



MEMORANDUM

TO: CONGREGATIONAL TREASURERS AND MINISTERS
FROM: STEPHEN ROCHE, DIANA KELLINGTON AND DAVID JEFFREY
SUBJECT: CLERGY RESIDENCE DEDUCTION
DATE: 23/11/09

The following information was gathered and compiled by the Canadian Council of Christian Churches for the benefit of its members.

The Canada Revenue Agency has made retroactive changes to the requirements to file form T1213 (Request to Reduce Tax Deductions at Source) for any employees who qualify for the CRD.

Since 2005, CRA's previous position was that the T1213 form was no longer required for any CRD eligible employee who informed their employer, via the annual CRA form T1223 Clergy Residence Deduction, that they would be making a CRD claim.

Now, employees who own or rent their accommodation will again be required to file form T1213 with CRA, and receive written approval from CRA, before being allowed a reduction of income tax at source.

When housing is provided by the employer (e.g. a manse or parsonage), the T1213 filing is not required because the provide-housing taxable benefit will generally equal the CRD amount.

We suggest that a T1213 form be filed by no later than November of the current year (2009) to allow sufficient time for CRA to issue an approval for the following year (2010).

The CCCC discovered that CRA had amended its policy (2005 Charities Newsletter No. 23), but had not indicated that a change had been made. When the CRA was notified by CCCC, the omission was corrected.

Link to form: <http://www.cra-arc.gc.ca/E/pbg/tf/t1213/t1213-04e.pdf>