

## Frequently Asked Questions

### 1) How can I defer the tax on my **U.S./Foreign spin-offs**?

As a Canadian resident shareholder, you may be able to elect to defer Canadian tax on the spin-off shares by making an election if the spin-off meets certain conditions. Efile™ and Netfile™ cannot be used to file the return for the tax year to which the election relates. For more information, please visit the Canada Revenue Agency (CRA) website: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/frgn-eng.html>

### 2) Why are all transactions captured on my Trading Summary (T5008/R18)?

The Trading Summary (T5008/R18) is provided as part of your tax package and captures all of your purchases and dispositions for information purposes only. TD Waterhouse Canada Inc. submits the T5008/R18 reporting to the CRA, detailing the disposition transactions only. Please refer to the CRA website at [cra-arc.gc.ca](http://cra-arc.gc.ca) for further information on T5008/R18 reporting.

### 3) Will I receive a tax receipt for my **U.S. Limited Partnership**?

A Schedule K1, Beneficiary's Share of Income, Deductions, Credits, etc., will be issued directly by the U.S. Limited Partnership or their administrator to all clients who held a U.S. limited partnership in the reporting year. The deadline for issuance of K1s is the 15th day of the 4th month after the end of the partnership tax year (i.e., for a December 31 tax year end, the K1 form is required to be issued no later than April 15, 2016).

### 4) Can a **Non-Resident Tax Form (NR4)** be amended to reduce withholding tax?

No. Non-resident tax that has been withheld is remitted to the CRA on a monthly basis. The CRA has advised that an NR4 cannot be amended if non-resident tax was withheld in error. Non-residents can claim a refund of excess withholding tax by filing an NR7-R application.

### 5) Can I make a **spousal RSP contribution** online?

Yes, but only if you are using WebBroker, which allows the user to make spousal RSP contributions. EasyWeb however, does NOT allow you to make spousal contributions. If you want to make a spousal contribution but you are not able to use WebBroker, please contact your local TD representative or visit a TD Canada Trust branch.

6) Can I contribute to my spouse's **TFSA**?

The only person who can contribute to a TFSA is the accountholder. However, we accept TFSA contributions from joint accounts belonging to the TFSA accountholder and their spouse.

7) If I transfer shares to my children or other family members (non-spouse), is this considered a **taxable transaction**?

Yes, a movement of securities where a change of beneficial ownership has occurred will be coded as a Disposition in the relinquishing account and an Acquisition in the receiving account. Tax reporting is required since dispositions will be noted on T5008/Trading Summary and relayed to the CRA for review.

8) On my **Summary of Trust Income**, I notice that there is a distribution that does not appear in my statements. Why am I being taxed for this?

This is the result of a notional payment. Notional payments are non-cash distributions which are reportable on a T3. Companies will only report these notional payments when they provide their tax factors, usually in February or March. These entries will appear on the client's statements, which will impact book value of the asset.

9) How will I know when I have received all of my **T3 tax slips** for trust units?

A 'Pending Trust Unit Summary' lists the trust units that you hold but for which final tax factors have not yet been reported. This summary will accompany the first T3 package you receive and subsequent packages, if applicable.

10) If I withdraw an amount from my **Tax-Free Savings Account (TFSA)** <sup>1</sup>, can I re-contribute it in the same year?

In any year, your total TFSA contributions cannot exceed your contribution room. If you withdraw funds from your TFSA, that amount will be added to your contribution room for the next year. For example, if you contributed the maximum amount to your TFSA in 2015 (\$10,000), and you subsequently withdrew \$3,000, your contribution room for 2016 would be increased by \$3,000; therefore, you can contribute \$5,500 (the new TFSA dollar limit for 2016, as announced by the Federal Government), plus \$3,000, for a total contribution of \$8,500 in 2016. If you recontribute the \$3,000 in 2015, the \$3,000 would be considered an excess contribution and you would incur a penalty of 1% per month.

11) Why is there only one **Social Insurance Number (SIN)** listed on my tax slip for my joint account?

Joint account holder names appear on the tax slip; however, the tax slip only allows one SIN to be recorded. The recipient type indicator on the tax slip will enable the CRA to distinguish this as a joint account, allowing each individual to report their share of the income on their T1 return.

12) Will TD Direct Investing be providing clients with any reporting to assist them in filling out **Form T1135**?

Yes. Please contact TD Direct Investing at 1-800-465-5463 to request information that can assist you in completing the T1135.

13) How do I reclaim taxes withheld on dividends paid by **American Depository Receipts (ADRs)**?

To reclaim taxes, you must read the bulletin associated with the applicable dividend payment and fill out the applicable forms, as requested in the bulletin on the DTCC website:

<http://www.dtcc.com/legal/important-notices?subsidiary=DTC&q=654902204&pgs=1>

To download these forms, you will need the CUSIP of your ADR security. Once the forms are filled out, you must mail them to the CRA to be certified. After the CRA returns the forms, they must be sent to:

TD Wealth Custodial Operations  
Income Processing  
77 Bloor St West, 3<sup>rd</sup> Floor  
Toronto, Ontario  
M5S 1M2

TD will then submit the forms to Globe Tax for reimbursement. Please note that the ADR Transfer Agent and Globe Tax charge fees associated with this process, so reclaiming taxes of less than \$100 may not be economically worthwhile. Also, it can take up to 2-3 years after submission to Globe Tax to receive your rebate. If you have any questions, please call 1-800-465-5463 and ask about the ADR Tax Reclaim process.

<sup>1</sup>Tax-Free Savings Account (TFSA) – Refers to the TD Waterhouse Tax-Free Savings Account.