

Guide to Filing the RL-1 Slip

Employment and
Other Income

2003





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Introduction

Notice

The information contained in this guide does not constitute a legal interpretation of Québec or federal laws or regulations. Nor does this guide contain legislative amendments announced after September 30, 2003. You should therefore verify that the texts contained herein are in conformity with current fiscal legislation.

When a new fiscal measure affecting the majority of employers is announced and the measure modifies the information contained in this guide, the Ministère du Revenu du Québec will, as a rule, send an information sheet to all employers to inform them of the changes.

For more information, contact an office of the Ministère (refer to the list of offices at the end of this guide).

Does this guide apply to you?

This guide is designed to help you if you are an employer and, for 2003, you are required to complete and file the RL-1 slip (*Revenus d'emploi et revenus divers*) and the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V).

However, you must also consult the *Supplementary Guide to Filing the RL-1 Slip (RL-1.GC-V)* if one of the following situations applied to you in 2003:

- You entered into a salary deferral arrangement with an employee.
- You paid an amount to an employee under a plan providing for a self-funded leave of absence.
- You were the custodian or trustee under an employee benefit plan, a profit-sharing plan or an employee trust.
- You were the custodian of a retirement compensation arrangement.
- You paid contributions in respect of an employee under a private health services plan.
- You paid directors' fees.
- You withheld contributions under a retirement compensation arrangement.
- You entered into a phased retirement arrangement with an employee.
- You made payments under a supplementary unemployment benefit plan.
- You paid a scholarship, a bursary, a fellowship or a prize for a remarkable achievement.
- You paid a research grant to an individual.
- You paid an amount under a registered education savings plan.
- You paid benefits under a wage loss insurance plan (if the benefits were paid under a plan to which the employer paid contributions).
- You made a top-up disability payment (if the payment was made under a group insurance plan to which you paid contributions).
- You had an employee who exercised a security option and who elected, for federal income tax purposes, to have the taxation of the benefit deferred to the year in which the security was disposed of.
- You had an employee who was not resident in Québec.
- You had an employee who reported for work at one of your establishments located in Québec and at one of your establishments located outside Québec.
- You had an employee who was not required to report for work at one of your establishments located in Québec and his or her salary or wages were not paid from such an establishment.
- You paid a salary, wages or remuneration from an establishment located outside Québec.
- You paid a salary or wages to an employee of another employer that did not carry on business in Québec for services that the employee rendered to you.
- You made payments to a person not resident in Canada for services that the person rendered to you in Québec.
- You had an employee who worked outside Canada.
- You were an Indian employer or you had an Indian employee.
- You are an eligible shipowner and you had an employee who was a Québec sailor working in international freight transportation.
- You operated an international financial centre (IFC).
- You operated a business within the Montréal international trade zone at Mirabel, in a biotechnology development centre (BDC), in an information technology development centre (ITDC), at a designated site specialized in biotechnology, in the Cité du multimédia, on designated premises of the Centre national des nouvelles technologies de Québec (CNNTQ), in a marketplace for the new economy (MNE), at an innovation centre, in E-Commerce Place (Cité du commerce électronique) or on designated premises of the E-Commerce Zone.
- You operated a business in the nutraceuticals and functional foods sector in the Québec City region.
- You operated a business that carried out scientific research and experimental development (or had scientific research and experimental development carried out on its behalf) and you employed a foreign researcher (including a foreign researcher on a post-doctoral internship) or a foreign expert.
- You were a Québec university and you employed a foreign professor.
- You operated a stock exchange business or a securities clearing-house business located within the territory of the City of Montréal.
- You operated a business that was carrying out a major investment project in Québec.

- You were the custodian of an employee benefit plan.
- You were the trustee of an employee trust.
- You were a clearing member and you employed a market maker.
- You operated a specified financial institution that was subject to compensation tax.
- Your corporation resulted from an amalgamation.
- You were a public-sector employer.

To obtain a copy of the *Supplementary Guide to Filing the RL-1 Slip* (RL-1.GC-V), contact the Ministère du Revenu.

Explanation of references

At the end of certain paragraphs, you will find references to sections of various laws and regulations, and to interpretation bulletins published by the Ministère du Revenu du Québec.

References to laws

Sections of the *Taxation Act* are referred to by a number only. In the case of other laws, the section numbers are preceded by an abbreviation that identifies the law. The abbreviations are as follows:

- ADMT: *Act to foster the development of manpower training*
- ALFIT: *Act to establish a legal framework for information technology*
- ALS: *Act respecting labour standards*
- AMR: *Act respecting the Ministère du Revenu*
- AQPP: *Act respecting the Québec Pension Plan*
- ARAMQ: *Act respecting the Régie de l'assurance maladie du Québec*

References to regulations

References to the *Regulation respecting the Taxation Act* consist of the letter "R" preceded and followed by numbers. References to sections of regulations made under the *Act to foster the development of manpower training* (ADMT), the *Act respecting labour standards* (ALS), the *Act respecting the Québec Pension Plan* (AQPP), and the *Act respecting the Régie de l'assurance maladie du Québec* (ARAMQ) are indicated as follows:

- *Regulation respecting eligible training expenditures*: "ADMT (r. 1)" and section number
- *Regulation respecting the determination of total payroll*: "ADMT (r. 2)" and section number
- *Regulation respecting contribution rates*: "ALS (r. 5.3)" and section number
- *Regulation respecting the assigning of a Social Insurance Number*: "AQPP (r. 1)" and section number
- *Regulation respecting contributions to the Québec Pension Plan*: "AQPP (r. 2)" and section number
- *Regulation respecting contributions to the Québec Health Insurance Plan*: "ARAMQ (r. 1)" and section number

References to interpretation bulletins

References to interpretation bulletins (published by the Ministère du Revenu and available in English) consist of an abbreviation followed by a period, a space and a number. The following abbreviations are used in this guide to identify interpretation bulletins:

- "IMP.": a bulletin concerning the *Taxation Act*
- "LNT.": a bulletin concerning the *Act respecting labour standards*
- "RAMQ.": a bulletin concerning the *Act respecting the Régie de l'assurance maladie du Québec*
- "RRQ.": a bulletin concerning the *Act respecting the Québec Pension Plan*

Abbreviations used in this guide

BDC:	Biotechnology development centre
CNNTQ:	Centre national des nouvelles technologies de Québec
CNT:	Commission des normes du travail
CPP:	Canada Pension Plan
CSST:	Commission de la santé et de la sécurité du travail
FNFMQ:	Fonds national de formation de la main-d'oeuvre
GST:	goods and services tax
IFC:	international financial centre
ITDC:	information technology development centre
MNE:	marketplace for the new economy
QPP:	Québec Pension Plan
QST:	Québec sales tax
RPP:	registered pension plan
RRSP:	registered retirement savings plan

Most of the documents mentioned in this guide are available on the Web site of the Ministère du Revenu at the following address: www.revenu.gouv.qc.ca. Documents that are marked "Specimen" are provided for information purposes only, and are not to be used in any other way.

You may also obtain these documents

- by completing the order form on our Web site;
- by completing order form MAT-422-V (if the document you need is listed on this form); or
- by contacting one of our offices (refer to the list of offices at the end of this guide).

Principal changes

Shorter guide

The 2003 version of the *Guide to Filing the RL-1 Slip* is shorter than the 2002 version. Certain sections referring to special cases (salary deferral arrangements, employee benefit plans, employees working outside Canada, foreign employees, market makers, etc.) have been deleted from this guide, and these cases are now described in a new document entitled *Supplementary Guide to Filing the RL-1 Slip* (RL-1.GC-V). Furthermore, the principal changes for 2003 affecting these special cases are described only in the supplementary guide.

A list of the special cases covered by the *Supplementary Guide to Filing the RL-1 Slip* is provided in the section entitled “**Does this guide apply to you?**” on page 4. You should refer to that section to determine whether the new guide applies to your situation.

New electronic services

You can now file the RL-1 slips for your employees and the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V) through the Web site of the Ministère du Revenu. You can also pay your source deductions and employer contributions online. For more information, refer to the box “RL-1 slips filed via the Internet” on page 8 and the box “Form RLZ-1.S-V filed via the Internet” on page 22.

Allowance respecting the use of a motor vehicle

Effective January 1, 2003, the per-kilometre rate that the Ministère considers reasonable is \$0.42 for the first 5,000 kilometres and \$0.36 for each additional kilometre. (These rates were formerly \$0.41 and \$0.35, respectively.)

Contribution to the health services fund

Five-year exemption

A new corporation is entitled to a five-year exemption from the contribution to the health services fund, provided certain conditions are met. Before June 13, 2003, the exemption applied to the first \$700,000 of salaries and wages paid for each taxation year included in the five-year exemption period. Effective June 13, 2003, the exemption applies to only 75% of the first \$700,000 of salaries and wages paid.

Temporary exemption for manufacturing businesses in remote resource regions

A corporation that operates a manufacturing or processing business in one of Québec’s remote resource regions is entitled to an exemption from the contribution to the health services fund in respect of the salaries and wages it pays, provided certain conditions are met. Before June 13, 2003, you were required to take into account all salaries and wages paid by the corporation in calculating exempted salaries and wages. Effective June 13, 2003, only 75% of the salaries and wages paid by the corporation are to be taken into account for the purposes of this calculation.

1 General information

RL-1 slip

The RL-1 slip is used mainly for reporting salaries, wages, tips, commissions and any other remuneration that concerns an employee (including remuneration paid to a person employed by his or her spouse, and remuneration paid to the spouse of a member of a partnership or the spouse of a shareholder). The RL-1 slip is also used for reporting amounts deducted at source from the above-mentioned types of remuneration. **All salaries, wages and other amounts paid to an employee by the same employer should preferably be entered on a single RL-1 slip.**

“Salaries and wages” include all forms of remuneration, such as taxable benefits, overtime, advances, premiums, amounts paid after an employee’s death (for example, the amount of vacation pay accumulated at the time of death) and similar payments made to an employee.

1

As a rule, the salaries and wages you must indicate on the RL-1 slip are those paid

- to an employee who reports for work at one of your establishments located in Québec, **or**
- to an employee who, though not required to report for work at one of your establishments (in Québec or elsewhere), is paid from one of your establishments located in Québec.

All salaries and wages must be reported, regardless of the amount and regardless of whether source deductions were made. However, partners and self-employed individuals must not use the RL-1 slip to report **drawings**.

The RL-1 slip should also be used to report certain income that is not considered employment income. Such income includes certain benefits granted to a shareholder, retiring allowances and death benefits. For a complete list of the types of income that must be reported in box O of the RL-1 slip, see “Box O – Other income not included in the amount in box A” on page 17.

You must enter all amounts on the RL-1 slip in Canadian dollars; if this is not possible, indicate the currency in question in the centre of the slip.

Form RLZ-1.S-V

Once you have completed all your RL-1 slips, you must send form RLZ-1.S-V, *Summary of Source Deductions and Employer Contributions*, to the Ministère. As it is important that you keep a copy of the RLZ-1.S-V information for your records, please photocopy the form you are filing or transcribe the information onto the copy provided at the end of this guide. It is not necessary to call the Ministère for a copy of the form, as you may also print it out from our Web site at www.revenu.gouv.qc.ca.

NOTE: If your account remained open for 2003 despite the fact that you had no remittance to make in 2003 because you had no employees during that year, and if you expect this situation to continue in 2004, **you must contact the Ministère so that we can close your account.**

Filing RL-1 slips and form RLZ-1.S-V via the Internet

You can file the RL-1 slips for your employees and form RLZ-1.S-V through the Web site of the Ministère du Revenu. For more information, refer to the box “RL-1 slips filed via the Internet” on page 8 and the box “Form RLZ-1.S-V filed via the Internet” on page 22.

2 Filing the RL-1 slip

Method of filing

Most employers and payers submit the required information respecting employment and other income by completing the RL-1 slip prescribed by the Deputy Minister of Revenue. The *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V) must be included with the RL-1 slips sent to the Ministère. For information on how to complete and file form RLZ-1.S-V, see Chapter 5.

The RL-1 slip prescribed by the Ministère is available in a carbon-loaded version (which includes four copies of the slip) or a version for laser or ink-jet printers (with three copies of the slip printed on the same page). You may also use facsimiles or the version available via the Internet. (Refer to the box "RL-1 slips filed via the Internet" below.)

Facsimiles

Before you submit facsimiles, you must first have a sample approved by the Ministère du Revenu. Send **two original copies of your sample** to the following address: Groupe de promotion de l'EDI et d'acquisition des données électroniques, Ministère du Revenu du Québec, 3800, rue de Marly, secteur 2-2-0, Sainte-Foy (Québec) G1X 4A5. For more information, contact a representative of the Ministère at (418) 652-6180 or, toll-free, at 1 888 830-7747 (extension 6180).

If you are not using the prescribed slips, please ensure that your printing program is compatible with the facsimiles you use, as poor printing quality may result in processing delays.

The Ministère du Revenu offers no monetary compensation to persons that provide their own RL-1 slips.

For more information, refer to the publication *Requirements for Facsimiles of RL Slips* (IN-412-V).

1086R1

RL-1 slips filed via the Internet

If you have no more than 10 employees, you can file your RL-1 slips through the Web site of the Ministère. However, to use this service, you must be registered for Clic Revenu electronic services.

Please note that you cannot use this service if

- you ceased to operate your business during the year;
- you permanently ceased to make remittances because you no longer have employees;
- you wish to amend or cancel an RL-1 slip already submitted to the Ministère.

By using this service, you can

- enter RL-1 slip data on screen;
- validate certain data (messages guide the user to prevent errors and inconsistencies in the RL-1 slips);
- be guided through the process of completing your RL-1 slips;
- have RL-1 totals automatically calculated and carried to the *Summary of Source Deductions and Employer Contributions* (RLZ-1.S-V) in order to prevent errors in calculating and transcribing RL-1 slip data;
- print RL-1 slips;
- view and print a list of all your employees' RL-1 slips;
- keep information until it is transmitted;
- receive confirmation of your transmission within minutes;
- continue to consult the data transmitted for a certain period of time.

The Ministère uses state-of-the-art technology and equipment to safeguard its Web site and to protect the confidential nature of tax and financial data transmitted online.

For more information on the electronic services offered by the Ministère, visit our Web site at www.revenu.gouv.qc.ca.

Filing RL-1 slips

Copy 1 of each RL-1 slip, along with the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V), must be sent to the Sainte-Foy or Montréal office of the Ministère by February 29, 2004.

If you have a computerized payroll system, you may send the required RL-1 slip data to the Ministère via the Internet or on magnetic media (diskette, CD-ROM or 3490, 3490E or 3590 cartridge), instead of submitting copy 1 of the slips. Regardless of the method you use, you must duly complete the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V) and file it with the Ministère.

For more information concerning RL-1 slips filed via the Internet or on magnetic media, contact the Ministère at

Groupe de promotion de l'EDI
et d'acquisition des données électroniques

Ministère du Revenu
3800, rue de Marly, secteur 2-2-0
Sainte-Foy (Québec) G1X 4A5

Telephone: (418) 652-5281 or
1 888 830-7747 (ext. 5281)

Fax: (418) 646-0713

E-mail: edi@mrq.gouv.qc.ca

Filers should consult the *Guide for Transmitting RL-Slip Data – General and Technical Information* (IN-800-V) and *Specifications for Filing RL-1 Slip Data* (IN-801-V). The latter is available only on our Web site.

AMR 37.1.1

Distribution of copies

Copy 1

Fill out the slips in alphabetical order, according to the last names of the employees or recipients.

If you do not have enough space in the centre of the RL-1 slip to enter all of the explanatory notes, attach a separate sheet. Please note that the sequential number (appearing in the upper right-hand corner of the slip) may be used with respect to one employee only.

The procedure for transmitting copy 1 is described in the preceding section entitled "Filing RL-1 slips."

IMPORTANT: To facilitate processing of the carbon-loaded version of the RL-1 slips, please submit copy 1 in pages of three slips (i.e., detach each page, but do not separate the individual slips).

Copies 2 and 3

Copies 2 and 3 must be remitted or mailed to the employees or recipients by February 29, 2004.

Copy 4

You must keep for your files copy 4 of the RL-1 slips and a copy of the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V). You will not have a copy 4 if you use the RL-1 slip designed for laser or ink-jet printers. In that case, you should photocopy or microfilm copy 1 of the slips for your files. If you submit your RL-1 slip data on magnetic media or via the Internet, you must keep a copy of the data in legible form on the same type of media.

1086R13, 1086R17, AMR 34, 35.1

Employers that have more than one account number

If you have more than one establishment (for example, your business has several branch offices) and each establishment remits source deductions and contributions to the Ministère du Revenu under its own employer account number, each establishment must file its RL-1 slips and *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V) under the name and identification number shown on its remittance form (form TPZ-1015.R.14.1-V, TPZ-1015.R.14.2-V, TPZ-1015.R.14.3-V or TPZ-1015.R.14.4-V, as applicable).

However, all the data pertaining to the business's contributions to the Fonds national de formation de la main-d'oeuvre (FNFMO) must be included on a single RLZ-1.S-V form, since the contribution must be calculated for the business as a whole and not for individual establishments.

ADMT 3

Employers that cease to operate their business

If you cease to operate your business during the year, you are required to file, within 30 days after the cessation of your business activities,

- temporary RL-1 slips (form RL-1.T, or form RL-1.TL for laser or ink-jet printers); and
- a copy of the *Temporary Summary of Source Deductions and Employer Contributions* (form RLZ-1.ST-V, the version marked "2003-01"), or a copy of the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V, the version marked "2003-10") if you cease your business activities during the month of October, November or December 2003 and the 2003-10 version of form RLZ-1.S-V is available at that time.

You must remit copies 2 and 3 of the RL-1 slips to your former employees within the same 30-day period.

Moreover, you may have to file a second RLZ-1.S-V form by February 29, 2004, covering the contribution to the health services fund. For more information, see "Filing deadline" on page 23.

For information concerning the filing of your remittance form (TPZ-1015.R.14.1-V, TPZ-1015.R.14.2-V, TPZ-1015.R.14.3-V or TPZ-1015.R.14.4-V, depending on the frequency at which you are required to make remittances), refer to the *Guide for Employers* (TP-1015.G-V).

1086R14, ADMT 14 to 16, ALS 39.0.3, 39.0.4, ARAMQ 33 ("total payroll"), 34.0.0.0.1, ARAMQ (r. 1) 3, AQPP (r. 2) 11

Employers that cease to make remittances but continue to operate their business

Employers that temporarily cease to make remittances

If you temporarily cease to make remittances of source deductions and contributions in 2003, you must file your RL-1 slips and the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V) by February 29, 2004.

1086R13

For information concerning the filing of your remittance form (TPZ-1015.R.14.1-V, TPZ-1015.R.14.2-V, TPZ-1015.R.14.3-V or TPZ-1015.R.14.4-V, depending on the frequency at which you are required to make remittances), refer to the *Guide for Employers* (TP-1015.G-V).

Employers that permanently cease to make remittances

If you continue to operate your business, but permanently cease to make remittances of source deductions and contributions because you no longer have employees, you are required to file, by the 20th day of the month following the month in which you made your final remittance,

- temporary RL-1 slips (form RL-1.T, or form RL-1.TL for laser or ink-jet printers); and
- a copy of the *Temporary Summary of Source Deductions and Employer Contributions* (form RLZ-1.ST-V, the version marked "2003-01"), or a copy of the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V, the version marked "2003-10") if you cease to make remittances during the month of October, November or December 2003 and the 2003-10 version of form RLZ-1.S-V is available at that time.

You must remit copies 2 and 3 of the RL-1 slips to your former employees within the same 20-day period.

Moreover, you may have to file a second RLZ-1.S-V form by February 29, 2004, covering the contribution to the health services fund. For more information, see "Filing deadline" on page 23.

For information concerning the filing of your remittance form (TPZ-1015.R.14.1-V, TPZ-1015.R.14.2-V, TPZ-1015.R.14.3-V or TPZ-1015.R.14.4-V, depending on the frequency at which you are required to make remittances), refer to the *Guide for Employers* (TP-1015.G-V).

1086R18, ADMT 14 to 16, ALS 39.0.3, 39.0.4, ARAMQ 33 ("total payroll"), 34.0.0.0.1, ARAMQ (r. 1) 3, AQPP (r. 2) 11

Late-filing penalty

A penalty may be imposed if you file copy 1 of the RL-1 slips (or temporary RL-1 slips), or the RL-1 slip data on magnetic media or via the Internet, after the prescribed deadline for filing. The penalty for non-compliance is \$25 per day, to a maximum of \$2,500. This penalty also applies if you file form RLZ-1.S-V or form RLZ-1.ST-V after the prescribed deadline.

AMR 59

Amending or cancelling an RL-1 slip

If you wish to change information on an RL-1 slip already submitted to the Ministère du Revenu, file an amended RL-1 slip clearly marked as such. Either submit a slip bearing the pre-printed indication "Modifié" (form RL-1.M, available from the Ministère du Revenu), or enter the correct information on a standard RL-1 slip and write "**Amended**" on the front. If you use form RL-1.M, write your identification number clearly in the box provided for this purpose. Be sure to indicate on the amended slip the number appearing in the upper right-hand corner of the original slip.

If you wish to cancel an RL-1 slip you have already submitted to the Ministère, send a photocopy of the slip in question clearly marked "**Cancelled.**" Make sure the number appearing in the upper right-hand corner of the slip is legible on the photocopy.

Please indicate your reasons for cancelling or amending the slip.

If you wish to amend or cancel an RL-1 slip and you have already submitted the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V) or the *Temporary Summary of Source Deductions and Employer Contributions* (form RLZ-1.ST-V), you must file an amended copy of the summary, incorporating the changes made to the slips.

IMPORTANT: If you wish to amend or cancel RL-1 slip data submitted on magnetic media or via the Internet (other than data transmitted by Clic Revenu electronic services), consult guides IN-800-V and IN-801-V. The latter is available only on the Web site of the Ministère.

Lost or destroyed RL-1 slips

If an employee loses or destroys his or her copy of an RL-1 slip already submitted to the Ministère, do not file a new slip. Give the employee a photocopy of the copy you retained for your files, clearly marked "**Duplicate.**" Make sure the number appearing in the upper right-hand corner of the slip is legible on the photocopy.

3 Information to be provided on the RL-1 slip

When completing the RL-1 slips, please print or type the information. **Where there is no amount to be reported, leave the box blank.** When an amount does not take up the entire box, do not use other symbols, such as asterisks, to fill it. Such symbols make it difficult for the numbers to be read. Unless you have received authorization from the Ministère du Revenu, do not enter a second sequential number in the box in the upper right-hand corner of the slip.

After the “Identification” section below, you will find a description of the boxes that you may be required to fill in if you are an employer operating a business. If you are required to fill in other boxes or provide information not covered by this guide, refer to the *Supplementary Guide to Filing the RL-1 Slip* (RL-1.GC-V).

Identification

Identification of the individual

In the space marked “Nom de famille, prénom et adresse,” enter the individual’s last name, followed by the first name and last known address (in full, including the postal code). Be sure to enter the name exactly as it is shown on the individual’s social insurance card.

The social insurance number is used to identify the individual. It is therefore essential that you enter each individual’s number on the RL-1 slip exactly as it is shown on his or her social insurance card. **Errors or omissions could prevent the Régie des rentes du Québec from recording contributions with respect to the individual in the Record of Earnings.**

Under the *Act respecting the Québec Pension Plan*, you must ask each of your employees who works in Québec to show you his or her social insurance card within 30 days following the date on which the employee takes up employment. If the employee is under 18, request the card during the month following the month of his or her 18th birthday.

You are also obliged to provide new employees who do not yet have a social insurance card with information on how they can obtain one. This information is available from any Human Resources Centre of Canada.

AQPP 197, AQPP (r. 1) 8

Individuals are required, under the *Act respecting the Ministère du Revenu*, to provide their social insurance number to the person filing an RL-1 slip on their behalf. As well, the person who completes and files the RL-1 slip must make a reasonable effort to obtain the number from the individual. Failure to indicate the individual’s social insurance number may result in penalties for both the individual and the person completing the slip. Persons to whom a social insurance number has been communicated are prohibited from using or disclosing it for

purposes other than those provided for (unless they have obtained the individual’s written consent), and may be fined for doing so.

Where you were unable, despite all reasonable efforts, to obtain the individual’s social insurance number, you must provide the Ministère with the individual’s last name, first name and address. The Ministère may impose a penalty of \$ 100 if you neglect to provide information required on a prescribed form.

AMR 58.1, 58.1.1, 58.2, 59.0.2, 59.0.3, 69

Identification of the employer

Enter on each RL-1 slip, in the space marked “Nom et adresse de l’employeur ou du payeur,” your name and full address, exactly as they appear on form TPZ-1015.R.14.1-V, TPZ-1015.R.14.2-V, TPZ-1015.R.14.3-V or TPZ-1015.R.14.4-V. (You use one of these forms to remit source deductions and employer contributions.)

Reference number

In the space marked “Numéro de référence,” you may, if you wish, include a reference number as an additional means of identifying the employee.

Box A – Employment income before source deductions

Enter in box A the total income from an office or employment paid during the year to the employee (before source deductions). This includes

- salaries and wages, including retroactive pay;
- premiums;
- vacation pay;
- indemnities paid further to a precautionary cessation of work (see “Indemnity paid further to a precautionary cessation of work” on page 20);
- gratuities;
- tips (to be entered also in box S or box T, as applicable);
- fees paid in the course of employment;
- expense allowances and taxable benefits (to be entered also in boxes H through L or in box P, as applicable);
- commissions (to be entered also in box M); and
- amounts paid after the death of an employee, if such payments were foreseeable (see “Amounts paid after the death of an employee” on page 21).

We also advise you to read the sections of the guide pertaining to boxes H through M and boxes P, S and T before you complete box A, as the amounts to be entered in these boxes must also be included in box A.

Contributions to a multi-employer insurance plan

Payments that you made to the administrator of a multi-employer insurance plan, and the related tax, must be indicated in boxes A and P.

43.1, 43.2

Amounts reimbursed with respect to remuneration paid

If, pursuant to an arrangement, an employee or a former employee reimbursed you in 2003 for remuneration (covered in box A) that you paid for a period throughout which he or she did not perform the duties related to his or her office or employment, follow the instructions below.

- If you were reimbursed for remuneration paid **in 2003**, enter in box A the amount by which the remuneration paid during the year exceeds the gross amount reimbursed.
- If you were reimbursed for remuneration paid **before 2003**, provide the employee with written confirmation of the total amounts reimbursed in 2003, the years in which the remuneration was paid, and the amount corresponding to each year. The employee may then claim a refundable tax credit in his or her 2003 income tax return.

The procedure above applies, for example, where the Commission de la santé et de la sécurité du travail (CSST) has not reimbursed (or, in the case of a self-insurer, recognized) all or part of the indemnities that you paid to an employee during a previous year.

78.1, 1029.8.50.1

Employment income paid by mistake

Employment income that you paid by mistake and that was subsequently reimbursed to you by the employee does not constitute income for the year in which it was received.

If the employee reimburses to you the amount paid by mistake in the year it was received, or at any time before you file the RL-slip for that year, you must enter in box A the actual amount of the employment income (that is, minus the reimbursement).

If, at the time the employee makes the reimbursement, you have already filed the RL-1 slip indicating the employment income paid by mistake, you must file an amended slip for that year and enter the actual employment income in box A.

IMP. 32-1

Retroactive payment

If, in 2003, you make a retroactive payment further to a court judgment, an arbitration award or an out-of-court settlement between the parties in legal proceedings, and the payment applies in part to previous years, you must remit to the employee a statement indicating the total amount that applies to previous years, the years in question, and the amount that applies to each year. This will enable the employee to request an income tax adjustment when filing the 2003 income tax return.

Other payments

For information concerning indemnities paid further to a precautionary cessation of work, workers' compensation, amounts paid after the death of an employee, and employees using a chain saw or a brush cutter, refer to Chapter 4.

Box B – Contributions to the Québec Pension Plan (QPP)

Enter in box B the total of the amounts you withheld as contributions to the QPP. Do not correct the amount if it is too high. Leave the box blank if you did not withhold QPP contributions. **Do not enter in box B any amounts you withheld as contributions to the Canada Pension Plan (CPP); instead, write the note "CPP contributions" (or "Cotisations au RPC") in the centre of the slip, followed by the amount.**

If you immediately succeeded another employer following the formation or winding-up of a corporation or following the acquisition of the major portion of the property of an undertaking or of a separate part of an undertaking, and there was no interruption of the employee's services, you were required to take into account the QPP contributions withheld by the previous employer when determining the amount of the employee's QPP contributions. Do not include the contributions withheld by the previous employer on the RL-1 slip that you file in respect of the employee. They must instead be entered on the RL-1 slip that the former employer is required to file for 2003 respecting the employee.

Recovery of QPP contributions

Do not indicate on the RL-1 slip for 2003 contributions to the QPP that you recovered in 2003 but should have withheld in a previous year. Instead, you must file an amended slip for the previous year.

752.0.18.1, AQPP 50, 50.0.1, 52.1, 61

Box C – Employment insurance premiums

Enter in box C the total of the amounts withheld as employment insurance premiums during the year. Leave the box blank if no amount was withheld.

752.0.18.1

Box D – Contributions to a registered pension plan (RPP)

Enter in box D the total amount withheld as contributions to an RPP during the year, for services rendered during the current year or during previous years. If this total includes contributions for services rendered prior to 1990, write the note "Contributions for services rendered prior to 1990, included in box D" (or "Cotisations pour services rendus avant 1990 incluses dans la case D") in the centre of the slip, followed by the amount. Also write in the centre of the slip, "Employee contributor" (or "Employé cotisant") or "Employee non-contributor" (or "Employé non cotisant"), as applicable.

Write "Employee contributor" where one of the following conditions is met:

- The contributions were made with respect to services rendered during a year in which the employee contributed **to the RPP in question**.
- The contributions were made with respect to services rendered during a year in which the employee contributed **to another RPP**, and the employee had not signed an agreement prior to March 28, 1988, respecting the payment of the contributions.

Write "Employee non-contributor" where one of the following conditions is met:

- The contributions were made with respect to services rendered during a year in which the employee **did not contribute to an RPP**.
- The contributions were made with respect to services rendered during a year in which the employee contributed **to another RPP**, and contributions were made pursuant to an agreement signed before March 28, 1988.

Also enter in box D the interest paid to offset the actuarial loss sustained when contributions are redeemed in instalments, and the interest paid as carrying charges with respect to the instalments. Such interest is considered to be a contribution to the RPP.

Do not include in box D amounts withheld from salary or wages as contributions to a registered retirement savings plan (RRSP). The plan issuer must provide an official receipt to the employee so that he or she can claim a deduction for these contributions in his or her income tax return.

However, an amount that was not withheld from the employee's salary or wages, but was instead paid directly to the issuer of an RRSP of which the employee or his or her spouse is the annuitant, is considered a taxable benefit and must be reported in boxes A and L. The plan issuer will provide to the employee an official receipt indicating the amount that may be claimed as a deduction in the income tax return.

70(c), 965.03, IMP. 160-2/R2

Box E – Québec income tax withheld at source

Enter in box E the total amount of Québec income tax withheld at source in 2003. Do not include amounts withheld pursuant to a seizure by garnishment or a formal demand for payment regarding income tax owing with respect to a previous year. Leave the box blank if no Québec income tax was withheld at source.

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Box F – Union dues

Amounts withheld as union dues should be included in box F only if you have entered into an agreement with an entity of which your employees are members and the agreement provides that the entity is to issue no receipts respecting such contributions. The entities referred to are as follows: unions; employee associations recognized by the Ministère du Revenu; parity committees, advisory committees and similar groups; and the Commission de la construction du Québec.

752.0.18.3 to 752.0.18.6

Box G – Pensionable earnings under the Québec Pension Plan (QPP), if different from the amount in box A

As a rule, the pensionable earnings under the QPP corresponds to the remuneration paid or deemed paid to an employee (including taxable benefits), where the total of such remuneration is entered in box A.

The following amounts included in box A must not be entered in box G:

- remuneration paid to the employee for work not covered by the QPP. For a definition of "excepted employment," refer to the *Supplementary Guide to Filing the RL-1 Slip* (RL-1.GC-V);
- remuneration paid to the employee prior to and during the month in which he or she reached age 18;
- the value of the taxable benefit in respect of a residence or lodgings provided to a member of the clergy or a religious order, or to a regular minister of a religious denomination, provided the person is entitled, under the provisions of the *Taxation Act*, to a deduction in respect of this benefit;
- remuneration paid to the employee starting in the month following the month that includes the date of disability (as set by the Régie des rentes du Québec);
- the value of a taxable benefit paid in kind, if no remuneration was paid in cash or by cheque to the employee for the pay period during which the benefit was granted.

Furthermore, even if you are not required to withhold or remit QPP contributions on the value of a taxable benefit you paid in kind for a pay period during which you paid the employee no remuneration in cash or by cheque, the benefit represents pensionable earnings for QPP purposes. Consequently, if the employee has not reached the maximum QPP contribution for 2003 (that is, \$1,801.80), you must inform the employee that he or she may make optional QPP contributions respecting the value of the benefit when filing the income tax return (line 445). You must also write the note "QPP – Taxable benefit in kind" (or "RRQ : Avantage imposable en nature") in the centre of the slip, followed by the amount.

Enter in box G the result of the following calculation:

- the amount in box A;
- minus the total of the excepted amounts referred to in the previous paragraph.

If the result of the calculation is zero, enter "0" in box G.

If the result of the calculation is equal to the amount in box A, leave box G blank.

Example 1

Mark is 17 years old. His total earnings for 2003 were \$10,000. The amount is not considered to be pensionable earnings because Mark has not reached 18 years of age. Enter "0" in box G.

Example 2

Sharon is 57 years old. She earned \$30,000 in 2003. Of that amount, \$4,000 is considered not to be pensionable earnings under the QPP. Sharon's pensionable earnings are therefore \$26,000 (\$30,000 - \$4,000). Enter \$26,000 in box G, since the amount of pensionable earnings is different from the amount in box A (\$30,000).

Example 3

Mike is 20 years old. He earned \$3,016 in 2003 (\$58 per week). You did not withhold QPP contributions because Mike's weekly wages were less than the amount of the exemption (\$67.30). Leave box G blank, since the amount of pensionable earnings (\$3,016) is equal to the amount in box A (\$3,016).

Example 4

Louise earned \$70,000 in 2003; \$10,000 of that amount is not considered to be pensionable earnings for QPP purposes. You withheld \$1,801.80 in QPP contributions for the year (the maximum amount for 2003). Enter \$60,000 in box G, since the amount of pensionable earnings (\$70,000 - \$10,000) is different from the amount in box A (\$70,000).

Employees who receive a retirement pension or are 70 or older in 2003

Under a measure that took effect on January 1, 1998, QPP contributions must be withheld from remuneration paid or deemed paid to an employee during the year, even if the employee is 70 or older or receives a retirement pension under the QPP or the CPP.

Employer that succeeds another employer

If you succeeded another employer following the formation or winding-up of a corporation or following the acquisition of the major portion of the property of an undertaking or of a separate part of an undertaking, and there was no interruption of the services rendered by employees, you must take into account the pensionable earnings calculated by the previous employer when determining the amount to report in box G.

If the pensionable earnings calculated by the previous employer exceed \$39,900, enter "0" in box G. Otherwise, enter the **lower of the following amounts:**

- the pensionable earnings that you paid to the employee (calculated according to the instructions in the box on page 13); or
- \$39,900, minus the pensionable earnings calculated by the previous employer.

If the lower amount is zero, enter "0" in box G.

If the lower amount is equal to the amount in box A, leave box G blank.

Example 5

John earned \$60,000 in 2003; \$50,000 of this amount was paid by his previous employer. The total amount of \$60,000 constitutes pensionable earnings under the QPP. Enter "0" in box G because the pensionable earnings calculated by the previous employer exceed \$39,900.

Example 6

Richard earned \$40,000 in 2003; \$10,000 of this amount was paid by his previous employer. The total amount of \$40,000 constitutes pensionable earnings under the QPP. You must calculate the lower of the following amounts:

- the pensionable earnings that you paid to Richard, that is, \$30,000;
- \$39,900, minus the pensionable earnings calculated by the previous employer (\$10,000), that is, \$29,900.

Since the lower amount calculated (\$29,900) is different from the amount in box A (\$30,000), you must enter \$29,900 in box G.

Example 7

Sarah earned \$29,000 in 2003; \$19,000 of this amount was paid by her previous employer. The total amount of \$29,000 constitutes pensionable earnings. You must calculate the lower of the following amounts:

- the pensionable earnings that you paid to Sarah, that is, \$10,000;
- \$39,900, minus the pensionable earnings calculated by the previous employer (\$19,000), that is, \$20,900.

Since the lower amount calculated (\$10,000) is equal to the amount in box A (\$10,000), leave box G blank.

Do not indicate on the RL-1 slip for the current year contributions to the QPP that you recovered in the current year but should have withheld in a previous year. Instead, you must file an amended slip for the previous year.

AQPP 3, 9, 41, 43, 44, 45, 50.0.1, 52.1, 81, 101, RRQ. 45-2/R2, RRQ. 52-1/R3

Box H – Meals and accommodation

Enter in boxes A and H the allowances granted to the employee for meals and accommodation and the value of any meals and accommodation you provided to the employee. For information on how to calculate these benefits, refer to the brochure *Taxable Benefits* (IN-253-V).

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Box I – Use of a motor vehicle for personal purposes

Enter in boxes A and I the following amounts:

- the stand-by charge (value of the right to use an automobile for personal purposes) respecting an automobile made available to an employee or a person related to the employee;
- the operating-costs benefit respecting an automobile made available to an employee or a person related to the employee;
- the value of the benefit related to the personal use of an automobile (other than an automobile made available to an employee);
- the value of the benefit related to the personal use of a motor vehicle other than an automobile.

Do not enter in boxes A and I the benefit granted to a **shareholder** who is not an employee; enter the value of such a benefit in box O only.

For information on how to calculate these benefits, refer to the brochure *Taxable Benefits* (IN-253-V).

37, 38, 40.1 to 41.4, 111, 117, IMP. 37-6, IMP. 37-7/R2, IMP. 41-1/R6, IMP. 41.1.1-1/R1

Box J – Contributions paid by the employer under a private health services plan

Enter in boxes A and J the amount of the contributions you paid in respect of a **current, past or future** employee, under a private health services plan, for the coverage that the employee received during the year.

If the private health services plan is also a multi-employer insurance plan, enter the contributions in box P instead.

A “private health services plan” is a contract of insurance in respect of medical expenses or hospital expenses (or both), or a health care insurance plan or hospital care insurance plan (or both), to the extent that the contract or plan covers only services or medical expenses that give entitlement to the tax credit for medical expenses. This definition includes group insurance plans that cover such services or medical expenses, as well as contracts and plans that provide full or partial coverage of dental expenses or expenses incurred for vision care. However, a private health services plan does not include a contract or plan established or prescribed under a provincial law, where the law creates a health services plan in respect of which the province receives contributions from the federal government for health services that are provided under the plan in accordance with fiscal agreements.

For more information about this benefit, refer to the brochure *Taxable Benefits* (IN-253-V).

1, 37.0.1.1 to 37.0.1.6, 37.0.1.2R1, 37.0.1.5R1

Box K – Trips made by a resident of a designated remote area

If you have an employee who is a resident of a designated remote area, and you paid, in 2003, on behalf of the employee or a member of the employee’s household, the cost of trips made to obtain medical care that was not available in the employee’s area and the cost of other trips, enter in boxes A and K the total value of the benefit related to the trips (including GST and QST). The cost of trips made to obtain medical care and the cost of other trips must be calculated separately.

The total cost of a trip made to obtain medical care is equal to the travel expenses incurred for the employee or a member of his or her household respecting a trip made to obtain medical care not available in the locality where the employee was living. If the patient had to be accompanied during the trip, the accompanying person’s travel expenses must be included in the cost of the trip made for medical care. The value of this benefit may be deducted in the calculation of the employee’s income, regardless of the number of trips made during the year. If the employee received such a benefit during the year, write the note “Box K – Trips for medical care” (or “Case K : voyages pour soins médicaux”) in the centre of the slip, followed by the amount.

The total cost of trips made other than for business or medical reasons (for example, trips made because of a death, unfortunate event or annual leave) must also be entered in boxes A and K. The amount of this benefit may also be deducted in the calculation of the employee’s income. However, the employee may deduct expenses respecting no more than two trips for each member of the household.

For more information, and for a list of the areas concerned, refer to the guide entitled *Deduction for Residents of Designated Remote Areas* (TP-726.21.G-V).

726.21 to 726.23.1, IMP. 726. 21-1/R1, IMP. 726. 22-1/R1, IMP. 726. 22-2/R1, IMP. 726. 23-1/R1

Box L – Other benefits

The value of all other taxable benefits granted to an **employee** must be reported in boxes A and L, unless a provision of the *Taxation Act* states otherwise. In the case of an individual who is a **shareholder** of the business (and is not an employee), the amount of the benefits should be entered in box O only. Do not enter in box L the value of any taxable benefits to be included in box H, I, J, K or P.

Allowance respecting the use of a motor vehicle

An allowance received by an employee respecting the use of a motor vehicle is deemed to be **reasonable**, and does not have to be included on the RL-1 slip, if all of the following conditions are met:

- The use of the vehicle is evaluated solely on the basis of the number of kilometres for which the vehicle is **actually** used in the performance of the individual’s duties.

- The per-kilometre rate is reasonable (as a rule, \$0.42 for the first 5,000 kilometres and \$0.36 for each additional kilometre).
- You do not pay an allowance respecting the use of the vehicle, in addition to reimbursing the employee for some or all expenses respecting its use. However, where the reimbursement is in respect of supplementary business insurance, tolls or ferry charges, and the allowance does not cover these expenses, the allowance will be considered reasonable if the two previous conditions are met.

If an allowance respecting the use of a motor vehicle is **not considered reasonable**, the full amount of the allowance must be included in boxes A and L. The employee may, however, claim a deduction in his or her income tax return for expenses related to the use of his or her motor vehicle, as long as he or she satisfies the requirements provided for in the *Taxation Act*. To claim the deduction, the employee must have you sign a copy of form TP-64.3-V, *General Employment Conditions*, to certify that the general conditions of employment have been fulfilled, and must enclose this form with his or her income tax return.

Where the employee receives, for the use of the same motor vehicle, both a lump-sum allowance and an allowance based on kilometres **actually** travelled, you must include both allowances in the employee's income. Enter the allowances in boxes A and L.

37, 40.1

Travel expenses allowance (employment duties related to the sale of property or negotiation of contracts)

Do not include on the RL-1 slip reasonable allowances that you granted to the employee to cover travel expenses (including those related to the use of a motor vehicle) incurred during periods when the employee's duties consisted in selling property or negotiating contracts on your behalf.

If the allowance is **not reasonable**, you must include the full amount in boxes A and L.

40(a), IMP. 40-1/R1

Travel expenses allowance (employment duties not related to the sale of property or negotiation of contracts)

Do not include on the RL-1 slip **reasonable** allowances that you granted to the employee

- with regard to the use of a motor vehicle, if the employee was required to travel in the course of his or her employment duties; or
- to cover any other travel expenses (that is, other than those related to the use of a motor vehicle) incurred during trips outside the local municipal territory or metropolitan area where your establishment at which the employee normally worked (or to which he or she was normally assigned) is located.

If the allowance is **not reasonable**, the full amount must be included in boxes A and L.

40(b), 40(c), IMP. 40-1/R1

Professional membership dues

If you paid professional membership dues on behalf of an employee, or reimbursed an employee for the membership dues that he or she paid, the employee must include the value of the taxable benefit in his or her income. Enter in boxes A and L the amount that you paid, including GST and QST, minus any amount reimbursed by the employee.

37, IMP. 37-2/R1

Employee contributions to the QPP

Enter in boxes A and L any employee QPP contributions that you paid.

Gifts and rewards

Where **non-monetary** gifts are given to an employee for a special occasion (for example, a Christmas, birthday or wedding gift), the **first \$500** (including taxes) per year is not considered a taxable benefit. The same is true of **non-monetary** rewards given to an employee in recognition of certain accomplishments, such as a certain number of years of service.

Gifts and rewards paid in cash (or easily convertible into cash) are taxable benefits. Please note that gift certificates and smart cards that must be used to purchase goods or services from a particular business or list of businesses are not considered to be easily convertible into cash.

For example, if you gave an employee a gift worth \$100 for his birthday and another worth \$450 for Christmas, you must enter \$50 [(\$100 + \$450) – \$500] in boxes A and L of the RL-1 slip. If the gifts are monetary gifts, you must enter \$550 in boxes A and L of the RL-1 slip.

The value of the gifts and rewards covered by this measure (including gifts and rewards to which the \$500 exemption applies) is wholly deductible in the calculation of your income, provided the amount is reasonable under the circumstances.

NOTE: Gift certificates whose amount is based on the employee's sales are **taxable** benefits because they are received in exchange for performance of work.

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RRSP contributions made by the employer

Contributions that you made to a registered retirement savings plan (RRSP) of which the employee or the employee's spouse is the annuitant, and that were not withheld from the employee's remuneration, are considered a taxable benefit and must be included in boxes A and L.

The other benefits that must be included in boxes A and L are explained in the brochure *Taxable Benefits* (IN-253-V).

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Box M— Commissions included in the amount in box A

Enter in box M the gross amount of any commissions paid to the employee in 2003. In the case of a self-employed person, the commissions must be entered in box O only.

Box N – Charitable donations

Enter in box N the aggregate of any amounts withheld for this purpose in 2003 and paid on behalf of the employee to a registered charity or other recognized organization.

752.0.10.3, 752.0.10.3R4

Box O – Other income not included in the amount in box A

Box O is reserved for income that cannot be reported elsewhere on the RL-1 slip. Enter in the “Code (case O)” box the appropriate alphabetic code to indicate income type (the codes are shown in brackets after each type of income listed below).

For a list of the other income that must be included in box O, refer to the *Supplementary Guide to Filing the RL-1 Slip* (RL-1.GC-V) or the reverse side of the RL-1 slip. (A copy of the RL-1 slip is provided at the end of this guide.)

The following amounts must be reported in box O:

1. Fees for services rendered (code: RD)

Fees and other amounts paid to an individual who is self-employed must be reported in box O if Québec income tax was deducted. The GST and QST are not included in such fees or other payments.

87, 1015(g), 1086R1

2. Retiring allowance (code: RJ)

A retiring allowance paid on or after the retirement of an individual in recognition of long service is taxable, as is an amount paid in respect of the loss of an office or employment.

A retiring allowance may include an amount paid as an indemnity in lieu of notice, that is, an indemnity that you pay to an employee where you terminate his or her employment contract without first giving written notice as provided by law, or where you fail to respect the required period of notice before terminating the employment contract. A retiring allowance may also include unused sick-leave credits refunded to the employee upon retirement or termination of employment. Any amount related to vacation days accumulated to the date of retirement is considered salary or wages and must be entered in box A.

1, 311(a), 1015(c), 1086R1, IMP. 311-1/R3

3. Death benefit (code: RK)

The gross amount of a death benefit paid to a beneficiary in recognition of services rendered by a deceased employee is taxable. This amount may include unused sick-leave credits accumulated to the date of death. Any amount related to vacation days accumulated to the date of death is considered salary or wages and must be entered in box A.

3, 1015(d), 1086R1, IMP. 3-1/R1

4. Patronage dividends (code: RL)

If an amount of more than \$100 in patronage dividends was paid during the year, the total amount must be included in box O.

Individuals or corporations that receive a patronage dividend in the form of preferred shares of an eligible co-operative may deduct the dividend in the calculation of their taxable income. The eligible co-operative must enter, in box O of the RL-1 slip issued in respect of the individual or corporation, the amount of the patronage dividends giving entitlement to the deduction. Also, the note “Deduction for patronage dividends” (or “Déduction pour ristournes”) must be written in the centre of the slip, followed by the amount, so that the individual or corporation can claim the deduction.

If the patronage dividends are paid to a partnership, the RL-1 slip must be issued in the name of the partnership rather than in the names of the partners. Consequently, no social insurance number should be entered on the slip. The partnership must refer to the *Guide to Filing the Partnership Information Return* (TP-600.G-V) to find out how its members may claim the deduction.

Please note that a patronage dividend in respect of property or services is not taxable if the taxpayer is unable to deduct the cost of the property or services in the calculation of income derived from a business or property.

An “eligible co-operative” is a co-operative that has received a certificate from the Ministère du Développement économique et régional confirming that it meets all of the conditions to be recognized as an eligible co-operative.

Redemption of preferred shares

Where a co-operative redeems a preferred share that was previously issued as an eligible patronage dividend, the note “Redemption of a preferred share” (or “Rachat d’une part privilégiée”) must be written in the centre of the slip, followed by the amount.

795, 796, 1086R22

5. Commissions paid to a self-employed person (code: RM)

Commissions paid to a self-employed person are taxable and must be reported in box O, even if no Québec income tax was deducted at source.

87, 1015(g), 1086R1

6. Benefits received by a shareholder (code: RO)

The following benefits received by a shareholder are taxable and their value must be reported in box O:

- the benefit received by the shareholder as a stand-by charge with respect to an automobile made available to the shareholder (or to a person related to the shareholder) by a corporation, **provided the shareholder is not an employee of the corporation**;
- the operating-costs benefit respecting the automobile; and
- the benefit related to a low-interest loan granted to the shareholder.

Where a low-interest loan is granted to a person related to the shareholder, the value of the benefit must be entered in box O of the related person's RL-1 slip.

For information on how to calculate the value of these benefits, refer to the brochure *Taxable Benefits* (IN-253-V).

111, 111.1, 117, 119.1, 487.3, 1086R1

7. Benefits received by a partner (code: RP)

The benefit received by a partner or by an employee of a partner as a stand-by charge with respect to an automobile made available by a partnership to the partner, an employee of the partner, or a person related to either the partner or the employee is taxable. You must enter the value of this benefit in box O of the partner's or employee's RL-1 slip, as applicable.

For information on how to calculate the value of these benefits, refer to the brochure *Taxable Benefits* (IN-253-V).

87(x), 1086R1

8. Other indemnities paid by the employer as a result of an industrial accident (code: RT)

Enter the following amounts in box O:

- the net salary or wages you paid for the part of the day during which, because of an accident, the employee was incapable of carrying out his or her employment duties; and
- the net salary or wages you paid for each day or part of a day that the employee was obliged to miss work in order to undergo a medical test required by you.

These amounts are not reimbursed by the Commission de la santé et de la sécurité du travail (CSST) and must not be indicated in box A. The employee may, however, claim a deduction equal to this amount in his or her income tax return.

You must also enter the net salary and wages you paid for each day or part of a day during which the employee was obliged to miss work in order to receive care, undergo medical tests or carry out activities as part of a personalized rehabilitation program, provided the amount was not reimbursed by the CSST. The employee may, however, claim a deduction equal to this amount in his or her income tax return.

311(k.1), 725(b), 1086R8.11

9. Amount derived from more than one source (code: RZ)

If more than one code applies to the amount in box O, enter the letters "RZ" in the "Code (code O)" box and indicate, in the centre of the RL slip, the code corresponding to each type of income covered in box O, and the amount attributable to each type.

Box P – Contributions to a multi-employer insurance plan

Enter in boxes A and P the portion of the contributions (and of the related tax on insurance premiums) that you paid to the administrator of a multi-employer insurance plan for the coverage received by an employee under a plan providing insurance of persons (other than coverage respecting the full or partial loss of income from employment), and that pertained to the work carried out by the employee during the year.

Even if the multi-employer insurance plan is a plan providing insurance of persons, do not enter an amount in box J or box L of the RL-1 slip, since the **administrator** of the multi-employer insurance plan is responsible for filing an **RL-22 slip** in order to report the value of all coverage received by the employee with respect to the plans covered in boxes J and L.

Refer to the "Guide to Filing the RL-22 Slip and the RL-22 Summary" (included with form RL-22.S-V) if you are the administrator of such an insurance plan.

43.1 to 43.3, 78.6, 1086R1(i)

Box S – Tips received

Enter in boxes A and S the tips that you added to the employee's regular salary or wages, that is,

- all tips (regardless of whether they were made on tippable sales) that are reported to you by the employee in his or her *Register and Statement of Tips* (TP-1019.4-V) or an equivalent document;
- tips that, because they constitute service charges added to the customer's bill, are distributed to the employee and do not have to be reported on the statement of tips.

For more information, refer to the brochure *Tax Measures Respecting Tips* (IN-250-V).

42.6 to 42.9, 1019.3 to 1019.7

Box T – Tips allocated

Enter in boxes A and T the tips that you allocated to the employee and added to his or her regular salary or wages.

The tips allocated are those you were required to allocate to the employee because the amount of tips the employee reported was less than 8% of his or her tippable sales, not including GST or QST. (Note that this percentage may be lower than 8% where the Ministère du Revenu has granted a request for a rate reduction.)

For more information, refer to the brochure *Tax Measures Respecting Tips* (IN-250-V).

42.10 to 42.15, 1019.3, 1019.6, 1019.7

“Code (case O)” box

Enter in the “Code (case O)” box the appropriate alphabetic code to indicate the type of income reported in box O. The codes to be used are shown in brackets after each type of income in the section of the guide pertaining to box O.

If more than one code applies to the amount in box O, enter the letters “RZ” in the “Code (code O)” box and indicate, in the centre of the RL slip, the code corresponding to each type of income covered in box O, and the amount attributable to each type.

For example, if you paid a retiring allowance (code: RJ) of \$10,000 and a patronage dividend (code: RL) of \$500 to the individual, you must

- enter \$10,500 in box O;
- enter the code “RZ” in the “Code (case O)” box; and
- write “RJ \$10,000” and “RL \$500” in the centre of the RL-1 slip.

4 Special cases

Indemnity paid further to a precautionary cessation of work

You must include, in box A of an employee's RL-1 slip, the basic remuneration that you paid to the employee under the *Act respecting occupational health and safety* for the **first five days following the date on which the employee ceased to work**. This indemnity is not reimbursed by the Commission de la santé et de la sécurité et de la sécurité du travail (CSST).

Since 1999, employees have not been entitled to a deduction equal to this amount on their income tax return.

Workers' compensation (CSST)

In this section of the guide, "net salary or wages" means the net salary or wages defined in the *Act respecting industrial accidents and occupational diseases*.

A "self-insurer" is an employer that does not contribute to the Commission de la santé et de la sécurité du travail (CSST), but that nevertheless guarantees to its employees indemnities, paid out of its own funds, that are recognized by the CSST, in case of an industrial accident.

Do not include in box A the amount of any **deemed indemnities** that were paid to an employee in the year under the *Act respecting industrial accidents and occupational diseases*. The following are considered to be deemed indemnities:

- (a) the **net salary or wages** paid for the part of the day during which, because of an accident, the employee was incapable of carrying out his or her employment duties. This amount (not reimbursed by the CSST) must instead be entered in box O (see point 8 on page 18);
- (b) the **net salary or wages** paid for each day or part of a day that the employee was obliged to miss work in order to receive care, undergo medical tests or carry out activities as part of a personalized rehabilitation program. If this amount is not reimbursed by the CSST, it must instead be entered in box O (see point 8 on page 18);
- (c) the **net salary or wages** paid for each day or part of a day that the employee was obliged to miss work in order to undergo a medical test required by you. This amount (not reimbursed by the CSST) must instead be entered in box O (see point 8 on page 18).

Do not enter the following deemed indemnities in box A if the CSST has not yet decided whether an indemnity is in order:

- 90% of the **net salary or wages** paid to an employee during a period of not more than 14 days following the date on which he or she became unable to work;
- any amount paid to an employee after the 14-day period, to a maximum of his or her regular remuneration.

If all of the amounts referred to in the previous paragraph are reimbursed (or, in the case of a self-insurer, recognized) by the CSST, these amounts do not constitute employment income and must not be indicated on the RL-1 slip. However, if the CSST reimburses (or recognizes) only part of the amounts in question, the part that is not reimbursed (or recognized) constitutes employment income and must be reported as indicated in the following sections. If no amount is reimbursed (or recognized) by the CSST, all of the amounts paid by you constitute employment income and must be reported as indicated in the following sections.

Indemnity reimbursed (or recognized) in part by the CSST

If the indemnity was reimbursed (or recognized) in part by the CSST with respect to an amount paid **in 2003**, enter in box A the amounts you paid in 2003 (except the **net salary or wages** paid under the circumstances described in paragraphs (a) to (c) above), minus the aggregate of the following amounts:

- any reimbursement made in 2003 by the employee with respect to these amounts. In this case, write the note "Amount reimbursed by the employee" (or "Somme remboursée par l'employé") in the centre of the slip, followed by the amount; and
- the amount reimbursed (or recognized) by the CSST.

If the indemnity that was reimbursed (or recognized) in part by the CSST pertains to an amount that you paid **prior to 2003**, file an RL-1 slip for the year in question, or file an amended RL-1 slip if the slip for that year has already been filed. Indicate in box A the amounts that you paid to the employee (except the **net salary or wages** paid under the circumstances described in paragraphs (a) to (c) above), minus the amount reimbursed (or recognized) by the CSST in 2003. If the employee made a reimbursement in 2003 with respect to these amounts, provide the employee with a written statement indicating the total amounts reimbursed, the years in which the amounts were paid, and the amount corresponding to each year. The employee may then claim a refundable tax credit in his or her 2003 income tax return.

In the centre of the RL-1 slip, write one of the following notes, followed by the amount reimbursed or recognized:

- "Indemnity reimbursed by the CSST, not included in box A" (or "Indemnité remboursée par la CSST, non incluse dans la case A");
- "Self-insurer. Indemnity recognized by the CSST, not included in box A" (or "Autoassureur. Indemnité reconnue par la CSST, non incluse dans la case A").

The amount indicated in the centre of the slip must correspond to the amount reimbursed (or recognized) by the CSST with respect to the year for which the slip is being completed.

Indemnity not reimbursed (or recognized) by the CSST

If an indemnity that was not reimbursed (or recognized) by the CSST pertains to an amount paid **in 2003**, enter in box A the result of the following calculation:

- the total of the amounts you paid to the employee in 2003 (except the **net salary or wages** paid under the circumstances described in paragraphs (a) to (c) on page 20);
- minus any reimbursement made in 2003 by the employee with respect to these amounts. In this case, write the note "Amount reimbursed by the employee" (or "Somme remboursée par l'employé") in the centre of the slip, followed by the amount.

If an indemnity that was not reimbursed (or recognized) by the CSST pertains to an amount paid in a year **prior to 2003**, file an RL-1 slip for the year in question, or file an amended RL-1 slip if the slip for that year has already been filed. Indicate in box A the amounts that you paid to the employee (except the **net salary or wages** paid under the circumstances described in paragraphs (a) to (c) above). If the employee made a reimbursement in 2003 with respect to these amounts, provide the employee with a written statement indicating the total amounts reimbursed, the years in which the amounts were paid, and the amount corresponding to each year. The employee may then claim a refundable tax credit in his or her 2003 income tax return.

78.1, 311(k.1), 725(b), 1029.8.50.1, IMP. 32-2/R1, RRQ. 45-5/R1

Amounts paid after the death of an employee

Enter in box A of the deceased employee's RL-1 slip all amounts to which the employee was entitled and which he or she would have **received** during the year (for example, the amount of vacation pay accumulated at the time of death or retroactive salary or wages paid under a collective agreement signed before the time of death).

However, if, at the time of the employee's death, the payment of a given amount was **unforeseeable** (for example, a lump sum paid under a collective agreement signed **after** the time of death), do not report the amount on the deceased employee's RL-1 slip or on the beneficiary's slip, as the amount is tax-exempt.

Do not include in box A a death benefit paid in recognition of services rendered by the employee (see point 3 on page 17).

428, RRQ. 45-3

Employees using a chain saw or a brush cutter

If an employee was obliged to provide a chain saw or a brush cutter for work purposes, enter in box A (and, where applicable, in other boxes on the RL-1 slip, according to the instructions given in Chapter 3) the total remuneration paid to the employee, including the allowances related to the work.

If, during the year, you made sales to the employee that were related to the use and maintenance of the chain saw or brush cutter (to cover gas, oil, repairs, etc.), write the note "Chain saw expenses" (or "Frais de scie mécanique") or "Brush cutter expenses" (or "Frais de débroussailleuse") in the centre of the RL-1 slip, followed by the amount of the sales.

The employee may claim a deduction in his or her income tax return for expenses related to the use and maintenance of a chain saw or brush cutter. To claim the deduction, the employee must have you sign a copy of form TP-78-V, *Expenses Respecting Instruments or Tools*, to certify that the general conditions of employment were fulfilled during the year, and must enclose this form with his or her income tax return.

64.3, 78, IMP. 78-2

5 Filing the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V)

Method of filing

The *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V) is a statement used to compare income tax withholdings, contributions to the Québec Pension Plan (QPP) and the contribution to the health services fund with the amounts that you reported for the year.

You must file form RLZ-1.S-V for 2003 if, during the year,

- you withheld Québec income tax;
- you withheld contributions to the QPP; or
- you were required to make employer contributions to the QPP or the health services fund.

NOTE: If your account remained open for 2003 despite the fact that you had no remittance to make in 2003 because you had no employees during that year, and if you expect this situation to continue in 2004, you must contact the Ministère so that we can close your account.

Form RLZ-1.S-V is also used to calculate your contribution to the financing of the Commission des normes du travail (CNT), your contribution to the Fonds national de formation de la main-d'oeuvre (FNFMO) and your total eligible training expenditures (where applicable).

A copy of form RLZ-1.S-V is provided at the end of this guide. You may use this copy to transcribe the data you entered on the original RLZ-1.S-V form, before sending the original to the Ministère. You may also print out a copy of the form from the Web site of the Ministère at www.revenu.gouv.qc.ca.

IMPORTANT: If you do not prepare and file your own RL-1 slips, make sure that the person or firm that files the slips for you also files form RLZ-1.S-V.

Form RLZ-1.S-V filed via the Internet

You can file form RLZ-1.S-V through the Web site of the Ministère. However, to use this service, you must be registered for Clic Revenu electronic services.

Please note that you cannot use this service if

- you ceased to operate your business during the year;
- you permanently ceased to make remittances because you no longer have employees;
- you wish to amend or cancel the RLZ-1.S-V form already submitted to the Ministère.

By using this service, you can

- enter RLZ-1.S-V data on screen;
- verify amounts paid or payable;
- be guided through the process of completing form RLZ-1.S-V;
- have RL-1 totals automatically calculated and carried to form RLZ-1.S-V in order to prevent errors in calculating and transcribing RL-1 slip data;
- print form RLZ-1.S-V;
- keep information until it is transmitted;
- receive confirmation of your transmission within minutes;
- make an online payment if form RLZ-1.S-V indicates that you have a balance due;
- continue to consult the data transmitted for a certain period of time.

The Ministère uses state-of-the-art technology and equipment to safeguard its Web site and to protect the confidential nature of tax and financial data transmitted online.

For more information on the electronic services offered by the Ministère, visit our Web site at www.revenu.gouv.qc.ca.

Employers that have more than one account number

If you have more than one employer account number, you must file form RLZ-1.S-V (and the RL-1 slips) under the names and identification numbers shown on remittance form TPZ-1015.R.14.1-V, TPZ-1015.R.14.2-V, TPZ-1015.R.14.3-V or TPZ-1015.R.14.4-V, as applicable.

However, all the data pertaining to your minimum participation in the development of worker training must be included on a single RLZ-1.S-V form.

Example

Company A has two establishments. The total payroll for the first establishment is \$100,000; the total payroll for the second establishment is \$200,000. The grand total for Company A is therefore \$300,000. Since its total payroll exceeds \$250,000, the company is subject to the *Act to foster the development of manpower training*. Company A must therefore include all of the information pertaining to its minimum participation in the development of worker training for both of its establishments on the same RLZ-1.S-V form.

ADMT 3

Filing deadline

As a rule, all persons required to file form RLZ-1.S-V must do so by February 29, 2004. However, please note the following special cases:

- **If you ceased to operate your business in 2003**, you must file form RLZ-1.ST-V (or form RLZ-1.S-V, as applicable) by the 30th day following the date on which the activities of the business ceased. Indicate the amount of your source deductions and employer contributions on the appropriate lines.

When determining your total payroll for the purposes of calculating your contribution to the health services fund, take into account only the wages paid to the date your business ceased to operate. Do not take into account the wages paid by employers with which you were associated on that date.

However, if you were operating another business by the end of the year (December 31), you must recalculate the total payroll, including the aggregate of the wages paid in 2003 by you and by any employers associated with you at the end of the year. If the contribution rate you calculate differs from the one entered on the initial summary you completed (form RLZ-1.ST-V or RLZ-1.S-V, as applicable), you must recalculate the contribution and file a second summary (form RLZ-1.S-V) by February 29, 2004. On the second summary, complete only lines 28 to 37 and line 70; on the remittance slip, complete only lines 90, 92 and 95.

To facilitate processing of the second summary, please write "**Amended**" at the top of page 1.

- **If the person required to file form RLZ-1.S-V dies**, his or her legal representatives must file the form by the 90th day following the date of death.
- **If you permanently ceased to make remittances in 2003, but continue business operations**, you must file an initial summary (form RLZ-1.ST-V or RLZ-1.S-V, as applicable) by the 20th day of the month following the month during which you made your last remittance. Indicate the amount of your source deductions and employer contributions on the appropriate lines.

For the purposes of the contribution to the health services fund, you must file a second summary (form RLZ-1.S-V) by February 29, 2004, only if the actual contribution rate differs from the rate you used to calculate your contribution on the initial summary. On the second summary, complete only lines 28 to 37 and line 70; on the remittance slip, complete only lines 90, 92 and 95.

To facilitate processing of the second summary, please write "**Amended**" at the top of page 1.

1086R13, 1086R14, 1086R15, 1086R18, ADMT 14, 15, ALS 39.0.4, ARAMQ 33, 34.0.0.1, ARAMQ (r. 1) 3, AQPP (r. 2) 11

Part 1 of form RLZ-1.S-V

In the appropriate box near the top of form RLZ-1.S-V, enter the number of RL-1 slips you are filing, and indicate whether they are being filed as paper slips (in which case, they must be filed with the form), on magnetic media, or via the Internet. If your RL-slip data

are being submitted on magnetic media or via the Internet, enter, where applicable, the transmitter number in the box provided.

Statement of duties (by month)

In the box in Part 1, indicate the duties for 2003 that you **reported** to the Ministère and that are not shown on form RLZ-1.S-V (such as duties for the month of December), even if they have not yet been paid. If the pre-printed entries shown in Part 1 do not reflect the duties actually remitted or assessed, please advise the Ministère of the corrections to be made and send supporting documents. The total of the amounts entered on lines 26 and 38 of form RLZ-1.S-V **must correspond** to the total of the amounts entered in the box in Part 1 (including the amounts you added).

Total (line 27)

If you have a balance due for 2003 because the remittances you made were lower than they should have been, the balance is subject to interest charges from the due date of each deficient payment.

However, if you have a balance due because you were obliged to rely on estimates in calculating your periodic remittances (for example, you used estimates in calculating the value of the taxable benefit related to the stand-by charge respecting an automobile made available to an employee), payment must be made when you make your last remittance of source deductions and employer contributions for the month of December 2003. Do not wait until you file the *Summary of Source Deductions and Employer Contributions* (form RLZ-1.S-V); otherwise, interest will be added to the amount payable and a penalty may be imposed.

On line 26 of form RLZ-1.S-V, you must take into account the remittance you made for December 2003 using form TPZ-1015.R.14.1-V, TPZ-1015.R.14.2-V, TPZ-1015.R.14.3-V or TPZ-1015.R.14.4-V, as applicable. Consequently, you must recalculate the amount to be entered on line 27.

You are liable to a penalty if you do not remit, by the prescribed deadline, your total source deductions and employer QPP contributions using one of the above-mentioned forms. The penalty rate is based on the number of days of non-compliance. From the first to the seventh day, the rate is 7% of the amount owing; from the eighth to the fourteenth day, 11%; and, as of the fifteenth day, 15%.

AMR 28, 59, 59.2, AMR (r. 1) 28R1, 28R2, 28R3

The amount on line 27 of form RLZ-1.S-V must be carried to line 91 in Part 4 of the form.

Contribution to the health services fund (lines 28 to 39)

To calculate your contribution to the health services fund for 2003, you must multiply the wages subject to the contribution (line 34) by the rate (line 36) determined on the basis of your total payroll.

Basis of contribution

Wages are subject to the contribution to the health services fund if they are paid

- to an employee who reports for work at one of your establishments located in Québec, **or**
- to an employee who, though not required to report for work at one of your establishments (in Québec or elsewhere), is paid from one of your establishments located in Québec.

Consequently, wages that you pay to an employee who reports for work at one of your establishments located outside Québec are not subject to the contribution to the health services fund.

ARAMQ 33, 33.2, 34, 34.0.0.1, 34.0.0.2

Total payroll (line 28)

Your **total payroll** is used only for the purposes of calculating your rate of contribution to the health services fund. It corresponds to the total wages paid in 2003 by you and by any employer associated with you on December 31, 2003, **regardless of where the associated employers carry out their activities.** In other words, your total payroll is equal to the sum of the following amounts:

- the amount entered on line 30 of your RLZ-1.S-V form (or the amount that you would have entered on line 30 if you had carried out all of your activities in Québec); and
- the total of the amounts that the employers associated with you on December 31, 2003, entered on line 30 of their RLZ-1.S-V forms (or would have entered on line 30 if they had carried out all of their activities in Québec).

Subject to certain adaptations, the rules set forth in the *Taxation Act* respecting associated corporations must be applied to determine whether two or more employers are considered to be associated on December 31, 2003.

ARAMQ 33 ("wages," "total payroll"), 33.0.2 to 33.0.4

The exempted wages (line 32) must not be used to reduce your total payroll.

The total payroll must be entered on line 28 of form RLZ-1.S-V and on line 90 of the remittance slip (Part 4 of form RLZ-1.S-V).

Wages paid (line 30)

Enter on line 30 the total of the amounts entered in box A of the RL-1 slips.

ARAMQ 33, 33.2, 34, 34.0.0.1 to 34.0.0.3, 34.0.1, ARAMQ (r.1) 1.1, RAMQ. 34-2/R2

Exempted wages (line 32)

If you enter exempted wages on line 32, enter in box 31 the number below that corresponds to your situation:

- 01 Corporation entitled to the five-year exemption
- 07 Corporation that operates a manufacturing business in a remote resource region of Québec

If you entered "01" in box 31, enter on line 32 the exempted wages that you calculated on form LE-34-V, *Application for an Exemption from the Contribution to the Health Services Fund* (the version marked "2003-10"). If you entered "07" in box 31, enter on line 32 the amount that you calculated on line 10 of the work chart "Wages exempted from the contribution to the health services fund for a taxation year ending before June 13, 2003" or on line 10 of the work chart "Wages exempted from the contribution to the health services fund for a taxation year ending after June 12, 2003" (as applicable).

01 Corporation entitled to the five-year exemption

If your corporation is a new corporation whose paid-up capital does not exceed \$15 million, you may be exempted from the contribution to the health services fund for a period of five years. The five-year period begins on the first day of your first taxation year. For example, if your corporation's first taxation year begins on October 1, 2003, you can claim an exemption with respect to wages paid from October 1, 2003, to September 30, 2008.

The exemption applies to the first \$700,000 of wages paid for a taxation year ending before June 13, 2003. For a taxation year beginning after June 12, 2003, the exemption applies to 75% of the first \$700,000 of wages paid.

For a taxation year that includes June 12, 2003, the exemption applies to the first \$700,000 of wages paid. However, the portion of the first \$700,000 paid after June 12, 2003, is exempted only up to 75%. For example, if your taxation year ends on July 31, 2003, and you paid \$720,000 in wages during the year (including \$630,000 before June 13, 2003), you must calculate the exempted wages as follows:

Wages paid before June 13, 2003		\$630,000	
Portion of the first \$700,000 paid after June 12, 2003 (\$700,000 – \$630,000)	\$70,000		
Exemption rate for wages paid after June 12, 2003	x 75%		
	= \$52,500	+	\$52,500
Wages exempted for the taxation year ending on July 31, 2003		=	\$682,500

If the taxation year includes fewer than 51 weeks, you must multiply the \$700,000 ceiling by the ratio between the number of days in the taxation year and 365.

Similarly, if the end of the last taxation year for which the exemption may be claimed does not coincide with the end of the five-year exemption period, the \$700,000 ceiling must be reduced in proportion to the number of days in the taxation year that are included in the exemption period.

The exemption must be calculated on form LE-34-V, *Application for an Exemption from the Contribution to the Health Services Fund* (the version marked "2003-10"). You are not required to submit form LE-34-V with form RLZ-1.S-V, but you must keep it for your files.

NOTE: If, at any time during your first taxation year or before the end of your exemption period, your corporation ceases to meet the requirements to be considered a corporation that is eligible for the five-year exemption, you may nonetheless, under certain circumstances, be exempted from the contribution to the health services fund. For more information, contact the Ministère du Revenu.

ARAMQ 33 ("exempt employer," "employer exemption," "exemption period"), 33.0.1, 34

07 Corporation that operates a manufacturing business in a remote resource region of Québec

If your corporation operates a manufacturing or processing business in a remote resource region of Québec, you may, under certain conditions, be exempted from the contribution to the health services fund until December 31, 2010.

NOTE: Even if you have one or more establishments that are not situated in a remote resource region, you may nevertheless be exempted from the contribution to the health services fund if all or substantially all (90% or more) of your total payroll for the taxation year in question is attributable to employees who work in your establishments located in remote resource regions.

If you are eligible for the five-year exemption for new corporations, you may elect to claim instead the temporary exemption for manufacturing and processing businesses (which applies not only to the employer contribution to the health services fund, but also to income tax and the tax on capital). To make the election, complete Part I of form CO-737.18.18-V, *Exemption for Small and Medium-Sized Manufacturing Businesses in Remote Resource Regions*. This election is **irrevocable**.

Wages exempted from the contribution to the health services fund

The calculation that you are required to make in order to determine the exempted wages for a taxation year included in your exemption period varies depending on your paid-up capital (calculated on a consolidated basis) for the preceding taxation year and the date on which the wages are paid.

The "paid-up capital calculated on a consolidated basis" (that is, on a worldwide basis) is the paid-up capital of all the corporations with which you are associated, regardless of the location in which they carry on their activities and regardless of whether they are subject to the *Taxation Act*.

Your paid-up capital calculated on a consolidated basis for a particular taxation year therefore corresponds to

- your paid-up capital calculated for the preceding taxation year; and
- the paid-up capital of the corporations with which you are associated during the particular taxation year, calculated for their last taxation year ending in the 12 months preceding the particular taxation year.

Paid-up capital for the preceding taxation year	Wages exempted for a taxation year	
	Wages paid before June 13, 2003	Wages paid after June 12, 2003
\$20 million or under	100% of wages paid	75% of wages paid
Over \$20 million but under \$30 million	100% of qualified wages ¹	75% of qualified wages ¹
\$30 million or over	No exemption ²	

1. Calculate **qualified wages** using the following formula:

$$\text{Wages paid} \times \frac{[\$30 \text{ million} - \text{paid-up capital calculated on a consolidated basis}]}{\$10 \text{ million}}$$

2. If you are unable to claim the exemption for a particular taxation year, you can do so for a subsequent taxation year if your paid-up capital (calculated on a consolidated basis) for the preceding taxation year is under \$30 million.

Example

Basic data

Taxation year for the corporation	June 1, 2003, to May 31, 2004
Paid-up capital (calculated on a consolidated basis) for the taxation year ending on May 31, 2003	\$24,000,000
Wages paid from June 1 through 12, 2003	\$10,000
Wages paid after June 12, 2003	\$250,000

Wages exempted for the taxation year

Qualified wages for the period from June 1 through 12, 2003:				
\$10,000	x	$\frac{\$30,000,000 - \$24,000,000}{\$10,000,000}$	=	\$6,000

Qualified wages for the period from June 13, 2003, through May 31, 2004:				
\$250,000	x	$\frac{\$30,000,000 - \$24,000,000}{\$10,000,000}$	=	\$150,000

Total wages exempted for the taxation year

$$\$6,000 + (75\% \text{ of } \$150,000) = \mathbf{\$118,500}$$

Complete work chart 1 if your taxation year ends before June 13, 2003, **or work chart 2** if it ends after June 12, 2003. You are not required to submit the work chart with form RLZ-1.S-V, but you must keep it for your files.

Work chart 1 – Wages exempted from the contribution to the health services fund for a taxation year ending before June 13, 2003								
Wages paid from January 1, 2003, to the end of the taxation year ending before June 13, 2003	1							
<ul style="list-style-type: none"> • If the paid-up capital calculated for the preceding taxation year is \$20 million or under, enter the amount from line 1 on line 3. • If it is over \$20 million but under \$30 million, do the following calculation and enter the result on line 2: <div style="margin-left: 20px;"> <table style="border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; padding: 2px;">\$30 million</td> <td style="padding: 2px;">–</td> <td style="border-bottom: 1px solid black; padding: 2px;">paid-up capital (calculated on a consolidated basis for the preceding taxation year)</td> </tr> <tr> <td colspan="3" style="text-align: center; padding: 2px;">\$10 million</td> </tr> </table> </div>	\$30 million	–	paid-up capital (calculated on a consolidated basis for the preceding taxation year)	\$10 million			x	2
\$30 million	–	paid-up capital (calculated on a consolidated basis for the preceding taxation year)						
\$10 million								
Multiply line 1 by line 2.	=	▶ 3						
Wages paid from the beginning of the taxation year beginning in 2003 to June 12, 2003	4							
<ul style="list-style-type: none"> • If the paid-up capital calculated for the preceding taxation year is \$20 million or under, enter the amount from line 4 on line 6. • If it is over \$20 million but under \$30 million, do the following calculation and enter the result on line 5: <div style="margin-left: 20px;"> <table style="border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; padding: 2px;">\$30 million</td> <td style="padding: 2px;">–</td> <td style="border-bottom: 1px solid black; padding: 2px;">paid-up capital (calculated on a consolidated basis for the preceding taxation year)</td> </tr> <tr> <td colspan="3" style="text-align: center; padding: 2px;">\$10 million</td> </tr> </table> </div>	\$30 million	–	paid-up capital (calculated on a consolidated basis for the preceding taxation year)	\$10 million			x	5
\$30 million	–	paid-up capital (calculated on a consolidated basis for the preceding taxation year)						
\$10 million								
Multiply line 4 by line 5.	=	▶ 6						
Wages paid from June 13 to December 31, 2003	7							
<ul style="list-style-type: none"> • If the paid-up capital calculated for the preceding taxation year is \$20 million or under, enter 75% on line 8. • If it is over \$20 million but under \$30 million, do the following calculation and enter the result on line 8: <div style="margin-left: 20px;"> <table style="border-collapse: collapse;"> <tr> <td style="padding: 2px;">Rate from line 5 _____</td> <td style="padding: 2px;">x</td> <td style="padding: 2px;">75%</td> </tr> </table> </div>	Rate from line 5 _____	x	75%	x	8			
Rate from line 5 _____	x	75%						
Multiply line 7 by line 8.	=	▶ 9						
Add lines 3, 6 and 9. Carry the result to line 32 of form RLZ-1.S-V.	=	▶ 10						
Wages exempted from the contribution to the health services fund								

Work chart 2 – Wages exempted from the contribution to the health services fund for a taxation year ending after June 12, 2003

Wages paid from January 1 to June 12, 2003	1	
<ul style="list-style-type: none"> If the paid-up capital calculated for the preceding taxation year is \$20 million or under, enter the amount from line 1 on line 3. If it is over \$20 million but under \$30 million, do the following calculation and enter the result on line 2: $\begin{array}{r} \\$30 \text{ million} \quad - \quad \text{paid-up capital (calculated on a consolidated basis for the preceding taxation year)} \\ \hline \quad \quad \quad \quad \\$10 \text{ million} \end{array}$ 	x 2	
Multiply line 1 by line 2.	=	▶ 3
Wages paid from June 13, 2003, to the end of the taxation year ending in 2003	4	
<ul style="list-style-type: none"> If the paid-up capital calculated for the preceding taxation year is \$20 million or under, enter 75% on line 5. If it is over \$20 million but under \$30 million, do the following calculation and enter the result on line 5: Rate from line 2 _____ x 75 % 	x 5	
Multiply line 4 by line 5.	=	▶ 6
Wages paid from the beginning of the taxation year beginning after June 12, 2003, to December 31, 2003	7	
<ul style="list-style-type: none"> If the paid-up capital calculated for the preceding taxation year is \$20 million or under, enter 75% on line 8. If it is over \$20 million but under \$30 million, do the following calculation and enter the result on line 8: $75\% \times \begin{array}{r} \\$30 \text{ million} \quad - \quad \text{paid-up capital (calculated on a consolidated basis for the preceding taxation year)} \\ \hline \quad \quad \quad \quad \\$10 \text{ million} \end{array}$ 	x 8	
Multiply line 7 by line 8.	=	▶ 9
Add lines 3, 6 and 9. Carry the result to line 32 of form RLZ-1.S-V.	=	▶ 10
Wages exempted from the contribution to the health services fund		

If you are in your first taxation year, the paid-up capital used to determine the amount of the exemption is calculated on the basis of the opening balance sheet, which must be prepared according to generally recognized accounting principles.

The following administrative regions and regional county municipalities are considered remote resource regions:

- Bas-Saint-Laurent (region 01)
- Saguenay–Lac-Saint-Jean (region 02)
- Abitibi-Témiscamingue (region 08)
- Côte-Nord (region 09)
- Nord-du-Québec (region 10)
- Gaspésie–Îles-de-la-Madeleine (region 11)
- the regional county municipalities of Haut-Saint-Maurice and Mékinac in Mauricie (region 04)
- the regional county municipalities of La-Vallée-de-la-Gatineau and Pontiac in Outaouais (region 07)
- the regional county municipality of Antoine-Labelle in Laurentides (region 15)

For more information, contact the office of the Ministère in your area.

737.18.18 ("eligible region"), ARAMQ 33 ("qualified corporation," "exemption period"), 34, 34.0.0.0.3, 34.1.0.1

Contribution rate (line 36)

The contribution rate to be entered on line 36 varies according to your total payroll (line 28):

- Where the total payroll is \$1 million or less, the rate is 2.7%.
- Where the total payroll is more than \$1 million but less than \$5 million, the rate is determined using the formula **$W (\%) = 2.31 + (0.39 \times S)$** , where W equals the contribution rate and S equals the result obtained when total payroll is divided by \$1 million. The contribution rate must be rounded off to the second decimal place (where the digit in the third decimal place is 5 or over, the digit in the second decimal place must be rounded off to the next highest number).
- Where the total payroll is \$5 million or more, the rate is 4.26%.

Total (line 39)

If you have an amount payable on line 39 of form RLZ-1.S-V, the deadline for paying the amount varies according to your situation.

The portion of the balance due that results from the difference between the estimated contribution rate used to make your periodic payments **and the actual rate** must be received at an office of the Ministère du Revenu or at a financial institution no later than the filing deadline for form RLZ-1.S-V (see "Filing deadline" on page 23).

The remaining portion of the balance due is subject to interest charges from the due date of each deficient payment.

NOTE: If the contribution rate that you used to calculate your periodic remittances (the "rate used") was lower than your estimated contribution rate, and also turns out to be lower than your actual contribution rate, the following rules apply:

- If your actual contribution rate is lower than your estimated contribution rate, the portion of the balance resulting from the difference between the actual contribution rate and the "rate used" is subject to interest charges from the due date of each deficient payment.
- If your actual contribution rate is higher than your estimated contribution rate, only the portion of the balance resulting from the difference between the actual rate and the estimated rate may be paid as late as the filing deadline for form RLZ-1.S-V. The remaining portion of the balance due is subject to interest charges from the due date of each deficient payment.

You are liable to a penalty if you do not remit the total amount on line 39 by the prescribed deadline. The penalty rate is based on the number of days of non-compliance. From the first to the seventh day, the rate is 7% of the amount owing; from the eighth to the fourteenth day, 11%; and, as of the fifteenth day, 15%.

AMR 28, 59, 59.2, ARAMQ 34.0.0.0.2, 34.0.0.0.3

Contribution to the financing of the CNT (lines 40 to 44)

A copy of form LE-39.0.2-V, *Calculation of the Employer Contribution to the Financing of the Commission des Normes du Travail* (the version marked "2003-10") is provided at the end of this guide. (You can also access the form on the Web site of the Ministère at www.revenu.gouv.qc.ca.) You must use this version of the form to calculate your contribution to the financing of the CNT for 2003. You are not required to submit form LE-39.0.2-V, but you must keep it for auditing purposes.

Liability

You are required to pay a contribution to the financing of the CNT if you pay **remuneration subject to the contribution** to employees carrying out work in Québec. However, certain categories of employers are not required to pay the contribution (see "Employers not required to pay the contribution" on page 29).

An employee is deemed to work in Québec if

- the employee reports for work at one of your establishments located in Québec; or
- the employee, though not required to report for work at one of your establishments (in Québec or elsewhere), is paid from one of your establishments located in Québec.

Consequently, remuneration that you pay to an employee who reports for work at one of your establishments located outside Québec is not subject to the contribution to the financing of the CNT.

ALS 39.0.1

Employers not required to pay the contribution

Certain employers are not required to pay a contribution to the financing of the CNT. They include

- religious institutions;
- day-care centres;
- parity committees constituted under the *Act respecting collective agreement decrees*;
- *fabriques*;
- corporations of trustees for the erection of churches;
- institutions or charities whose object is to assist, directly and free of charge, persons in need;
- organizations whose working conditions are governed by the *Canada Labour Code* (such as banks, airports and broadcasting stations);
- the Comité de gestion de la taxe scolaire de l'île de Montréal; and
- public transit authorities, as defined in section 1 of the *Act respecting public transit authorities*, and certain other public sector employers. Refer to the *Supplementary Guide to Filing the RL-1 Slip* (RL-1.GC-V).

ALS 39.0.1, LNT. 39.0.1-1

Remuneration subject to the contribution (line 40)

Carry to line 40 the amount the you calculated on line 21 of form LE-39.0.2-V, *Calculation of the Employer Contribution to the Financing of the Commission des Normes du Travail* (the version marked "2003-10").

ALS 1, 3, 39.0.1

Remuneration subject to the additional contribution (line 43)

Since July 1, 2000, employers in some sectors of the clothing industry have been required to pay a contribution to the financing of the CNT. These employers were previously governed by the following decrees (which expired on July 1, 2000):

- the *Decree respecting the men's and boys' shirt industry*
- the *Decree respecting the women's clothing industry*
- the *Decree respecting the men's clothing industry*
- the *Decree respecting the leather glove industry*

If you are an employer in one of these sectors, you must pay a general contribution of 0.08% respecting the remuneration subject to the contribution that you paid to all your employees (including office personnel, managers, etc.).

Furthermore, if you would have been governed by one of the above-mentioned decrees if that decree had not expired, you are required to pay an additional contribution of 0.12% respecting the remuneration that would have been subject to a levy by a parity committee. Enter the amount on line 43.

Carry the total of the amounts entered on lines 41 and 44 of form RLZ-1.S-V to line 93 of Part 4 of that form.

ALS 39.0.1, ALS (r. 5.3) 1, 2

Payment deadline

To make your contribution to the financing of the CNT, enclose the remittance slip portion of form RLZ-1.S-V with your cheque or money order made payable to the Minister of Revenue of Québec.

The **payment of the contribution** to the financing of the CNT for 2003 **must be received** at an office of the Ministère du Revenu or at a financial institution no later than the filing deadline for form RLZ-1.S-V (see "Filing deadline" on page 23).

AMR 27.1, ALS 39.0.2 to 39.0.6, ALS (r. 5.3) 1, 2

Contribution to the FNFMO (lines 50 to 53)

Overview and liability

If your total payroll exceeded \$250,000 in 2003, you are required to participate in the development of worker training for that year by allotting an amount representing at least 1% of your total payroll to eligible training expenditures. If you fail to do so, you must pay to the Fonds national de formation de la main-d'oeuvre (FNFMO) a contribution equal to the difference between 1% of your total payroll and the amount of your eligible training expenditures.

ADMT 3, 14, ADMT (r. 2) 1

You must include in your total payroll all salaries and wages you pay to employees

- who report for work at one of your establishments located in Québec; **or**
- who, though not required to report for work at one of your establishments (in Québec or elsewhere), are paid from one of your establishments located in Québec.

Consequently, salaries and wages that you pay to employees who report for work at one of your establishments located outside Québec are not to be included in your total payroll.

Total payroll (line 50)

According to the *Act to foster the development of manpower training*, your total payroll is equal to the sum of the amounts you entered in box A of the RL-1 slips that you filed with respect to employees who worked for you in 2003. Enter **the sum** of these amounts on line 50 **if it exceeds \$250,000**. Then multiply it by 1% and enter the result on line 51.

ADMT 4

Eligible training expenditures (line 52)

Enter on line 52 your eligible training expenditures for the year (line 78 of the work chart in Part 3 of form RLZ-1.S-V) or the amount entered on line 51, whichever is lower. Then subtract the amount on line 52 from the amount on line 51. Enter the result on line 53 and then carry it to line 94 in Part 4 of form RLZ-1.S-V.

Even if you have no contribution payable for 2003, you must file form RLZ-1.S-V by the prescribed deadline (see "Filing deadline" on page 23). In this case, enter "0" on line 53.

The training expenditures that may be taken into account in calculating the amount of your participation are defined by regulation. Such expenditures may be incurred by you for your personnel, including apprentices, or for trainees or teachers undergoing refresher training in the workplace. The expenditures may also take the form of support with respect to the training of your personnel or the implementation of a training plan, through the supply of personnel or equipment or the granting of training leaves.

Other types of expenditures may also be taken into account, up to the amount of their annual depreciation cost. These include expenses incurred to acquire equipment and to acquire, build or organize premises, provided the equipment and premises are used solely for the purposes of the training of your personnel (including apprentices) or trainees, or the implementation of a personnel training plan. Eligible training expenditures may also include payments made by you to organizations (such as regional or sectorial associations, joint committees or community organizations) recognized by the Ministère de l'Emploi, de la Solidarité sociale et de la Famille for the purposes of implementing a training plan accredited by that Ministère.

For more information concerning the development of worker training, refer to the brochure *The Ministère du Revenu du Québec and the Application of the Act to Foster the Development of Manpower Training* (IN-234-V).

ADMT 5, 6, 8, 10, ADMT (r. 1) 1

If, in 2003, you are required to participate in the development of worker training, but you were not required to do so in 2002, you may carry over to 2003 the training expenditures you made in 2002 that would have been considered eligible expenditures for that year if you had been required to participate. Such expenditures consequently become eligible training expenditures for 2003.

Similarly, if your total eligible training expenditures applicable to 2003 exceed 1% of your total payroll for the year, you may carry the excess amount over to 2004. The excess amount consequently becomes an eligible training expenditure for 2004.

ADMT 11

For auditing purposes, you must keep registers and supporting documents related to eligible training expenditures for six years after the last taxation year to which they apply.

ADMT (r. 1) 6

Three-year exemption period

If, further to an agreement you entered into with Emploi-Québec, you are exempted from payment of the contribution to the FNFMO for a three-year period, leave lines 50 through 53 blank.

ADMT (r. 2.1) 1 to 6

Payment deadline

The payment of the contribution to the FNFMO for 2003 must be received at an office of the Ministère du Revenu or at a financial institution no later than the filing deadline for form RLZ-1.S-V (see "Filing deadline" on page 23). When making your contribution, enclose the remittance slip (Part 4 of form RLZ-1.S-V) with your cheque or money order made payable to the Minister of Revenue of Québec.

ADMT 15, 19, AMR 27.1

Balance (line 70)

If the amount on line 70 of form RLZ-1.S-V is negative, carry it to line 71 ("Refund") of the form and return the form by February 29, 2004, along with copy 1 of your RL-1 slips for 2003. If the amount you calculated is positive, carry it to line 72 ("Balance due") and enter the amounts that make up the balance (lines 27, 39, 41, 44 and 53) on the appropriate lines of the remittance slip (Part 4 of form RLZ-1.S-V). Return form RLZ-1.S-V and the remittance slip, by the filing deadline, to the office of the Ministère that handles your employer file. The addresses are as follows:

- Ministère du Revenu du Québec
C.P. 6700, succursale Desjardins
Montréal (Québec) H5B 1J4
- Ministère du Revenu du Québec
3800, rue de Marly
Sainte-Foy (Québec) G1X 4A5

You are not required to pay a balance due of less than \$2.

AMR 12.0.1

Verification by the Ministère

If the contributions received for 2003 are lower than those calculated by the Ministère, you will receive

- the *Statement of Employee and Employer QPP Contributions* (form LMU-141-V or LMU-141.1-V), if the discrepancy pertains to contributions to the QPP;
- the *Statement of Employer Contributions* (form LMU-142-V), if the discrepancy pertains to contributions to the health services fund, to the FNFMO or to the financing of the CNT.

If the amount of pensionable earnings for QPP purposes (box G of the RL-1 slip) differs from the amount entered in box A of the slip, you may also receive form LMU-145-V, *Statement of Pensionable Earnings Under the QPP*.

In addition to paying the balance due, you will be required to explain each discrepancy and return to the Ministère the duly completed form or forms along with any amended RL-1 slips.

You will also receive form LMU-143-V, *Québec Pension Plan (QPP) Contributions* (which explains how to complete forms LMU-141-V, LMU-141.1-V and LMU-145-V), and form LMU-146-V (which contains instructions pertaining to form LMU-142-V).

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Part 1 – Statement of duties (by month)

Month	Amount paid or payable

Number of RL slips filed in paper form on magnetic media via the Internet

Year **2003**

For departmental use only
Date

Transmitter number, if applicable **NP**

Part 2 – Summary of deductions and contributions payable

Contributions to the QPP 1 Employee contributions (RL-1 slips, box B) + 2 Employer contribution = 3

Québec income tax 10 RL-1 slips (box E) and RL-25 slips (box I) + 11 RL-2 slips (box J) = 12

Compensation tax (for specified financial institutions other than corporations)

Wages subject to compensation tax (see guide RL-1.GC-V) 20 × 1% = 21

Add lines 3, 12 and 21. **Subtotal** = 25

QPP contributions, income tax and compensation tax remitted during the year, using the applicable TPZ-1015-V remittance slips. This amount is a portion of the grand total obtained in Part 1. 26

Subtract line 26 from line 25. If the result is negative, enter it in brackets. **Total** = 27

Contribution to the health services fund (see explanatory notes)

Total payroll for the purpose of determining the contribution rate to be entered in box 36 (associated employers). Carry this amount to box 90 (Part 4). 28

Wages paid or deemed paid 30

Exempt wages (see RL-1.G-V or RL-1.GC-V) 31 - 32

Wages subject to the contribution = 34 × 36 % = 37

Contributions to the health services fund remitted during the year, using the applicable TPZ-1015-V remittance slips. This amount is a portion of the grand total obtained in Part 1. 38

Subtract line 38 from line 37. If the result is negative, enter it in brackets. **Total** = 39

Contribution to the financing of the Commission des normes du travail (CNT). Carry the total of lines 41 and 44 to box 93 (Part 4).

Remuneration subject to the contribution (calculated on form LE-39.0.2-V included in guide RL-1.G-V or RL-1.GC-V) 40 × 0.08% = 41

Remuneration subject to the additional contribution payable by employers in the clothing industry previously governed by decree (calculated on form LE-39.0.2-V) 43 × 0.12% = 44

Contribution to the Fonds national de formation de la main-d'œuvre (FNFMO)

Payroll, if over \$250,000 50 × 1% = 51

Eligible training expenditures (complete the work chart in Part 3) 52

Subtract line 52 from line 51. If the result is negative, enter 0. Carry the result to box 94 (Part 4). = 53

Add or subtract, as applicable, the amounts on lines 27, 39, 41, 44 and 53. See the explanatory notes (Part 3) concerning the payment of the balance due or a refund. If the result is negative, enter the refund on line 71. If the result is positive, enter the balance due on line 72. Any unpaid balance may result in interest charges and a penalty. **Balance** = 70

Refund 71 **Balance due** 72

I hereby certify that the information provided on this form and on the RL-1, RL-2 and RL-25 slips is accurate and complete.

X Signature _____ Date _____ Area code _____ Telephone _____

The Ministère may compare the information you provide with information obtained from other sources and transmit it to other government departments or agencies.

Identification number: _____

Year
2003

Part 3

Work chart – Eligible training expenditures (keep the data for your files)

Balance of eligible training expenditures carried forward from previous years		75	
Eligible training expenditures for the current year	+	76	
Add lines 75 and 76.	=	77	
Amount used to reduce or cancel the contribution on line 51. Carry this amount to line 52.	-	78	
Subtract line 78 from line 77.			
Balance of eligible training expenditures that may be carried forward to subsequent years	=	79	

Explanatory notes

Page 1 of this form and copy 1 of the RL-1, RL-2 and RL-25 slips for 2003 must be returned to the Ministère du Revenu **no later than February 29, 2004**. Use the enclosed return envelope if you are filing the paper copies. For further information, refer to the section entitled "Filing deadline," in the *Guide to Filing the RL-1 Slip* (RL-1.G-V) or the *Supplementary Guide to Filing the RL-1 Slip* (RL-1.GC-V).

If you ceased to carry on your business in 2003, you must instead file this form within 30 days after the date on which the activities of the business ceased. Also, if you permanently stop making remittances but continue to carry on your business, you must file this form by the 20th day of the month following the month in which you made your final remittance.

The contribution to the financing of the CNT (lines 41 and 44) and the contribution to the FNFMO (line 53) **must be received**, along with the remittance slip below, at an office of the Ministère or at a financial institution by the deadline for filing form RLZ-1.S-V. The contribution to the FNFMO is payable only **if your payroll is over \$250,000 in 2003**.

- **If the amount on line 27 is positive** (balance due), you must pay it on or before the date of your last remittance of source deductions and employer contributions for the year. If you fail to do so, a penalty may be imposed and interest may be charged. Carry the result to box 91 (Part 4).
- **If the amount on line 27 is negative** (refund), carry it to box 91 (Part 4) and enter it in brackets.
- **If the amount on line 39 is positive**, the payment deadline will differ if the contribution rate for the health services fund is over 2.7% but not over 4.26%, or if your business is in its first or second taxation year. For further information, refer to the *Guide to Filing the RL-1 Slip* (RL-1.G-V) or the *Supplementary Guide to Filing the RL-1 Slip* (RL-1.GC-V). Carry the result to box 92 (Part 4).
- **If the amount on line 39 is negative**, carry it to box 92 (Part 4) and enter it in brackets.

Carry the amounts on lines 27, 39, 41, 44 and 53 to boxes 91 through 94, respectively, of the remittance slip below. If the amount in box 95 is less than \$2, do not make a remittance. Otherwise, you must pay either via the Internet, or by a cheque or money order made payable to the Minister of Revenue of Québec.

To keep a record of the information that appears on this form, you may photocopy this form or transcribe the data on another copy of the form. Additional copies are available in the guides (RL-1.G-V or RL-1.GC-V), or you may access the form on the Web site of the Ministère (www.revenu.gouv.qc.ca) and print it out.

Contribution to the health services fund

The total payroll you must enter on line 28 is the **sum** of the following amounts:

- the amount entered on line 30 of this form (or the amount you would have entered there had you carried on all your business activities in Québec);
- the total of the amounts that **employers associated with you on December 31, 2003**, entered on line 30 (or would have entered there had they carried on all their business activities in Québec);
- the total wages that were paid to employees working at an IFC or to seconded employees, and that were subtracted in calculating the amounts referred to in the two items immediately preceding this one.

If you ceased to carry on your business in 2003, and were not carrying on any other business at the end of that year, your total payroll for the year must take into account **only** the wages that you paid to your employees during that year.

The contribution rate for the health services fund for the 2003 calendar year is determined on the basis of total payroll. Thus,

- if the total payroll is \$1 million or less, the rate is 2.7%;
- if the total payroll is more than \$1 million but less than \$5 million, the rate is calculated using the following formula: $W(\%) = 2.31 + [0.39 \times S]$ (in this formula, S is the quotient obtained by dividing the employer's total payroll for the calendar year by \$1 million);
- if the total payroll is \$5 million or more, the rate is 4.26%.

Note that most public-sector employers are required to use the rate of 4.26%.

Carry this rate to line 36 of the form.

Ministère du Revenu

Do not attach documents to Part 4 below.

Remittance Slip

Year
2003

RLZ-1.S-V (2003-10)

Part 4

90. Total payroll (health services fund). Do not include this amount in box 95.	91. QPP, income tax and compensation tax (line 27)	+ 92. Health services fund (line 39)
_____	_____	_____
+ 93. CNT (lines 41 and 44)	+ 94. FNFMO (line 53)	= 95. Amount payable (boxes 91 to 94)
_____	_____	_____

Enclose your cheque or money order with the remittance slip. If you are paying via the **Internet**, do not send the remittance slip.

Calculation of the Employer Contribution to the Financing of the Commission des Normes du Travail

2003

If you are an employer subject to the contribution to the financing of the Commission des normes du travail (CNT), use this form to calculate your contribution for 2003.

Identification

Name of employer	Québec enterprise number (NEQ)	MRQ identification number
Period: from <input type="text"/> Y <input type="text"/> M <input type="text"/> D to <input type="text"/> Y <input type="text"/> M <input type="text"/> D	Number of employees for the amount on line 10	1
Number of employees governed by a parity committee	<input type="text"/> 2 Name of parity committee	3
Number of employees governed by the Commission de la construction du Québec (CCQ), if applicable		4

Calculation of the contribution

Remuneration paid in 2003 (see the instructions on reverse)			10
Remuneration (included in the amount on line 10)			
<ul style="list-style-type: none"> • subject to a levy by a parity committee if you are governed by a decree under the <i>Act respecting collective agreement decrees</i>, or • paid to employees governed by the CCQ, under the <i>Act respecting labour relations, vocational training and manpower management in the construction industry</i>. 		11	
Remuneration (included in the amount on line 10) paid to employees for work carried out using trucks, tractors, loaders, skidders or similar heavy equipment that the employees supply at their own expense	x	<input type="text"/> 12	
		50%	
Multiply line 12 by 50%.	=	<input type="text"/> +	13
Other remuneration that is not subject to the contribution to the financing of the CNT and that is included in the amount on line 10, but not in the amounts on lines 11, 12 and 20 (see the instructions on reverse)		+	14
Add lines 11, 13 and 14.		=	15
Subtract line 15 from line 10.		=	16
Subtotal of remuneration subject to the contribution			
Total remuneration included in the amount on line 16 for employees whose remuneration exceeded \$53,500 (for example, if you have three employees who received \$55,000 each, enter \$165,000 on line 17)		17	
Number of employees whose remuneration exceeded \$53,500	x	<input type="text"/> 18	
		\$53,500	
Multiply line 18 by \$53,500.	=	<input type="text"/> +	19
Subtract line 19 from line 17.		=	20
Subtract line 20 from line 16. Carry the result to line 40 of the <i>Summary of Source Deductions and Employer Contributions</i> (form RLZ-1.S-V).		=	21
Remuneration subject to the contribution			
		x	22
		0.0008	
Multiply line 21 by 0.0008 . Carry the result to line 41 of form RLZ-1.S-V.		=	22
Remuneration subject to the additional contribution , respecting employers in the clothing industry that were formerly governed by a decree (see the instructions on reverse). Carry the amount to line 43 of form RLZ-1.S-V.		23	
	x	<input type="text"/> 23	
		0.0012	
Multiply line 23 by 0.0012 . Carry the result to line 44 of form RLZ-1.S-V.	=	<input type="text"/> +	24
Add lines 22 and 24.		=	25
Contribution to the financing of the CNT			

Remuneration paid in 2003 (line 10)

Enter on line 10 the result of the following calculation:

- the total of the amounts entered in box A of the RL-1 slips;

plus

- the salary or wages you paid to employees for whom you are not required to file an RL-1 slip, that is,
 - the salary or wages deemed paid for services rendered to you by the employees of an employer that does not carry on business in Québec (see Chapter 1, Part E, of the *Supplementary Guide to Filing the RL-1 Slip* (RL-1.GC-V),
 - the salary or wages deemed paid to employees who are not required to report for work at one of your establishments in Québec and whose remuneration is not paid by such an establishment (see Chapter 1, Part C, of the guide RL-1.GC-V);
- the salary or wages you paid to Indian employees or persons of Indian ancestry as income “situated” on a reserve or premises. As a rule, this amount is indicated in the centre of the RL-1 slip, after the note “Box R – Income from an office or employment” (or “Case R : revenu de charge ou d’emploi”);
- amounts paid to employees as an indemnity in lieu of notice, that is, indemnities you paid to terminate the contract of employment without providing prior written notice as required by law, or indemnities you paid because you did not observe the notice period (these indemnities are indicated in box O of the RL-1 slip);
- other indemnities you paid to employees further to the termination of their contract of employment (these indemnities are indicated in box O of the RL-1 slip);
- benefits received further to the exercise of certain security options (the value of these benefits is included in box Q of the RL-1 slip);

minus

- the amounts withdrawn by market makers from their reserve account for contingent losses, if you are a clearing member;
- directors’ fees.

Remuneration not subject to the contribution (line 14)

Enter on line 14 the total of the following:

- remuneration you paid to domestics;
- remuneration paid to employees by a regional board, a family-type resource or an institution covered under the *Act respecting health services and social services*, in proportion to the amounts that the board, resource or institution received under that Act;
- remuneration paid to employees by a regional council, a foster family or an institution covered under the *Act respecting health services and social services for Cree Native persons*, in proportion to the amounts that the council, family or institution received under that Act;
- remuneration that you paid to employees who were totally excluded from the application of the *Act respecting labour standards* (pursuant to section 3 of that Act). This category includes students who work during the school year in an establishment selected by an educational institution pursuant to a job induction program approved by the Ministère de l’Éducation;
- remuneration that you paid to employees whose duties consist solely in taking care of or providing care to a child, a person with an illness or disability or an elderly person, in the child’s or person’s home, provided that such activity was a non-profit activity for you.


Remuneration subject to the additional contribution (line 23)

Enter on line 23 the amount of remuneration (included on line 21) that would have been subject to a levy by a parity committee had the following decrees continued to apply (these decrees expired on July 1, 2000):

- the *Decree respecting the men’s and boys’ shirt industry*,
- the *Decree respecting the women’s clothing industry*,
- the *Decree respecting the men’s clothing industry*, or
- the *Decree respecting the leather glove industry*.

Payment of the contribution

Your **payment of the contribution** (including the additional contribution) to the financing of the CNT, for 2003, **must be received** at one of the offices of the Ministère or at a financial institution **by February 29, 2004**. You must use the remittance slip attached to the *Summary of Source Deductions and Employer Contributions* (RLZ-1.S-V) to make the contribution. However, do not return the remittance slip to the Ministère if you are making your payment over the Internet.



Revenus d'emploi et revenus divers

RL-1 (2003-10)
année **20 03**

A- Revenus d'emploi	B- Cotisations au RRQ	C- Cot. d'assurance-emploi	D- Cotisations à un RPA	E- Impôt du Québec retenu	F- Cotisations syndicales
G- Salaire admissible au RRQ	H- Nourriture et logement	I- Véhicule à moteur	J- Régime privé d'ass. maladie	K- Voyages (région éloignée)	L- Autres avantages
M- Commissions	N- Dons de bienfaisance	O- Autres revenus	P- Régime d'ass. interentreprises	Q- Salaires différés	R- Revenu exonéré (Indien)
S- Pourboires reçus	T- Pourboires attribués	U- Retraite progressive	Code (case 0)		

Voyez l'explication des cases au verso.

Nom de famille, prénom et adresse

Numéro d'assurance sociale du particulier

Nom et adresse de l'employeur ou du payeur


Numéro de référence

Relevé 1

Ministère du Revenu

Relevé officiel – Ministère du Revenu

Formulaire prescrit – Sous-ministre du Revenu



RL-1 Slip Information

IN-1-V (2003-10)

RL-1 slip: Employment and other income

Explanation of boxes and instructions

Where applicable, carry the amounts entered in the boxes of the RL-1 slip to the corresponding lines of your income tax return.

Box A – Employment income before source deductions (line 101)

Box B – Contributions to the Québec Pension Plan (QPP) (line 98)

Box C – Employment insurance premiums (line 371)*

Box D – Contributions to a registered pension plan (RPP)

Box E – Québec income tax withheld at source (line 451)

Box F – Union dues (line 373)*

Box G – Pensionable earnings under the Québec Pension Plan (QPP), if different from the total of the amounts in boxes A, Q and U

Box M – Commissions included in the amount in box A or box R (line 100)

Box N – Charitable donations (line 389)

Box Q – Deferred salary or wages (salary or wages that are tax-exempt and not included in the amount in box A or box R)

Box R – Tax-exempt income paid to an Indian. Enter, on line 101 of your income tax return, the amount indicated in the centre of the RL-1 slip. The amount shown in box R entitles you to a deduction on line 293 of your return.

Box S – Tips received (not included in box T). This amount is already included in the amount in box A or box R.

* If you are filing an income tax return under the general tax system

Ministère du Revenu

Box T – Tips allocated by the employer. This amount is already included in the amount in box A or box R.

Box U – Phased retirement. Amount deemed, under a phased retirement arrangement, to be income received from pensionable employment, on which an additional contribution to the QPP is calculated. This amount is tax-exempt and is not included in the amount in box A or box R.

Taxable benefits included in the amount in box A or box R, as applicable

Box H – Meals and accommodation

Box I – Use of a motor vehicle for personal purposes

Box J – Contributions paid by the employer under a private health services plan. This amount may give entitlement to a tax credit for medical expenses.

Box K – Trips made by a resident of a designated remote area

Box L – Other benefits

Box P – Contributions to a multi-employer insurance plan

Other income

Box O – Other income not included in the amount in box A or box R

Explanation of the codes used in the "Code (case 0)" box

RA – Payments received under a supplementary unemployment benefit plan (line 154)

RB – Scholarships, bursaries, fellowships and prizes (line 154)

RC – Research grants (line 154)

RD – Fees for services rendered (lines 23 to 26 of Schedule L)

RF – Maternity allowance (line 154)

RG – Benefits paid under the *Labour Adjustment Benefits Act* (line 154)

RH – Labour adjustment benefits for older workers and income assistance payments (line 154)

RI – Payments made under the Plant Workers Adjustment Program and the Northern Cod Compensation and Adjustment Program (line 154)

RJ – Retiring allowance (including an amount paid in respect of the loss of employment) (line 154)

RK – Death benefit (line 154)

RL – Patronage dividends (line 154)

RM – Commissions paid to a self-employed person (lines 23 to 26 of Schedule L)

RN – Benefits paid under a wage loss insurance plan (line 107)

RO – Benefits received by a shareholder (line 130)

RP – Benefits received by a partner (lines 23 to 26 of Schedule L)

RQ – Amounts allocated under a retirement compensation arrangement (line 154)

RR – Payments for services rendered in Québec by a person not resident in Canada (lines 23 to 26 of Schedule L)

RS – Employment-assistance allowance (line 154)

RT – Other indemnities paid by the employer (line 148)

RU – Amounts paid to the beneficiary under a registered education savings plan (RESP) (line 154)

RV – Amounts paid to a subscriber under a registered education savings plan (RESP) (line 154)

RW – Action emploi program (line 154)

RZ – Amount derived from more than one source

More offices to serve you better

Gatineau

Direction régionale de l'Outaouais
170, rue de l'Hôtel-de-Ville, 6^e étage
Gatineau (Québec) J8X 4C2
(819) 770-8504 or 1 800 567-4692

Jonquière

Direction régionale du Saguenay–Lac-Saint-Jean
2154, rue Deschênes
Jonquière (Québec) G7S 2A9
(418) 548-6392 or 1 800 567-4692

Laval

Direction régionale de Laval,
des Laurentides et de Lanaudière
4, Place-Laval, bureau RC-150
Laval (Québec) H7N 5Y3
(450) 972-3320 or 1 866 540-2500

Longueuil

Direction régionale de la Montérégie
Place-Longueuil
825, rue Saint-Laurent Ouest
Longueuil (Québec) J4K 5K5
(450) 928-8820 or 1 866 490-2500

Montréal

- Direction régionale de Montréal-Centre
Complexe Desjardins
C. P. 3000, succursale Desjardins
Montréal (Québec) H5B 1A4
(514) 873-2600 or 1 866 440-2500
- Direction régionale de Montréal-Est
Village Olympique, pyramide Est
5199, rue Sherbrooke Est, bureau 4000
Montréal (Québec) H1T 4C2
(514) 873-2610 or 1 866 460-2500
- Direction régionale de Montréal-Ouest
Les Galeries Saint-Laurent
2215, boulevard Marcel-Laurin
Saint-Laurent (Québec) H4R 1K4
(514) 873-6120 or 1 866 570-2500

Québec

Local office
200, rue Dorchester
Québec (Québec) G1K 5Z1
(418) 659-4692 or 1 800 567-4692

Rimouski

Direction régionale du Bas-Saint-Laurent
et de la Gaspésie–Îles-de-la-Madeleine
212, avenue Belzile, bureau 250
Rimouski (Québec) G5L 3C3
(418) 727-3702 or 1 800 567-4692

Rouyn-Noranda

Direction régionale de l'Abitibi-Témiscamingue
et du Nord-du-Québec
19, rue Perreault Ouest, RC
Rouyn-Noranda (Québec) J9X 6N5
(819) 764-6765 or 1 800 567-4692

Saint-Jean-sur-Richelieu

Local office for the Montérégie region
855, boulevard Industriel
Saint-Jean-sur-Richelieu (Québec) J3B 7Y7
(450) 349-1120 or 1 866 470-2500

Sainte-Foy

Direction régionale de la Capitale-Nationale
et de la Chaudière-Appalaches
3800, rue de Marly
Sainte-Foy (Québec) G1X 4A5
(418) 659-4692 or 1 800 567-4692

Sept-Îles

Direction régionale de la Côte-Nord
391, avenue Brochu, bureau 1.04
Sept-Îles (Québec) G4R 4S7
(418) 968-2211 or 1 800 567-4692

Sherbrooke

Direction régionale de l'Estrie
2665, rue King Ouest, 4^e étage
Sherbrooke (Québec) J1L 2H5
(819) 563-3776 or 1 800 567-4692

Sorel-Tracy

Local office for the Montérégie region
101, rue du Roi
Sorel-Tracy (Québec) J3P 4N1
(450) 928-8820 or 1 866 490-2500

Trois-Rivières

Direction régionale de la Mauricie
et du Centre-du-Québec
225, rue des Forges, bureau 400
Trois-Rivières (Québec) G9A 2G7
(819) 379-5392 or 1 800 567-4692

Inquiries from outside Canada should be directed to the Sainte-Foy office.
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