner 40% of partnership	Co-owners – 15% off the top for boat
C – Shareperson	From the balance: A – 45%
D – Shareperson	B – 25%
	C – 15%
	D – 15%

Determining the earnings of C and D

Insurable earnings

Gross value of catch	\$1,000.00	
Less 15% off the top for boat	<u>- 150.00</u>	
		\$850.00
C – 15% (\$850.00 × 15%)		\$127.50
D – 15% (\$850.00 × 15%)		\$127.50

Determining the earnings of A and B

Gross value of catch	\$1,000.00	
Deduct 25% (prescribed amount)	250.00	
Minus amounts paid to C and D	<u>255.00</u>	
		<u>- 505.00</u>
		\$495.00
Co-owner A (60% × \$495.00)*		\$297.00
Co-owner B (40% × \$495.00)		\$198.00

(*Ignore 15% as boat share, as this is income of the co-owners.)

EI premiums to be deducted on

A – Co-owner	\$297.00
B – Co-owner	\$198.00
C – Shareperson	\$127.50
D – Shareperson	\$127.50

Record of employment will show

A – Co-owner	\$297.00
B – Co-owner	\$198.00
C – Shareperson	\$127.50
D – Shareperson	\$127.50

The T4F slip will show

	Gross earnings	EI insurable earnings	EI premiums
A – Co-owner	\$1,000.00	\$297.00	\$6.68
B – Co-owner	\$1,000.00	\$198.00	\$4.46
C – Shareperson	\$ 127.50	\$127.50	\$2.87
D – Shareperson	\$ 127.50	\$127.50	\$2.87

Sample Forms

Form PD7A

Canada Customs and Revenue Agency / **Agence des douanes et du revenu du Canada**

Statement of account as of _____

Account number: #####

STATEMENT OF ACCOUNT FOR CURRENT SOURCE DEDUCTIONS

Employer name: #####

Balances on last statement	Assessed amount owing	Current balances	Assessed amount owing
Amount paid for: #####	#####	Amount paid for: #####	#####

EXPLANATION OF CHANGES

Date	Description	Amount						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">CPP contributions</td> <td style="width: 20%;">Eligibility</td> <td style="width: 20%;">Tax deductions</td> <td style="width: 20%;">Current payment</td> <td style="width: 20%;">Gross payroll</td> <td style="width: 20%;">No. of employees in last pay period</td> </tr> </table>	CPP contributions	Eligibility	Tax deductions	Current payment	Gross payroll	No. of employees in last pay period	
CPP contributions	Eligibility	Tax deductions	Current payment	Gross payroll	No. of employees in last pay period			

PD7A E (02) Tear off here and return lower portion with your payment.

Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada

CURRENT SOURCE DEDUCTIONS REMITTANCE VOUCHER

Account number: 6#####

Amount: 001198

PD7A E (02)

Do not use this area

Gross payroll in remitting period (dollars only): 00

End of remitting period for which deductions were withheld: Year _____ Month _____

Number of employees in last pay period: _____

Amount paid: _____

T4F Summary form

 Canada Customs and Revenue Agency / Agence des douanes et des revenus du Canada For the year ending December 31, 20 / Pour l'année se terminant le 31 décembre 20		T4F SUMMARY / SOMMAIRE	SUMMARY OF FISHING INCOME SOMMAIRE DES REVENUS DE PÊCHE
<p>See the instructions on the back of this form. Lisez les renseignements au verso de ce formulaire.</p> <p>You have to file the T4F return on or before the last day of February in the year after the calendar year for which you file this return. Vous devez produire la déclaration T4F au plus tard le dernier jour de février suivant l'année civile visée par cette déclaration.</p>		<p>Business function - Fonction d'entreprise</p> <p>Name and address of designated employer - Nom et adresse de l'employeur désigné</p>	
<p>Total number of T4F slips filed Nombre total de feuilles T4F produites</p> <p>Gross earnings Revenus bruts</p> <p>Employment Insurance (EI) insurable earnings Gains assurables (assurance-emploi) (AE)</p> <p>Fisher's Employment Insurance premiums Cotisations des pêcheurs à l'assurance-emploi</p> <p>Designated employer's Employment Insurance premiums Cotisations de l'employeur désigné à l'assurance-emploi</p> <p>Taxes less rebates Impôt sur le revenu net</p>		<p>Total deductions reported (10 + 28 + 29) Total des déductions déclarées (10 + 28 + 29)</p> <p>Minus: contributions - Moins: versements</p> <p>Difference - Différence</p> <p>Overpayment Passé en trop (34)</p> <p>Balance due Solde à payer (35)</p> <p>Amount enclosed Montant joint</p>	
<p>Person to contact about this return - Personne avec qui communiquer au sujet de cette déclaration</p> <p>First name - Prénom</p> <p>Last name - Nom de famille</p>		<p>Area code Indicatif régional</p>	<p>Telephone number Numéro de téléphone</p>
<p>Certification - Attestation</p> <p>I certify that the information given on this T4F return (T4F Summary and related T4F slips) is, to the best of my knowledge, correct and complete. J'atteste que les renseignements fournis dans cette déclaration T4F (Sommaire et feuilles T4F connexes) sont, à ma connaissance, exacts et complets.</p> <p>Date</p> <p>Signature of authorized person - Signature d'une personne autorisée</p> <p>Position or office - Titre ou poste</p>			
<p>Transfer - Transfert</p> <p>File Form</p> <p>Other - Autre</p>		<p>Items - Valeurs</p> <p>Prepared by - Rédigé par</p> <p>Date</p>	
<p>T4F Summary - Sommaire (01) / Révisé par: personne autorisée (voir numéro NCTFP-PL-008) / Lisez sur le formulaire des renseignements personnels. Voir les renseignements personnels numéro NCTFP-PL-008.</p>			
			

T4F slip



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

T4F

STATEMENT OF FISHING INCOME

ÉTAT DES REVENUS DE PÊCHE

13 Year
Année

14 Gross earnings
Revenus bruts

15 Employment Insurance
(EI) insurable earnings
Gains assurables
d'assurance-emploi (AE)

16 EI premiums
Cotisations à TAE

17 EI exempt
Exemption de TAE

18 Income tax deducted
Impôt sur le revenu retenu

19 Last name (in capital letters)
Nom de famille (en lettres majuscules)

20 Fisherman's name and address - Non et address du pêcheur
First name
Prénoms

21 Initials
Initiales

22 Social Insurance number (SIN)
Numéro d'assurance sociale (NAS)

23 Fisherman's number
Numéro du pêcheur

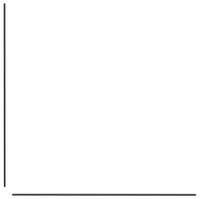
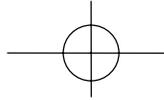
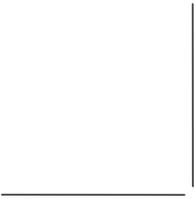
24 Designated employer's name
Nom de l'employeur désigné
Business Number
Numéro d'entreprise

25 If your SIN is not shown in box 12, see the back of this slip.
Si votre NAS ne figure pas à la case 12, consultez le verso de ce feuillet.

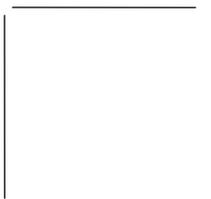
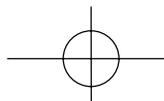
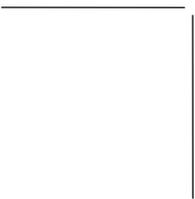
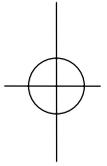
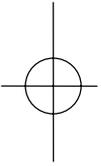
T4F (01)

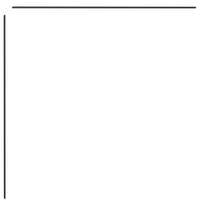
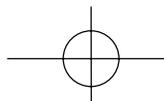
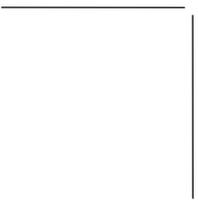
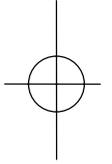
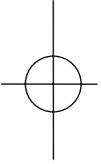
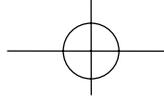
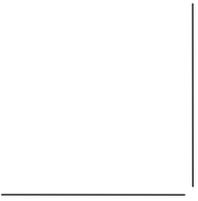
0467

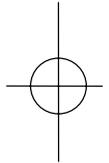
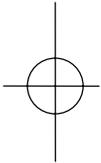
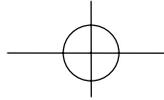
Return with T4F Summary
À retourner avec le formulaire T4F Sommaire



Notes







Think recycling!



Printed in Canada

