RBC Investor Services Trust (RBC I&TS) has prepared the following guide to provide you with information regarding your 2014 tax slip(s) and worksheets, and assist you in preparing your 2014 income tax return. Please note that all amounts are reported in Canadian dollars (CAD).

Your 2014 Tax Information Package

This Tax Information Package includes the following:

- T5 Slip – to be filed with your 2014 federal income tax return
- Relevé 3 (RL-3) for Quebec residents – to be filed with your 2014 Quebec income tax return
- Income Tax Worksheet
- Capital Gains Worksheet (where applicable)
- Analysis of Tax Cost Worksheet (where applicable)

Depending on the investments in your account in 2014, you may receive separate tax slips for certain types of income. Tax slips for the following items will be sent to you as separate mailings:

- Canadian split share corporations — because of their unique reporting structure, you will receive a separate T5/RL-3 slip for each asset holding. The transactions for these assets will appear in the “Canadian Fund Income” section of the Income Tax Worksheet.
- Regular and compound interest for Canada Savings Bonds registered in your name — you will receive T5/RL-3 slips directly from the Bank of Canada
- Canadian mutual fund/pooled fund income or capital gains distributions — you will receive T3/RL-16 slips
- Partnership income or loss — you will receive a T5013/RL-15 slip
- Income from annuities or pension payments — you will receive the appropriate tax slips

Joint owners

If two or more persons own this account jointly, it is the responsibility of the owners to determine the proper allocation of amounts for tax reporting purposes. It may also be necessary for the owners to make adjustments to the tax cost of assets disposed of for purposes of calculating their capital gains and losses.

US citizens

If you are a citizen of the US but reside in Canada, you may also receive Internal Revenue Service (IRS) slips from RBC I&TS. As these slips are reported in US dollars and IRS reporting rules differ from Canadian reporting, you will not be able to reconcile the amounts on these slips with your RBC I&TS T5/RL-3 and accompanying worksheets.
T5/RL-3 slips
The T5/RL-3 slip enclosed with your 2014 Tax Information Package records various types of taxable investment income earned in your account for 2014. Details of the amounts reported on the T5/RL-3 slip(s) are included in the Income Tax Worksheet. Please refer to the notes at the bottom of the T5 and/or RL-3 for an explanation of types of income reported in various boxes.

Income Tax Worksheet
The Income Tax Worksheet has been provided for your information and may assist you in the preparation of your 2014 income tax return. A copy of this report has not been provided to the Canada Revenue Agency (CRA).

The Income Tax Worksheet is categorised into specific income groupings that correspond to the boxes on your T5/RL-3 tax slip(s). Due to the complex nature of tax reporting for mutual fund, pooled fund and partnership units, you will be unable to reconcile this worksheet with the tax slips you receive for these investments.

Guaranteed Investment Certificates (GICs)
Tax slips should be issued directly to you from other financial institutions for GICs transferred into the account. Even if you do not receive T5s from other financial institutions you are still required to report those amounts in your tax return. Transaction details for amounts not included in our T5 are reported in your transaction statements.

Accrued interest
In accordance with CRA requirements, accrued interest on compound bonds is reported on the T5 even though the amount has not yet posted to your Account. We have added these amounts to the T5 and Income Tax Worksheet.

Short term discount notes
Upon the sale of a Canadian short term discount note prior to maturity (e.g., Canada Treasury Bills), the difference between proceeds and cost, if a positive amount, will be reported as interest income on your T5. If the difference is a negative amount, it will be reported as a capital loss on the Capital Gains Worksheet. In addition, sales of Canadian short term discount notes held in a US currency account may incur foreign exchange gains or losses, which are reported on your Capital Gains Worksheet.

Other information
Amounts such as fees, overdraft interest and accrued interest on purchases are reported separately in the “Administration, Fees and Miscellaneous Expenses” section of the Income Tax Worksheet.

Capital Gains Worksheet
The Capital Gains Worksheet includes gain or loss information related to your account for 2014. While security dispositions are reported annually to the tax authorities, a copy of this report has not been provided to the CRA.

The Capital Gains Worksheet may include up to three sections of relevance to you:
1. Dispositions: this section reports the gains or losses on sales of assets in your account.
2. Free deliveries and corporate changes: this section reports the transfer of assets out of your account (described as “free deliveries”), as well as changes in your holdings occurring as a result of corporate actions such as mergers, acquisitions and other corporate reorganisations.
3. Acquisitions and Cost Adjustments: this section will reflect any cost base adjustments that have been processed on assets in your account during 2014.
If you held any of the same investments outside this account, other than in a registered plan, your tax cost for purposes of determining your gain or loss must be calculated for your combined holdings on a weighted average cost basis. You may need to adjust the figures reported in the worksheet to account for additional holdings, when calculating the gain or loss to be reported on your tax return.

The tax cost information in the Capital Gains Worksheet is based on the tax cost information provided by you or your agent. RBC I&TS cannot take responsibility for missing or inaccurate tax costs for assets transferred into your account, or for any adjustments to tax costs that may have occurred about which RBC I&TS was not informed. We recommend that you review the tax implications of this information with your tax advisor.

Analysis of Tax Cost Worksheet

This Worksheet provides you with tax costs of assets held in the account as at December 31, 2014. Reported tax costs are based on the information in our records and may need to be adjusted by you as discussed in the previous section. A copy of this report has not been provided to the CRA.

Foreign Property – T1135

The CRA announced further changes to form T1135 beginning with the 2014 year, which require taxpayers who hold in excess of CAD 100,000 in book value of specified foreign property. For an account with a Canadian trust company or broker, the information to be reported for the 2014 tax year on form T1135 includes:

- Year-end fair market value
- Maximum fair market value during the year (based on month-end values)
- Income received
- Capital gain/loss

This information can be aggregated by country of issue, rather than listing individual positions and form T1135 must be filed by the due date of the taxpayer’s annual return. If requested by your Investment Counsellor, we will provide you with our T1135 Tax Reporting Guide and Settled Asset Positions Summary report. These documents, along with the Income tax and Capital Gains Worksheets, are intended to assist you or your accountant in completing your T1135 form, if applicable.

For additional information

For more information, please consult with your tax advisor, or refer to the applicable CRA guides and regulations available through the CRA website at www.cra-arc.gc.ca. If you have any questions regarding the contents of your RBC I&TS Tax Information Package, please contact your RBC I&TS representative.