REVENU QUÉBEC

Courtesy Translation
This form has been translated for information purposes only.
Do not complete it. You must file the French version.

Tax Credit to Foster the Retention of Experienced Workers

Qualified corporation

Form CO-1029.8.33.TE must be completed by any corporation that is claiming the tax credit to foster the retention of experienced workers. To qualify for the tax credit, the corporation must not be:

- exempt from income tax;
- a Crown corporation; or
- a subsidiary controlled by a Crown corporation.

The corporation must also meet the following conditions:

- It is claiming the tax credit for the employer contributions it paid for employees age 60 or over in a calendar year after 2018 that ends in that taxation year.
- It carries on a business in Québec and has an establishment there.
- If it is claiming the tax credit for a taxation year ending after December 31, 2018, but before December 31, 2022, with respect to employer contributions paid for 2019, 2020 or 2021, both of the following apply to the corporation:
  - Its paid-up capital calculated on a consolidated basis[1] for the previous taxation year is less than $15 million.
  - The number of remunerated hours of its employees, calculated for the taxation year, exceeds 5,000[2] (except if the corporation is in the primary or manufacturing sectors).

If the corporation is a member of a partnership that meets the above conditions, it can claim the tax credit as a member of a qualified partnership. Its share of the employer contributions that the qualified partnership paid for employees age 60 or over in a calendar year after 2018 that ends in the partnership's fiscal period can then be taken into account in calculating the tax credit. In this case, enter the partnership's information in parts 2 to 5 of form CO-1029.8.33.TE and determine the corporation's share in part 6.

The qualified corporation or the qualified partnership may have paid salary or wages to an eligible employee or a specified employee that entitle it to claim the tax holiday from the employer contribution to the health services fund under the tax holiday for large investment projects. In that case, the qualified corporation or the qualified corporation that is a member of a qualified partnership cannot claim the refundable tax credit to foster the retention of experienced workers in respect of the expenditure for the salary or wages.

Eligible employee

An eligible employee must meet the following conditions:

- The employee is an employee of the corporation at a time in the calendar year that ended in the taxation year, or of the partnership at a time in the calendar year that ended in the fiscal period.
- The employee is **age 65 or over** on January 1 of the calendar year that ended in the taxation year or fiscal period.
- The employee is not an excluded employee[3] at a time in the calendar year.

Specified employee

A specified employee must meet the following conditions:

- The employee is an employee of the corporation at a time in the calendar year that ended in the taxation year, or of the partnership at a time in the calendar year that ended in the fiscal period.
- The employee is **age 60 or over but no older than 64** on January 1 of the calendar year that ended in the taxation year or fiscal period.
- The employee is not an excluded employee[4] at a particular time in the calendar year.

Allocation of the qualified expenditure or specified expenditure

If, at the end of a calendar year, qualified corporations or qualified partnerships are associated with each other and paid an amount as salary, wages or other remuneration to the same eligible employee or specified employee of each of them at a time in that calendar year, complete form CO-1029.8.33.TF, *Entente concernant le crédit d'impôt favorisant le maintien en emploi des travailleurs d'expérience*, to allocate the expenditure for the employee among the corporations or partnerships.

Important

- Complete part 4 on a separate copy of form CO-1029.8.33.TE for each eligible or specified employee for whom the corporation is claiming the tax credit.
- Complete separate copies of form CO-1029.8.33.TE if the qualified corporation is claiming the tax credit as a corporation and as a member of a qualified partnership.
- Enclose all copies of form CO-1029.8.33.TE with the corporation income tax return (form CO-17, *Déclaration de revenus des sociétés*). If, for any reason, you are unable to do so, you must send us the copies within 12 months after the filing deadline for the return for the year concerned.
- If the corporation was required to make instalment payments for the taxation year covered by form CO-1029.8.33.TE, the tax credit will be used to reduce the amount of the instalments.
- For more information, see sections 1029.8.36.59.49 to 1029.8.36.59.57 of the *Taxation Act*.

1 Information about the corporation

01a Québec enterprise number (NEQ) [redacted]

01b Identification number [redacted] File IC 0001

02 Name of corporation [redacted]

05 End date of fiscal period [redacted] (Y Y Y Y M M D D)

06 Calendar year[5] (calendar year ended in the taxation year or fiscal period) [redacted] (Y Y Y Y)

2 Eligible tax credit rate

Total payroll[6] of the qualified corporation for the calendar year. If the corporation is claiming the tax credit as a member of a partnership, enter the total payroll of the partnership for the calendar year.		10	[redacted]
Total payroll threshold[7]		11	[redacted]
Enter the amount from line 10 or line 11, whichever is **less**.		12	[redacted]
Threshold amount from which the rate reduction applies. Enter 1,000,000.	–	13	
Subtract 1,000,000 from line 12. If the result is negative, enter 0.	=	14	

Amount from line 11		15	[redacted]			
Enter 1,000,000.	–	16				
Subtract 1,000,000 from line 15.	=			÷ ▶	17	[redacted]
Divide line 14 by line 17.				=	18	0 .
Applicable rate. Enter 75%.				×	19	%
Multiply line 18 by 75%. **Rate reduction**				=	20	%

Applicable rate. Enter 75%.		21	[redacted] %
Rate from line 20	–	22	%
Subtract line 22 from line 21. **Eligible tax credit rate**	=	23	%

3 Specified tax credit rate

Rate from line 18.		24	0 . [redacted]
Applicable rate. Enter 50%.	×	25	%
Multiply line 24 by 50%. **Rate reduction**	=	26	%
Applicable rate. Enter 50%.		27	[redacted] %
Rate from line 26	–	28	%
Subtract line 28 from line 27. **Specified tax credit rate**	=	29	%

4 Tax credit for an eligible employee or a specified employee

Complete part 4 of form CO-1029.8.33.TE for each employee for whom the corporation is claiming the tax credit.

4.1 Information about the employee

Name of employee	Social insurance number	Date of birth
30 [redacted]	31 [redacted]	32 [redacted]
		Y Y Y Y M M D D

Check the appropriate box.

33 [redacted] The employee is an eligible employee because he or she was age 65 or over on January 1 of the calendar year.

34 [redacted] The employee is a specified employee because he or she was age 60 or over but no older than 64 on January 1 of the calendar year.

4.2 Qualified expenditure or specified expenditure for the employee

Enter the employer contributions that the corporation or partnership paid for the calendar year for the employee.

Québec parental insurance plan premiums		35	[redacted]
Contribution related to labour standards	+	36	
Contribution to the health services fund	+	37	
Québec Pension Plan contributions	+	38	
Occupational health and safety insurance premiums	+	39	
Add lines 35 to 39.	=	40	
Assistance,[8] benefit or advantage[9] related to the expenditure on line 40	–	41	
Subtract line 41 from line 40.	=	42	
If the corporation or partnership is associated in the calendar year with one or more qualified corporations (or qualified partnerships) that paid salary, wages or other remuneration to the employee, enter the total of the amounts on line 42 of all copies of form CO-1029.8.33.TE completed for the calendar year for the employee, for each qualified associated corporation (or each corporation that is a member of qualified associated partnerships). Otherwise, enter the amount from line 42.		42a	[redacted]
Enter: • 1,875 if you checked box 33; • 1,250 if you checked box 34.		43	[redacted]
Enter: • the rate from line 23 if you checked box 33; • the rate from line 29 if you checked box 34.	÷	43a	%
Divide line 43 by line 43a.	=	43b	
Enter the amount from line 42a or line 43b, whichever is **less**. **Qualified expenditure or specified expenditure for the employee**		44	[redacted]

4.3 Tax credit for the employee

If the corporation or partnership is associated in the calendar year with one or more qualified corporations (or qualified partnerships) that paid salary, wages or other remuneration to the employee, enter the expenditure that was allocated to the corporation or partnership for the calendar year and is entered in part 3 of form CO-1029.8.33.TF. Otherwise, enter the amount from line 44.		49	[redacted]
Enter: • the rate from line 23 if you checked box 33; • the rate from line 29 if you checked box 34.	×	50	%
Multiply line 49 by line 50. **Tax credit for the employee**	=	51	

5 Total tax credits for employees

Complete parts 6 and 7 on the same copy of form CO-1029.8.33.TE for all employees of the corporation or partnership.

In the table, enter the name of each eligible employee and specified employee as well as the amount from line 51 calculated for each employee. If you need more space, enclose a separate copy of form CO-1029.8.33.TE.

Name of employee		Line	Amount from line 51
		52	[redacted]
	+	53	[redacted]
	+	54	[redacted]
	+	55	[redacted]
	+	56	[redacted]
	+	57	[redacted]
	+	58	[redacted]
	+	59	[redacted]
	+	60	[redacted]
	+	61	[redacted]
	+	62	[redacted]
	+	63	[redacted]
	+	64	[redacted]
Add lines 52 to 64. **Total tax credits for employees A**	=	65	A [redacted]

6 Corporation that is a member of a partnership

Complete part 6 of form CO-1029.8.33.TE only if the corporation is a member of a qualified partnership.

If the corporation is directly a member of the qualified partnership, enter the information about the partnership on line 71 and carry the corporation's percentage interest[10] to line 72. Then, complete lines 73 and 74.

If the corporation is a member of an interposed partnership that is a member of the qualified partnership, enter the required information about the partnerships on lines 70 and 71. If there is more than one interposed partnership, you must provide the required information for all of them. If there are more than three, provide the information for each additional interposed partnership on another copy of form CO-1029.8.33.TE. Then, complete lines 72 to 74.[11]

	A Name of partnership	B Québec enterprise number (NEQ)	C Identification number	D End date of fiscal period Y Y Y Y M M D D	E Percentage interest
70	1. Interposed partnership	[redacted]			%
	2. Interposed partnership				%
	3. Interposed partnership				%
71	Qualified partnership				%

Multiply the percentages in column E. If you completed more than one copy of form CO-1029.8.33.TE, multiply the percentage interests of all interposed partnerships on all copies of the form completed. Multiply the result by the qualified partnership's percentage interest. **Corporation's percentage interest in the partnership**		72	[redacted] %
Amount A calculated for the partnership	×	73	[redacted]
Multiply line 72 by line 73. **Corporation's share of the tax credits for employees of the partnership**	=	74	H [redacted]

7 Tax credit to foster the retention of experienced workers

Total of amounts A or H		78	
Tax credit respecting assistance, a benefit or an advantage that is related to qualified expenditures for a previous taxation year that were repaid in the taxation year[12]	+	79	
Add lines 78 and 79. Carry amount V (or the total of amounts V) to one of lines 440p through 440y of form CO-17, *Déclaration de revenus des sociétés*, and enter code 107 in the box provided for that purpose. **Tax credit to foster the retention of experienced workers**	=	80	V

Special tax

If, in a future taxation year, you realize that the corporation should not have received all or a part of the tax credit, the corporation must, by means of a special tax, repay the excess amount received. When completing form CO-17 for the year in question, enter the excess amount and code 95 in the spaces provided on the form for that purpose.

Notes

1. The paid-up capital calculated on a consolidated basis is the previous year's paid-up capital calculated on a worldwide basis for the corporation and any corporations associated with it, including any associated corporations not subject to the *Taxation Act*. It also includes the paid-up capital of any partnership, trust or individual deemed to be associated with the corporation.

   If the corporation is in its first taxation year, the paid-up capital must be determined on the basis of its opening balance sheet prepared in accordance with generally accepted accounting principles.

   The paid-up capital corresponds to one of the following amounts, as applicable, calculated for the previous year:
   - in the case of an insurance corporation, the amount on line 34 of form CO-1140.A, *Capital versé devant être utilisé à d'autres fins que le calcul de la taxe sur le capital* (do not take into account the deductions entered on lines 32 and 33);
   - in the case of a bank, a savings and credit union, a loan corporation, a trust corporation or a corporation trading in securities, the amount on line 34 of form CO-1140, *Calcul du capital versé d'une institution financière*, or, if it is in its first taxation year, the amount on line 34 of form CO-1140.A (do not take into account the deductions entered on lines 32 and 33); or
   - in the case of another corporation, the amount on line 392 of form CO-1136, *Calcul du capital versé*, or in the case of a corporation in its first taxation year or a cooperative, the amount on line 392 of form CO-1136.CS, *Capital versé devant servir au calcul de l'impôt de certaines sociétés* (do not take into account the amounts entered on lines 325 and 348 that are attributable to the operation of a recognized business).

   The rules for calculating the paid-up capital of a corporation also apply to partnerships.

2. The number of remunerated hours of a corporation for a taxation year corresponds to the **greater** of the following:
   - the number of remunerated hours of the employees of the corporation, calculated for the particular taxation year;
   - the number of remunerated hours of the corporation's employees and the employees of the corporations with which it is associated in the taxation year, calculated for the taxation years of those corporations that ended in the calendar year preceding the calendar year in which the taxation year ends.

3. An "excluded employee" is:
   - a specified shareholder of a corporation, that is, a taxpayer that owns, directly or indirectly, at any time in the taxation year, not less than 10% of the issued shares of any class of the capital stock of the corporation or of any other corporation that is related to the corporation, or a person not dealing at arm's length with such a taxpayer;
   - a specified member of a cooperative, that is, a member having, directly or indirectly, at any time in the taxation year, at least 10% of the votes at a meeting of the members of the cooperative, or a person not dealing at arm's length with that member; or
   - an employee of a partnership who is a member of the partnership, either a specified shareholder or specified member of the member, or an employee not dealing at arm's length with that member, specified shareholder or specified member.

4. See note 3.

5. The calendar year must be **after 2018**. If more than one calendar year ends in the taxation year of the qualified corporation, the tax credit the corporation can claim for the taxation year corresponds to the total amounts calculated for each calendar year that ended in the taxation year.

   This rule applies, with the necessary adaptations, to the calculation of the tax credit to which a corporation that is a member of a qualified partnership is entitled for a taxation year in which a fiscal period of the partnership ends, if more than one calendar year ends in that period.

6. The total payroll of a qualified corporation or of a qualified partnership for a calendar year corresponds to its total payroll determined under the *Act respecting the Régie de l'assurance maladie du Québec* (CQLR, chapter R-5). It must include the total payroll of any corporations or partnerships associated with the qualified corporation or qualified partnership at the end of the calendar year.

7. The total payroll threshold for a calendar year corresponds to the total payroll threshold for that calendar year for the purposes of determining the employer contribution to the health services fund under the *Act respecting the Régie de l'assurance maladie du Québec*.

Calendar years	**Total payroll threshold** (millions of dollars)
2019 and 2020	6
2021	6.5
2022	7
2023 and following	Automatic annual indexation

8. "Assistance" refers to both government and non-government assistance that the corporation received, is entitled to receive or may reasonably expect to receive within six months after the end of the year covered by form CO-1029.8.33.TE. It does not refer to amounts received and repaid in the year covered by the form. The term is defined in section 1029.6.0.0.1 of the *Taxation Act*. This definition also applies to partnerships.

9. "Benefit" or "advantage" refers to any benefit or advantage (other than that from the payment of an eligible contribution) that a person or partnership obtained, is entitled to obtain or may reasonably expect to obtain within six months after the end of the year covered by form CO-1029.8.33.TE. Amounts received and repaid in the year covered by the form do not constitute benefits or advantages. A benefit or advantage may be a reimbursement, compensation or guarantee, or the proceeds of disposition of property that exceed the fair market value of the property disposed of. It may also be granted in any other form or manner. This definition also applies to partnerships.

10. To calculate the corporation's percentage interest in the partnership, divide the corporation's share of the partnership's income (or loss) for its fiscal period by the partnership's income (or loss) for its fiscal period. If the partnership has no income or loss for its fiscal period, do the calculation as if the partnership had income of $1 million.

11. If the corporation is a member of a qualified partnership through a number of groups of interposed partnerships, calculate the corporation's percentage interest separately for each group, and complete form CO-1029.8.33.TE as follows:
    - On line 70 (columns A to E), enter the required information about all the interposed partnerships in each group.
    - On line 71 (columns A to D), enter the required information about the qualified partnership.
    - On line 72, enter the corporation's total percentage interest in the qualified partnership (the sum of the corporation's percentage interests in the qualified partnership, calculated for each group).
    - Complete lines 73 and 74.

12. To determine the amount to be entered on line 79 (if any), you must recalculate the tax credit for the previous year (amount V) as if the corporation had not received, during that previous year, the assistance, benefit or advantage repaid in the year concerned. You must therefore redo the tax credit calculations you did on the copy of form CO-1029.8.33.TE completed for the previous taxation year. The amount to be entered is the amount by which the recalculated tax credit exceeds the tax credit for the previous year.