

For Ministry Personnel: Instructions for Completing CRA T1213 and RQ TP-1016-V

Eligible ministry personnel who wish to have their taxable income reduced by the Clergy Residence Deduction amount and thereby reduce the amount of income tax deducted at source (pay by pay) must obtain a letter of authority from Canada Revenue Agency (CRA) and Revenu Québec (RQ) if the minister works in Quebec. To obtain a letter of authority, ministers must complete and submit the following form(s) to a tax office of the CRA/RQ:

CRA Request to Reduce Tax Deductions at Source (T1213)

- *Request to reduce tax on:* Check the Salary box and enter your total cash compensation (salary, and if applicable, housing allowance) on the line.
- *Deductions from income and non-refundable tax credits:* Check "clergy residence" and the annual amount anticipated for the coming year.

RQ Application for Reduction in Source Deductions of Income Tax (TP-1016-V)

- *Information about the remuneration:* Check the Salary box
- *Deductions and tax credits:* Check "Other deductions..." and specify the annual amount anticipated for the coming year.

To increase the likelihood of approval, you should include with the form...

1. A copy of the prior year's completed CRA *Clergy Residence Deduction* (T1223) form and RQ *Residence Deduction for a Member of the Clergy or a Religious Order* (TP-76-V) form if the minister works in Quebec.
2. A signed letter from the employer, consistent with the answers given in Part B (Employer section) of the T1223 form, and Section 2 of the TP-76-V form stating:
 - that the employee will remain eligible for the clergy residence deduction in the upcoming year as the employee is a "regular minister/member of clergy"
 - that the employee will be one of: in charge of a congregation; ministering to a congregation or court of the church; or in full-time admin service
 - the estimated total cash compensation to be paid in the upcoming year (salary plus cash housing allowance)
 - that the employer will be completing the employer section of the T1223 and TP-76-V for the upcoming year

Send the completed form(s), with this supporting detail, to:

CRA Nearest tax services office; to find a location, go to: www.cra.gc.ca/tso

RQ Revenu Québec, C. P. 3000, succursale Place-Desjardins, Montréal (Québec) H5B 1A4

The CRA and RQ will respond in writing directly to the minister within 4 to 8 weeks indicating whether the request is approved. If approved, the letter of authority will stipulate a specific amount on which income tax can be reduced. The minister must then give a copy of the letter of authority to the pastoral charge's treasurer / ADP administrator, to initiate the reduction of income tax at source for the next pay onwards.

Note – the letter of authority is valid for the current calendar year only. Government authorization to reduce tax deductions at source must be done on an annual basis, and ministry personnel must reapply each fall.