



Information Sheet

Tax and Benefit Information for Spouse's of Canadian Government Employees on Foreign Assignment

The purpose of this document is to provide **general residency, tax and benefit related information** for the spouses of employees of the Department of National Defence (“DND”) / members of the Canadian Armed Forces (“CAF”) and Department of Foreign Affairs, Trade and Development (“DFATD”) Canada that are sent on foreign assignments.

This document does not address all possible situations that may require more analysis when determining the tax implications and your eligibility for the benefit and credit payments administered by the Canada Revenue Agency (CRA).

Please note that our reference to a spouse in this document includes a common-law partner.

1) Spouses that intend to return to Canada and expect to maintain their Canadian residency while living outside Canada

Where you are the spouse of a Canadian Government employee and are moving with your spouse and family to another country for your spouse to carry out a foreign assignment for the Government of Canada and it is your intention to return to Canada following the assignment, then you will be considered a factual resident of Canada. This factual residency is based on your intention to return to Canada as well as your secondary residential ties maintained with Canada, such as a valid Canadian passport, bank accounts, credit cards or registered retirement savings plan's (RRSP).

As a factual resident, your income is taxed as if you never left Canada. As such and in order to avoid any interruptions of your Canadian benefit and credit payments while living abroad, including the Canada child benefit (CCB) and related provincial and territorial payments, you should:

- file your Canadian income tax and benefit return on time every year for the province or territory where you keep residential ties. Generally, this is the province or territory where you lived before you left Canada
- **do not** enter an emigration date on page 1 of your tax return for the year you left Canada or enter an immigration on page 1 of your tax return for the year you return to Canada

- report **all** income you receive from sources inside and outside Canada for the year, and claim all deductions and any federal, provincial or territorial refundable/non-refundable tax credits that apply to you
- pay federal tax and provincial or territorial tax for the province or territory where you keep residential ties in Canada
- attach a completed Form T1248, Schedule D Information about your Residency Status to your return and ensure you tick the box stating you were a factual resident of Canada
- get your spouse to file their tax returns on time every year. Generally, they would complete and file the income tax and benefit return for non-residents and deemed residents of Canada.

To get our forms and publications, go to canada.ca/cra-forms or call 1-800-959-8281. If you are in a country other than Canada or the United States, call 1-613-940-8495. We accept collect calls.

NOTE: If you contact the CRA to update your foreign mailing address, ensure to state the move is for an indefinite long-term absence and that your intention is to return to Canada once the spouse's foreign assignment comes to an end. This will ensure that an emigration date is not updated on your account and that you are considered a factual resident of Canada while living outside of Canada. You can also update your foreign mailing address using CRA's My Account or complete and mail [Form RC325, Address change request](#) to the address on the form.

2) Spouses that do not expect to maintain their Canadian residency while living outside of Canada

If you believe that you will be a non-resident of Canada when you leave with your spouse and family for the foreign assignment because your intention, primary ties and secondary ties support your status as a non-resident of Canada, then you should complete Form NR73, Determination of Residency Status (Leaving Canada). The Canada Revenue Agency will review the information provided in your completed Form NR73 to determine whether or not you will be considered a non-resident of Canada.

If it is determined that you will be a non-resident of Canada, you should know the tax implications, which include:

- (1) You will be deemed to have disposed of certain properties that may give rise to capital gains (taxes on gains can be deferred by using Form T1244, Election, Under Subsection 220 (4.5) of the Income Tax Act, to Defer the Payment of Tax on Income Relating to the Deemed Disposition of Property);
- (2) You will only be able to create additional RRSP room if you have earned income in Canada;
- (3) You will not be able to contribute to a Tax Free Savings Account; and
- (4) You will be subject to tax of up to 25% on certain payments from Canadian sources, such as investment income (Part XIII tax).

As a non-resident, you are not eligible to receive the Canada child benefit (CCB) unless you are the spouse of a deemed resident and you meet the CCB eligibility requirements. If this is your situation, you will need to contact the International tax and non-resident enquiries office to continue receiving your benefit payments.

3) Canada child benefit recipient living in Canada whose payments were interrupted because spousal return was filed after the April 30 deadline

To continue getting your payments for the Canada child benefit and other programs you might be entitled for, you and your spouse each have to file tax your tax returns on time every year, even if you have not received income in the year.

The CRA understands that, in certain situations, the tax return of an individuals on foreign assignments might be filed after the April 30 deadline, which could interrupt the issuance of your benefit payments. To ensure your payments are not interrupted due to a missing or late filed tax return, please contact the Benefit Programs Processing Directorate.

For Service in English - Carrie Beaumier at 873-355-9886

For Service in French - Julie Lafleur at 873-355-9887

Important Links

- For further information with respect to the determination of an individual's residence status, please consult the CRA's [Income Tax Folio S5-F1-C1, Determining an Individual's Residency Status](#).
- For further information on how income tax rules apply to Canadian residents that leave the country, please consult [Non-Residents of Canada](#).
- For further information on the federal, provincial and territorial benefit and credit programs the CRA administers, please consult [Tax credits and benefits for individuals](#).

Should you have any further questions or require additional information regarding any of the above, please do not hesitate to communicate with the International tax and non-resident enquiries office at 1-613-940-8495. We accept collect calls.

International tax and non-resident enquiries office

By phone: 1-800-959-8281 (Canada and US)
613-940-8495 (for service in English)
613-940-8496 (for service in French)

By mail: International tax and non-resident enquiries office
Post Office Box 20000, Station A
Sudbury ON P3A 5C1
CANADA