

Valuable Tax Information for 2009

Filing deadline:
April 30, 2010



Waterhouse

Wealth of Experience

About this guide

At TD Waterhouse we want to assist you with your financial needs any way we can. This guide was developed to help make tax filing easier. We have included up-to-date information about:

- recent changes to tax reporting that may affect you;
- timelines for receiving your tax slips from TD Waterhouse and how to use them;
- answers to frequently asked questions regarding taxes.

What's new for the 2009 tax year

Tax-Free Saving Account (TFSA)

In 2009 TD Waterhouse offered clients the TFSA. For income tax purposes contributions and withdrawals to or from a TFSA are not deductible, as a result tax slips will not be issued. In addition, the income earned in a TFSA, such as interest income and capital gains, is not taxable.

Registered Disability Savings Plan (RDSP)

In 2009 TD Waterhouse offered clients the RDSP. For income tax purposes contributions to an RDSP are not deductible, as a result tax slips will not be issued. A tax slip (T4A and Relève 1 for Quebec clients) will be issued if funds are withdrawn from an RDSP.

Quick Tax Software

We have made the 2009 Quick Tax¹ software available to complete your T1 tax return. You can access the Quick Tax software on the TD Waterhouse website via WebBroker at the following link www.tdwaterhouse.ca. This software will be available March 1, 2010.

This guide is designed to provide general tax information and should not be relied upon for legal or tax advice. The guide also includes a list of tax receipts however, not all of them will apply to you. If you require specific tax advice, please speak to your tax advisor.

TD Waterhouse tax slip distribution dates

REGISTERED ACCOUNTS

Form	Purpose of Form	Mailed No Later Than
RSP Contribution Receipts	All RSP Contributions	A tax receipt for contributions made between March 3, 2009 and December 31, 2009 will be mailed the first week of January 2010. Tax receipts for contributions made from January 1, 2010 to March 2, 2010 will be printed and mailed weekly, beginning January 11, 2010.
NR4 (RSP)	Non-resident RSP De-registration	March 31, 2010
NR4 (RIF)	Non-resident RIF De-registration	March 31, 2010
T4RSP	Withdrawals from RSP	February 26, 2010
T4RIF	Withdrawals from RIF	February 26, 2010
Relevé 2	Quebec - submitted with T4RSP/T4RIF	February 26, 2010
T4A/Relevé 1	RESP withdrawals	February 26, 2010

NON-REGISTERED ACCOUNTS

Form	Purpose of Form	Mailed No Later Than
T3/R16 (Mutual Funds)	Income Distribution and Return of Capital Distributions on Mutual Funds	Mailed by fund company by March 31, 2010
T5	Dividend and Interest Income equal to or greater than \$50	February 26, 2010
T5	All Split Share Income	February 26, 2010
Relevé 3	Quebec - submitted with T5	February 26, 2010
T3 (Trust Units)	Trust Unit Income	Mail dates between March 1, 2010 and March 31, 2010
R16 (Trust Units)	Quebec - submitted with T3	Mail dates between March 1, 2010 and March 31, 2010
T5013 AND T5013A	Partnership Income	Mail dates between March 1, 2010 and March 31, 2010
Relevé 15	Quebec - submitted with T5013/T5013A	Mail dates between March 1, 2010 and March 31, 2010
NR4	Distributions to non-residents	March 31, 2010
Annual Trading Summaries	For clients who were issued a T5 or NR4	Mailed with T5 or NR4
1099 INT	U.S. person receiving Interest Income*	January 29, 2010
1099 B	U.S. person receiving Proceeds from Sale*	January 29, 2010
1099 DIV	U.S. person receiving Dividend Income	January 29, 2010
1042 S	Issued to flow-through entities including Simple and Grantor Trusts, Partnerships reporting U.S. Source Income*	March 12, 2010

* For Internal Revenue Service reporting, if you are being charged the maximum tax rate of 30% and live in a treaty country you may be able to reduce your tax paid by providing TD Waterhouse with the required documentation. Contact your account representative for more information.

Reminder:

- T5 tax receipts are issued only if the total income is \$50.00 or greater. You are required to report amounts under \$50.00 but no receipt will be issued. If an amended tax slip is required to be issued, receipts of less than \$50.00 may or may not be issued.
- For T5008/Rel 18 reporting; not all transactions are reported to CRA - only dispositions are to be reported. For further details, please refer to the CRA website: www.cra-arc.gc.ca
- Income from trusts will be reported on a consolidated basis as we receive tax factors from the respective trusts.
- If you have trust unit tax receipts that are still pending, you will receive a Pending Trust Summary advising you which securities have not reported. As well, the summary report notifies you of the reporting cut-off dates for each Trust Unit mailing run.
- Trust units and limited partnerships can issue revised tax factors as late as March 31, 2010 which may result in TD Waterhouse having to send you an amended tax receipt. If this occurs, we will also include a T1ADJ form. You will need to complete this T1ADJ form if you have filed your return before receiving the amended receipt. Residents of Quebec are also required to complete Form TP-1.R.V to report adjustments.
- Limited partnerships will be reported on an individual basis as we receive tax factors from the respective partnerships. Some partnerships will issue receipts directly to you and TD Waterhouse will not report. This usually occurs when a partnership has materially changed, dissolved or had a corporate action.

Reminder continued:

- If you have mutual fund holdings (including TD Mutual Funds) in your account, you will receive a separate T3 tax slip from each Mutual Fund Company.
- **You can sign up for eServices** which will allow for you to view and retrieve your tax receipts from TD Waterhouse through this program. This will replace your paper receipt and allow you to receive your tax information sooner, without any postal delays.

Your tax slips will be available on-line at <http://www.tdwaterhouse.ca/eservices/index.jsp>

Frequently asked questions

Q. How can I defer the tax on my U.S./Foreign spin-offs?

A. As a Canadian resident shareholder, you may be able to elect to defer being taxed on the spin-off shares by having the value of the spin-offs excluded from your taxable income for the year. EFILE¹ and NETFILE¹ cannot be used to file the return for the tax year to which the election relates. For more information, please visit the CRA website: <http://www.cra-arc.gc.ca/tax/business/topics/foreign-e.html>

Q. Can a NR4 be amended to reduce withholding tax?

A. No. Non-resident tax that has been withheld is remitted to CRA on a monthly basis. CRA has advised us that an NR4 cannot be amended if non-resident tax was withheld in error. In such a situation, you should file the NR4 with your Canadian tax return and CRA will make the adjustment. Non-residents can claim a refund by filing an NR7R application.

Q. Can I make a spousal RSP contribution online?

A. Only WebBroker allows the user to transact spousal contributions. EasyWeb™ does NOT allow spousal contributions. If you want to make spousal contributions and you are not able to use WebBroker, please contact your local TD Waterhouse Office or visit a TD Canada Trust branch.

Q. What is a notional payment? (also called a phantom or non-cash payment)

A. A notional payment is a non-cash payment resulting from taxable income being passed from a trust to the shareholders. The share distribution is immediately redeemed, resulting in no increase of holdings but an increase in the book value of the shareholders' existing holdings in the trust. TD Waterhouse is notified of a notional payment at the time the tax factors are reported by the Trust.

Q. How will I know when I have received all my T3 tax slips for trust units?

A. A "Pending Trust Unit Summary" lists the trust units that you hold but have not yet reported their tax factors. The summary will accompany the first T3 package you receive and subsequent packages if applicable. Trusts that report a notional payment or a payment that must be split and reported over two tax years will cause delays in the reporting. These will also appear on the Pending Trust Unit Summary, even if their factors are reported, until we include them in a subsequent consolidated T3.

Important dates to remember

- | | |
|----------------|---|
| March 1, 2010 | - Last day for 2009 RSP contributions |
| April 30, 2010 | - Last day to file your 2009 tax return without possible penalty* |
| June 15, 2010 | - Last day to file your 2009 tax return if you are self-employed without possible penalty.* |

During March and April 2010, individual amendments to 2009 tax slips can generally be completed within three business days. Amendments to tax slips for prior years can generally be completed within seven business days.

***Note:** You are required to file by these dates if you owe taxes, even if you don't have all your tax slips. Should you file late, you will be subject to a late payment penalty of 5% of the balance owing and interest of 1% of the balance for each month that your tax return is late.

For more information

- For information about Canadian tax filing, visit the Canada Revenue Agency (CRA) website at www.cra.arc.gc.ca
- For information about U.S. tax filing, visit the Internal Revenue Service (IRS) website at www.irs.gov
- We recommend that you contact your Tax Advisor if you have any questions relating to your personal circumstances.

How TD Waterhouse can help you

Call TD Waterhouse at the number on your account statement for help with the following:

- **If you lose or do not receive the tax slip(s) for your TD Waterhouse account(s)**
- **If your tax slip is incorrect**, call us with the correct information, and we will send you a corrected version.
- Register for eServices (Electronic Tax Documents) for the 2010 tax year.



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