

LEGISLATIVE PROPOSALS RELATED TO INCOME TAX

INCOME TAX ACT

1. (1) Paragraph 18(11)(g) of the *Income Tax Act* is repealed.

(2) Subsection (1) applies after 2009.

2. (1) Clause 56(1)(a)(i)(C) of the Act is replaced by the following:

(C) the amount of any payment out of or under a specified pension plan, and

(2) Subsection 56(2) of the Act is replaced by the following:

(2) A payment or transfer of property made pursuant to the direction of, or with the concurrence of, a taxpayer to another person for the benefit of the taxpayer or as a benefit that the taxpayer desired to have conferred on the other person (other than by an assignment of any portion of a retirement pension pursuant to section 65.1 of the *Canada Pension Plan* or a comparable provision of a provincial pension plan as defined in section 3 of that Act) shall be included in computing the taxpayer's income to the extent that it would be if the payment or transfer had been made to the taxpayer.

(3) Subsection (1) applies to payments made after 2009.

(4) Subsection (2) applies to payments and transfers made after 2010.

3. (1) Clause 60(l)(v)(B.01) of the Act is replaced by the following:

(B.01) the amount included in computing the taxpayer's income for the year as a payment (other than a payment that is part of a series of periodic payments or that relates to an actuarial surplus) received by the taxpayer out of or under a registered pension plan or a specified pension plan as a consequence of the death of an individual of whom the taxpayer was a child or grandchild, if the taxpayer was, immediately before the death, financially dependent on the individual for support because of mental or physical infirmity,

(2) Sub-subclause 60(l)(v)(B.1)(II)1. of the Act is replaced by the following:

1. a payment (other than a payment that is part of a series of periodic payments or that relates to an actuarial surplus) received by the taxpayer out of or under a registered pension plan or a specified pension plan,

(3) Paragraph 60(v) of the Act is repealed.

(4) Subsections (1) to (3) apply for taxation years that begin after 2009.

4. (1) The definition "eligible individual" in subsection 60.02(1) of the Act is replaced by the following:

"eligible individual" means a child or grandchild of a deceased annuitant under a registered retirement savings plan or registered retirement income fund, or of a deceased member of a registered pension plan or a specified pension plan, who was financially dependent on the deceased for support, at the time of the deceased's death, by reason of mental or physical infirmity;

Indirect
payments

"eligible
individual"
« particulier
admissible »

(2) Paragraph (c) of the definition “eligible proceeds” in subsection 60.02(1) of the Act is replaced by the following:

(c) a payment (other than a payment that is part of a series of periodic payments or that relates to an actuarial surplus) out of or under a registered pension plan or a specified pension plan.

(3) Subsections (1) and (2) apply to payments made after June 2011.

5. (1) Subsection 74.1(1) of the Act is replaced by the following:

Transfers and
loans to spouse
or
common-law
partner

74.1 (1) Where an individual has transferred or lent property (otherwise than by an assignment of any portion of a retirement pension pursuant to section 65.1 of the *Canada Pension Plan* or a comparable provision of a provincial pension plan as defined in section 3 of that Act), either directly or indirectly, by means of a trust or by any other means whatever, to or for the benefit of a person who is the individual’s spouse or common-law partner or who has since become the individual’s spouse or common-law partner, any income or loss, as the case may be, of that person for a taxation year from the property or from property substituted therefor, that relates to the period in the year throughout which the individual is resident in Canada and that person is the individual’s spouse or common-law partner, is deemed to be income or a loss, as the case may be, of the individual for the year and not of that person.

(2) Subsection (1) applies to transfers and loans made after 2010.

6. (1) Paragraph 74.5(12)(a.1) of the Act is repealed.

(2) Subsection (1) applies to transfers made after 2010.

7. (1) Subparagraph (a)(i) of the definition “pension income” in subsection 118(7) of the Act is replaced by the following:

(i) a payment in respect of a life annuity out of or under a superannuation or pension plan or a specified pension plan,

(2) Paragraph 118(8)(e) of the Act is replaced by the following:

(e) a payment received out of or under a salary deferral arrangement, a retirement compensation arrangement, an employee benefit plan or an employee trust; or

(3) Subsections (1) and (2) apply after 2009.

8. (1) Subparagraph (g)(iii) of the definition “excluded right or interest” in subsection 128.1(10) of the Act is repealed.

(2) Subsection (1) applies to taxation years that begin after 2009.

9. (1) Subparagraph 146(8.2)(b)(iii) of the Act is replaced by the following:

(iii) was not paid by way of a transfer of an amount from a specified pension plan to a registered retirement savings plan in circumstances to which subsection 146(21) applied, and

(2) The portion of paragraph 146(21)(a) of the Act before subparagraph (i) is replaced by the following:

(a) an amount (other than an amount that is part of a series of periodic payments) is transferred directly from an individual’s account under a specified pension plan

(3) Section 146 of the Act is amended by adding the following after subsection (21):

Specified pension plan – contribution

(21.1) For the purposes of this section, of paragraphs 18(11)(b), 60(j), (j.1), (l), 74.5(12)(a), 146.01(3)(a) and 146.02(3)(a) and Parts X.1 and X.5, and of section 214.1 of the *Income Tax Regulations*, a contribution made by an individual to an account of the individual, or of the individual’s spouse or common-law partner, under a specified pension plan is deemed to be a premium paid by the individual to a registered retirement savings plan under which the individual, or the individual’s spouse or common-law partner, as the case may be, is the annuitant.

Specified pension plan – account

(21.2) For the purposes of paragraph (8.2)(b), subsection (8.21), paragraphs (16)(a) and (b) and 18(1)(u), subparagraph (a)(i) of the definition “excluded right or interest” in subsection 128.1(10), paragraph (b) of the definition “excluded premium” in subsection 146.01(1), paragraph (c) of the definition “excluded premium” in subsection 146.02(1), subsections 146.3(14) and 147(19) and section 147.3, and of regulations made under 147.1(18), an individual’s account under a specified pension plan is deemed to be a registered retirement saving plan under which the individual is the annuitant.

Specified pension plan – payment

(21.3) For the purposes of subsections (8.3) to (8.7), a payment received by an individual from a specified pension plan is deemed to be a payment received by the individual from a registered retirement savings plan.

(4) Paragraph 146(22)(a) of the Act is replaced by the following:

(a) except for the purposes of subparagraphs (5)(a)(iv.1) and (5.1)(a)(iv), an amount paid by an individual in a taxation year (other than an amount paid in the first 60 days of the year) as a premium is deemed to have been paid at the beginning of the year and not at the time it was actually paid;

(5) Subsections (1), (2) and (4) apply to taxation years that begin after 2009.

(6) Subsections 146(21.1) and (21.2) of the Act, as enacted by subsection (3), apply to taxation years that begin after 2009, except that, for taxation years that begin before 2011, subsection 146(21.1) of the Act, as enacted by subsection (3), is to be read without reference to “, and of section 214.1 of the *Income Tax Regulations*,”.

(7) Subsection 146(21.3) of the Act, as enacted by subsection (3), applies to taxation years that begin after 2010.

10. (1) Paragraph (b) of the definition “excluded premium” in subsection 146.01(1) of the Act is replaced by the following:

(b) was an amount transferred directly from a registered retirement savings plan, registered pension plan, registered retirement income fund or deferred profit sharing plan,

(2) Subsection (1) applies to taxation years that begin after 2009.

11. (1) Paragraph (c) of the definition “excluded premium” in subsection 146.02(1) of the Act is replaced by the following:

(c) was an amount transferred directly from a registered retirement savings plan, registered pension plan, registered retirement income fund or deferred profit sharing plan,

(2) Subsection (1) applies to taxation years that begin after 2009.

12. (1) Subparagraph 146.3(2)(f)(vii) of the Act is replaced by the following:

(vii) a specified pension plan in circumstances to which subsection 146(21) applies;

(2) Subsection (1) applies for taxation years that begin after 2009.

13. (1) Subsection 248(1) of the Act is amended by adding the following in alphabetical order:

“specified pension plan” means a prescribed arrangement;

“specified
pension plan”
« régime de
pension
déterminé »

(2) Subsection (1) applies after 2009.

INCOME TAX REGULATIONS

14. (1) Section 7800 of the *Income Tax Regulations* is replaced by the following:

7800. For the purposes of the definition “specified pension plan” in subsection 248(1) of the Act, a prescribed arrangement is the Saskatchewan Pension Plan established under *The Saskatchewan Pension Plan Act*, Statutes of Saskatchewan, 1986, chapter S-32.2, as amended from time to time.

(2) Subsection (1) applies after 2009.

