

FOR MINISTRY PERSONNEL: INSTRUCTIONS ON COMPLETING FORM 1213

The Form T1213 is a request to the Canada Revenue Agency to reduce tax deductions at source for the upcoming year. Our ADP payroll set up assumes that the Clergy Residence Deduction (CRD) will be claimed and that the employee is eligible for reduced tax withholding on that portion of their income. Currently clergy housing is not being taxed and the tax reduction has been applied.

Technically, Ministry Personnel who are receiving an annual housing allowance should complete and submit this form for the upcoming year (i.e. 2010) if they wish to maintain the same lower tax deducted at source. Currently, there is on-going conversation between CRA and the church concerning the necessity for this form. It is recommended that the form be completed and submitted to the Canada Revenue Agency in October of the current year for the upcoming year.

This does not apply to ministry personnel living in manses.

To complete the form with regard to the annual Clergy Housing Allowance only ... in the sections:

- **Request to reduce tax on:** Check the salary box and enter your annual salary on the line.
- Deductions from income and non-refundable tax credits: Other specify: Clergy Housing Allowance and the annual amount
- **Total amounts to be deducted from income:** fill in the annual Clergy Housing Allowance
- **Subtract from income ...** - this amount will be 0
- **Net amount requested for tax waiver:** will be the annual Clergy Housing Allowance

The completed form must be sent to the Client Services Division of their nearest tax services office. Locations of your nearest office can be found on the Canada Revenue Agency (CRA) website at: www.cra.gc.ca/tso or by calling 1-800-959-8281.

The Canada Revenue Agency will respond in writing directly to the individual within 4-8 weeks indicating whether or not the request is approved. If the letter from the CRA indicates the request is approved, the letter must be sent to the pastoral charge treasurer. Approval of requests to reduce tax deductions at source are done on an annual basis and ministry personnel must re-apply each fall. Treasurers will be asked to administer payroll assuming that this form has been received and the lower tax rate maintained.

Eligible Ministry Personnel should still claim their Clergy Residence Deduction (CRD) (form T1223) on their income tax as before.