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GUIDE TO FILING
THE RL-25 SLIP

INCOME FROM A
PROFIT-SHARING PLAN

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**BY FILING RL-25 SLIPS,
YOU HELP BENEFICIARIES
OF PROFIT-SHARING PLANS
CALCULATE THEIR INCOME.**

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The purpose of this guide is to help you prepare the RL-25 slip, on which income from a profit-sharing plan is reported. The information contained in this guide does not constitute a legal interpretation of the *Taxation Act* or any other legislation.

This guide is valid for the **2016** taxation year and **subsequent years** unless administrative or legislative changes make an update necessary.

The numbers at the end of certain paragraphs refer to sections of the *Tax Administration Act* (section numbers preceded by "TAA"), the *Taxation Act* (section numbers only), the *Regulation respecting the Taxation Act* (section numbers with an "R"), the *Act to establish a legal framework for information technology* (section numbers preceded by "ALFIT") or the *Act respecting the Québec Pension Plan* (section numbers preceded by "AQPP").

For more information, contact us. Our contact information is given at the end of this guide.



PRINCIPAL CHANGES

Elimination of the RL-25 summary

The RL-25 summary has been eliminated. Therefore, you no longer have to file the RL-25 summary (RL-25.S-V) when filing RL-25 slips. This also applies to RL-25 slips for previous years.

Guide to Filing the RL-25 Slip

The instructions for preparing the RL-25 slip are now provided in the new *Guide to Filing the RL-25 Slip* (RL-25.G-V). In it you will find all the information and instructions that were in the RL-25 summary.

New tax credit rates for ordinary dividends

Effective January 1, 2016, the gross-up factor that must be used to calculate the taxable amount of ordinary dividends (box F) has been reduced from 18% to 17%. Likewise, the tax credit rate for ordinary dividends (box G) has been reduced from 8.319% to 8.2485%.

For more information, see sections 3.10 and 3.11 of this guide.



1 GENERAL INFORMATION

1.1 Purpose of the RL-25 slip

The RL-25 slip is used to report allocated amounts or amounts paid to an employee who is a beneficiary under a profit-sharing plan (hereinafter “beneficiary”), including:

- eligible and ordinary dividends;
- capital gains (or losses);
- amounts paid by the employer to the plan’s trustee; and
- amounts withheld as Québec income tax.

The information on the RL-25 slip is used by beneficiaries to complete the personal income tax return.

1.2 Obligation to file RL-25 slips

RL-25 slips must be filed by any trustee of a profit-sharing plan. However, the beneficiary’s employer can file the slips on the trustee’s behalf.

1086R2

2 FILING RL-25 SLIPS

2.1 Format of RL-25 slips

As a rule, the required information must be submitted on a prescribed RL-25 slip.

The RL-25 slip is available on our website at www.revenuquebec.ca. A paper RL-25 slip is also available. In addition, you may use a computer-generated RL-25 slip created either by software authorized by Revenu Québec or by your own in-house software.

In-house software for filing RL-25 slips must meet certain requirements. For more information, consult the **Partners** section of our website at www.revenuquebec.ca/partenaires. Note that we do not give any financial compensation to persons who provide their own RL slips.

For more information regarding the certification of software for filing RL-25 slips online (in XML files), contact the Direction des relations avec les partenaires et des communications personnalisées by calling 418 266-1201 or, toll-free, 1 866 840-7060, or by sending an email to infoconcepteur@revenuquebec.ca.

2.2 Distribution and filing deadline

On or before the last day of February in the year following the year covered by the RL slips, you must:

- file the RL-25 slips with Revenu Québec;
- file form RLZ-1.S-V, *Summary of Source Deductions and Employer Contributions*, with Revenu Québec if Québec income tax was withheld; and
- distribute copies of the RL-25 slips to beneficiaries.

1086R65, 1086R70

2.3 Filing RL slips with Revenu Québec

If you are filing more than 50 RL-25 slips, you **must** send them to us online (in an XML file).

If you are filing fewer than 51 RL-25 slips, either send them to us online (in an XML file) or mail **copy 1** of each paper RL slip to us.

If you send us the RL slips online, do not mail us copy 1 of the paper slips. However, be sure to keep the RL slips on a technology-based medium or keep paper copies of the slips, as applicable.

If Québec income tax was withheld, you must also file form RLZ-1.S-V by mail (paper copy) or using My Account for businesses.



The documents that you file with us must be sent to one of the following addresses:

- Montréal, Laval, Laurentides, Lanaudière and Montérégie:
Revenu Québec
C.P. 6700, succursale Place-Desjardins
Montréal (Québec) H5B 1J4
- Québec City and other regions:
Revenu Québec
3800, rue de Marly
C.P. 25666, succursale Terminus
Québec (Québec) G1A 1B6

For more information regarding the filing of RL slips online, contact the Division de l'acquisition des données électroniques by calling 418 659-1020 or, toll-free, 1 866 814-8392, or by sending an email to edi@revenuquebec.ca.

We also recommend that you consult the *Tax Preparers' Guide: RL Slips* (ED-425-V), which is available on our website.

1086R65; ALFIT 3, 28, 29, 71

2.4 Distributing copies of RL slips to the beneficiaries

There are number of ways to distribute RL slips to beneficiaries. If you file paper RL slips, you must provide **copy 2** of the slip to each beneficiary in person, by mail or by some other means. You may send the RL slip to a beneficiary electronically, but only if you obtain the beneficiary's prior consent (in writing or electronically).

1086R70

2.5 Amending or cancelling an RL slip

To amend or cancel an RL slip that has already been filed online, follow the instructions in the guide ED-425-V. You may file amended or cancelled RL-25 slips online.

To amend a paper RL slip that has already been submitted, file a new, corrected slip marked "Modifié." Enter the letter "A" in the box marked "Code du relevé" and the number shown in the upper right-hand corner of the slip you wish to amend in the box marked "N° du dernier relevé transmis."

To cancel a paper RL slip that has already been submitted, make a photocopy of the original slip, write "Annulé" on it and, in the box marked "Code du relevé," enter the letter "D." Make sure that the number shown in the upper right-hand corner of the original slip is legible on the photocopy before you file it.

2.6 Penalties

Under the *Tax Administration Act*, you are liable to penalties if you file any RL-25 slips or, where applicable, form RLZ-1.S-V late.

You must make a reasonable attempt to obtain the information required to complete an RL-25 slip. If you fail to provide any of the required information, you will be liable to a penalty of \$100.

TAA 59, 59.0.2



3 COMPLETING THE RL-25 SLIP

3.1 Box marked “Année”

Enter the year for which the amounts on the RL slip are being reported.

3.2 Box marked “Code du relevé”

Enter “R” on original slips, “A” on amended slips and “D” on cancelled slips.

3.3 Box marked “N° du dernier relevé transmis”

If you are completing an amended RL-25 slip, enter the number of the RL-25 slip you wish to amend. For more information about amending an RL slip, see section 2.5.

3.4 Box A1 – Actual amount of eligible dividends

Enter the actual amount of eligible dividends that was allocated to the beneficiary.

An eligible dividend is a taxable dividend paid or deemed paid by a corporation resident in Canada that is:

- a public corporation or a corporation that is not a Canadian-controlled private corporation (CCPC) whose income is subject to the general corporation income tax rate;
- a CCPC whose income (other than investment income) is subject to the general corporation income tax rate.

497

3.5 Box A2 – Actual amount of ordinary dividends

Enter the actual amount of ordinary dividends from Canadian corporations that was allocated to the beneficiary. Such dividends are not entered in box A1.

497

3.6 Box B – Capital gains (or losses)

Enter the net amount of Canadian and foreign capital gains (or losses) that was allocated to the beneficiary. **Do not include** capital gains (or losses) used to calculate the deduction reported in box C. Enter a minus sign (-) before any amount that is a capital loss.

860

3.6.1 Foreign capital gains (or losses)

The amount entered in box B includes capital gains (or losses) allocated to the beneficiary. It must be entered in Canadian dollars.

If the amount entered in box B includes foreign capital gains for which foreign income tax must be entered in box H, enter "B-1" in one of the blank boxes, followed by the corresponding amount of foreign capital gains.

3.7 Box C – Capital gains (or losses) used to calculate the exemption

Enter the net amount of the capital gains (or losses) on the disposition of qualified farm or fishing property or qualified small business corporation shares that was allocated to the beneficiary. Enter a minus sign (-) before any amount that is a capital loss.

If the amount entered in box C includes capital gains (or losses) on the disposition of qualified farm or fishing property, enter "C-1" in one of the blank boxes, followed by the corresponding amount of capital gains (or losses).

If the amount entered in box C includes capital gains (or losses) on the disposition of qualified small business corporation shares, enter "C-2" in one of the blank boxes, followed by the corresponding amount of capital gains (or losses).

726.7, 726.7.1, 726.7.2, 860

3.8 Box D – Other amounts allocated or paid

Enter the total of the amounts that were allocated to an employee who is a beneficiary under a profit-sharing plan. Do not include:

- the actual amount of eligible dividends entered in box A1;
- the actual amount of ordinary dividends entered in box A2;
- the capital gains (or losses) entered in box B;
- the capital gains (or losses) used to calculate the exemption entered in box C; or
- the amounts used to calculate the employee's income for a previous taxation year.

3.8.1 Amounts paid by the employer to the trustee of the profit-sharing plan

The amount entered in box D includes amounts paid by the employer to the trustee of the profit-sharing plan and allocated to the employee. Note that these amounts are subject, at the time they are paid, to employee and employer Québec Pension Plan (QPP) contributions. For more information, consult the *Guide for Employers* (TP-1015.G-V).

If the amount entered in box D includes an amount paid by the employer to the trustee, enter "D-1" in a blank box, followed by the corresponding amount paid to the trustee.

47, ALFIT 45(b)



3.8.2 Amounts other than those paid by the employer to the trustee of the profit-sharing plan

The amount entered in box D includes:

- amounts previously allocated to other employees and subsequently reallocated;
- amounts allocated to the employee as profits made by the trust on property;
- business income paid; and
- foreign income allocated to the employee.

If the amount entered in box D includes amounts other than those paid by the employer, enter “D-2” in a blank box, followed by the total amount not paid by the employer. To obtain this amount subtract the amount entered in box D (including foreign income) from the amount paid by the employer to the trustee (see section 3.8.1).

If the amount entered in box D includes **foreign income** that must be reported in box H, enter “D-3” in a blank box, followed by the corresponding amount of foreign income. Note that it must be entered in Canadian dollars.

47, 857, 859

3.9 Box E – Cancelled allocations

Enter the amount of the allocations that were cancelled because the employee ceased to be a beneficiary of the plan during the year, provided the employee did not become a beneficiary again during the year.

864

3.10 Taxable amount of eligible and ordinary dividends

Enter the taxable amount of eligible dividends and ordinary dividends.

To obtain this amount, add the taxable amounts of dividends calculated according to the following formulas:

- amount from box A1 x 1.38 (for eligible dividends);
- amount from box A2 x 1.17 (for ordinary dividends).

497, 863

3.11 Dividend tax credit

Enter the amount of the dividend tax credit to which the beneficiary is entitled.

To obtain this amount, add the amounts of the tax credits calculated according to the following formulas:

- amount from box A1 x 16.442% (for eligible dividends);
- amount from box A2 x 8.2485% (for ordinary dividends).

767



3.12 Box H – Foreign income tax on non-business income

Enter the beneficiary's share of the income tax paid by the trust to the government of a foreign country or a political subdivision of a foreign country on foreign non-business income (such income is included in box B or D).

If foreign income tax was paid on income reported in more than one box, a separate RL-25 slip must be filed for each type of income.

772.6, 867

3.13 Box I – Québec income tax withheld

Enter the amount withheld as Québec income tax during the year.

For information about payments subject to source deductions of income tax and the calculation of such source deductions, see the *Guide for Employers* (TP-1015.G-V). Be sure to use the version of the guide that was in effect at the time the payments were made.

345(a)iii, 1015

3.14 Additional information

To provide additional information, enter a code in a blank box, followed by the corresponding amount or information.

Example

B-1	1 400,68
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The table below lists and describes the codes applicable to the RL-25 slip. For each code, the corresponding section of the guide is also referenced.

Table Additional information

Code	Description	Reference
B-1	Foreign capital gains realized	3.6
C-1	Capital gains (or losses): Qualified farm or fishing property	3.7
C-2	Capital gains (or losses): Qualified small business corporation shares	3.7
D-1	Amounts allocated, on which a Québec Pension Plan (QPP) contribution was made	3.8.1
D-2	Amounts allocated or paid, on which a QPP contribution was not made	3.8.2
D-3	Amount of foreign non-business income for which an amount of foreign income tax is entered in box H	3.8.2

3.15 Box marked “Nom du régime d’intéressement”

Enter the names of the principal parties to the trust deed established under the profit-sharing plan.



3.16 Identification

3.16.1 Beneficiary

Enter the beneficiary's last name, followed by the first name and last known address (including the postal code) in the space marked "Nom de famille, prénom et adresse du bénéficiaire".

Individuals are required to provide their social insurance number to any person filing an RL slip in their name. Individuals who do not have a number must apply for one with Service Canada. Failure to provide an individual's social insurance number in the box marked "Numéro d'assurance sociale du bénéficiaire" may result in penalties for both the individual and the person completing the slip.

3.16.2 Trustee or employer

On each RL slip, enter the name and address (including the postal code) of the trustee or employer in the space marked "Nom et adresse du fiduciaire ou de l'employeur."



Instructions et explication relatives aux cases du relevé 25

S'il y a lieu, reportez les montants inscrits aux cases de ce relevé aux lignes correspondantes de votre déclaration de revenus.

- A1** Montant réel des dividendes déterminés (ligne 166). Le montant imposable est inscrit à la case F.
A2 Montant réel des dividendes ordinaires (ligne 167). Le montant imposable est inscrit à la case F.
B Gains (ou pertes) en capital (ligne 22 de l'annexe G)
C Gains (ou pertes) en capital servant à calculer l'exemption (ligne 56 de l'annexe G)
D Autres montants attribués ou versés. Les cotisations versées par votre employeur et qui vous sont attribuées pour l'année, incluses dans cette case, sont utilisées pour calculer l'impôt spécial. Remplissez le formulaire *Impôt spécial relatif à un excédent d'un régime d'intéressement* (TP-1129.RI).
E Attributions annulées. Une déduction peut être demandée à la ligne 207 de votre déclaration si ce montant a été inclus dans le revenu déclaré pour les années pendant lesquelles des montants ont été attribués.
F Montant imposable des dividendes déterminés et ordinaires (ligne 128)
G Crédit d'impôt pour dividendes (ligne 415)
H Impôt étranger sur des revenus non tirés d'une entreprise. Ce montant est utilisé pour calculer le crédit pour impôt étranger. Remplissez le formulaire *Crédit pour impôt étranger* (TP-772).
I Impôt du Québec retenu (ligne 451)

Renseignements complémentaires

- B-1** Gains en capital étrangers réalisés
C-1 Gains (ou pertes) en capital – Biens agricoles ou de pêche admissibles
C-2 Gains (ou pertes) en capital – Actions admissibles de petite entreprise
D-1 Montants attribués ayant fait l'objet d'une cotisation au Régime de rentes du Québec (RRQ) [ligne 101]
D-2 Montants attribués ou versés n'ayant pas fait l'objet d'une cotisation au RRQ (ligne 107)
D-3 Montant des revenus étrangers non tirés d'une entreprise pour lesquels un impôt étranger est inscrit à la case H

RELEVÉ

RL-25 (2016-10)

25 Revenus provenant d'un régime d'intéressement

Année		Code du relevé	N° du dernier relevé transmis	
A1- Montant réel des dividendes déterminés	A2- Montant réel des dividendes ordinaires	B- Gains (ou pertes) en capital	C- Gains (ou pertes) en capital servant à calculer l'exemption	D- Autres montants attribués ou versés
E- Attributions annulées	F- Montant imposable des dividendes déterminés et ordinaires	G- Crédit d'impôt pour dividendes	H- Impôt étranger sur des revenus non tirés d'une entreprise	I- Impôt du Québec retenu
Renseignements complémentaires				
Nom du régime d'intéressement			Numéro d'assurance sociale du bénéficiaire	
Nom et adresse du fiduciaire ou de l'employeur				

Nom de famille, prénom et adresse du bénéficiaire



Relevé officiel – Revenu Québec
 Formulaire prescrit – Président-directeur général

TO CONTACT US

Online

www.revenuquebec.ca



By telephone

Individuals and individuals in business

Monday to Friday: 8:30 a.m. to 4:30 p.m.

Québec City

418 659-6299

Montréal

514 864-6299

Elsewhere

1 800 267-6299 (toll-free)

Businesses, employers and agents for consumption taxes

Monday, Tuesday, Thursday and Friday: 8:30 a.m. to 4:30 p.m.

Wednesday: 10:00 a.m. to 4:30 p.m.

Québec City

418 659-4692

Montréal

514 873-4692

Elsewhere

1 800 567-4692 (toll-free)

Complaints – Bureau de la protection des droits de la clientèle

Monday to Friday: 8:30 a.m. to 4:30 p.m.

Québec City

418 652-6159

Elsewhere

1 800 827-6159 (toll-free)

Individuals with a hearing impairment

Montréal

514 873-4455

Elsewhere

1 800 361-3795 (toll-free)

By mail

Individuals and individuals in business

Montréal, Laval, Laurentides, Lanaudière and Montérégie

Direction principale des relations avec la clientèle des particuliers

Revenu Québec

C. P. 3000, succursale Place-Desjardins

Montréal (Québec) H5B 1A4

Québec City and other regions

Direction principale des relations avec la clientèle des particuliers

Revenu Québec

3800, rue de Marly

Québec (Québec) G1X 4A5

Businesses, employers and agents for consumption taxes

Montréal, Laval, Laurentides, Lanaudière, Montérégie, Estrie and Outaouais

Direction principale des relations avec la clientèle des entreprises

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