

# A guide to 2010 tax reporting at Scotia Capital Inc.



# Non-Registered Accounts

## **T5 Supplementary Statement of Investment Income**

### **Relevé 3 for Quebec residents**

### **NR4 for non-residents**

The T5 lists aggregate income payments (regardless of amount) made to you through Cash and Margin accounts, including:

- *payment of dividends*
- *interest and accrued interest from cash, bonds, compound bonds and other debt instruments*
- *Both a T5 and NR4 will be issued in cases where residency status changes during the year*
- *Split shares and specialty products are reported on separate slips*

Slips are mailed by February 28.

## **The T5 Summary of Investment Income and Expense**

The T5 Summary details dividend and interest revenue reported on the T5, as well as any investment interest expense incurred. This is provided for information purposes only and does not need to be filed with your tax return.

## **T3 Supplementary Statement of Trust Income Allocations/Designations**

**Relevé 16 for Quebec residents**

**NR4 for non-residents**

The T3 reports income from Income Trusts and Mutual Funds (reported by fund company). This includes totals for all taxable trust unit distributions.

Slips are mailed by March 31.

## **T3 Summary of Investment Income**

The T3 Summary details all trust or mutual fund unit distributions, including return of capital details. This is provided for information purposes only and does not need to be filed with your tax return.

## **T5013 Statement of Limited Partnership Units or T5013A Statement of Partnership Income for Tax Shelters and Renounced Resource Expenses**

**Relevé 15 for Quebec residents**

The T5013 reports gains and losses and/or distributions within a Limited Partnership.

Slips are mailed by March 31.

## **Annual Trading Summary**

The Annual Trading Summary is prepared to assist you in calculating reportable income associated with activity in your account. This summary, mailed separately, is provided for information purposes only and does not need to be filed with your tax return.

The Trading Summary is mailed by February 28.

# Registered Accounts

## **T4A Statement of Pension, Retirement, Annuity and Other Income**

**Relevé 1 for Quebec residents**

**NR4 for non-residents**

The T4A reports amounts from a partial withdrawal, full deregistration or refund of excess from a Deferred Profit Sharing Plan. It also includes Educational Assistance Payments (EAP) from a RESP.

## **T4RSP Statement of Registered Retirement Savings Plan Income**

**Relevé 2 for Quebec residents**

**NR4 for non-residents**

If you withdraw funds from a RRSP (by either a partial withdrawal or by de-registering the plan), you must include the amount of the withdrawal as income. Scotia Capital Inc. is obligated to withhold the prescribed amount of tax from the withdrawal, and remit it to the CRA. These amounts are reported on a T4RSP.

## **T4RIF Statement of Income from a Registered Retirement Income Fund**

**Relevé 2 for Quebec residents**

**NR4 for non-residents**

All RRIF and LIF (Life Income Fund) account holders are required to receive an annual minimum payment beginning the year after the account is opened. This income is reported on the T4RIF slip.

## **T4PS Statement of Employee Profit Sharing Plan Allocations and Payments**

The T4PS is issued in reference to company contributions made to Employee Profit Sharing Plan Cash accounts.

All Registered Account T4 slips are mailed by February 28 and NR4s are mailed by March 31.

### **Contribution Receipts**

Contribution receipts are issued for the value of cash or securities contributed to RRSP accounts during the calendar year.

Scotia Capital generally issues receipts in two phases:

- *One receipt will be issued for all contributions made from March 2nd through December 31st.*
- *A second receipt will be issued for contributions made during the first 60 days of the year.*

Please note that contributions made during the first 60 days of the year may be applied to either the current year's tax return or next year's tax return.

Scotia Capital Inc. issues several tax slips and supporting documents to assist you in preparing your tax return. This guide outlines the slips and documents you may receive, the information they provide and their purpose. We suggest that you ensure you have all your slips before filing your tax return. It is your responsibility to ensure that all income is reported on your 2010 Income Tax Return, whether or not it is reported on a tax slip.

Although Scotia Capital Inc. has prepared this brochure to assist you, we are not tax advisors and therefore recommend that you consult with your personal tax advisor.

Direct any questions concerning any of the slips to your

- ScotiaMcLeod advisor,
- Scotia Private Client Group Relationship Manager,
- ScotiaMcLeod Direct Investing Customer Service Representative,
- TradeFreedom Customer Support Representative,
- Scotia iTRADE Customer Service Representative or
- Scotia Private Client Group International advisor.

ScotiaMcLeod, ScotiaMcLeod Direct Investing, Scotia iTRADE, TradeFreedom and Scotia Private Client Group International are divisions of Scotia Capital Inc. Tax receipts are issued for these divisions by Scotia Capital Inc.

### **Information regarding U.S. tax reporting**

- Scotia Capital Inc. withholds non-resident tax on taxable U.S. source income. This includes certain distributions made by U.S. Real Estate Investment Trusts (REITs). In some cases U.S. REIT distribution is treated as dividend income and the applicable non-resident tax amount will be withheld.
- Form 1099 reports U.S. source dividend and interest income and is sent to residents and citizens of the U.S.

# Frequently Asked Questions

## Where do I report the information on my Summary of Investment Income and Expense?

This document provides details on the dividend and interest revenue reported on your T5 tax slip. It also provides details of interest expense that you may have incurred. Scotia Capital Inc. provides this summary for your information only, and it does not have to be included with your tax return.

Similarly, a T3 Summary of Investment Income details the distributions reported on your T3 tax slip, and is for information purposes only. All income reported as Return of Capital reduces the Adjusted Cost Base of units held.

## Why don't all my tax slips arrive at the same time?

The date varies by which the information on each slip is received from the issuer, and must be reported. For example, T5/Relevé 3 slips must be mailed by February 28, while T3/Relevé 16 slips must be mailed by March 31st.

We strongly suggest that clients holding trust units wait until they have received both their T5 and T3 slips before filing their tax return.

## Why aren't distributions from trust units and mutual funds on my T5?

Trust unit and mutual fund distributions are recorded on a T3 Supplementary or, in the case of owning shares of a mutual fund corporation, on a T5 Supplementary. In most cases, for mutual funds, these slips are issued by the individual fund companies, not by Scotia Capital Inc.

## Why isn't coupon interest included in my T5 with regular interest from bonds?

Coupons, like Treasury Bills, are discount instruments - they are purchased at a discounted price and mature at par. Bonds, on the other hand, generally pay a regular amount of interest twice a year at the stated rate.

T5s are not issued for discount instruments but as a taxpayer you are responsible for calculating and reporting the amount earned each year.

### Why does the amount on my T5 not match the amount on my monthly statement?

The figures that make up the total on the T5 are not the same ones that are included in the statement amount. For example, accrued interest on trades and compound bonds are included in the T5 but are not tracked on your monthly statement.

### Why am I reporting income received in 2011 from trust units on my 2010 tax return?

Some payments made in January 2011 are declared by the issuer as year 2010 income and therefore must be included on your 2010 tax return.

### The amount on my T5013 does not match the amount I received from my Limited Partnership. Why?

Your T5013 must reflect an amount for the full year as if you had been a full partner for that year. However, if you only owned it for part of the year the actual payment received will be less. The difference is usually reflected in the price paid for the Limited Partnership.

For more frequently asked questions please visit [www.scotiamcleod.com](http://www.scotiamcleod.com) / Resources / Forms & Documents and choose "Frequently Asked Tax Questions" found on right hand side bar.