
TD1 Form Problem

Look at the Personal Tax Credits Return (TD1) Form on the  following page.

Allan is a full-time student at Bow Valley College. He just got a job tending bar at a local hotel. His new employer wants him to fill out a TD1 form. Allan is single and has no dependents. He will be a full-time student for 8 months in 2001 and will pay \$1,800.00 for tuition fees. He has not received any bursaries or scholarships.

Question 1 Highlight, circle or underline the words that explain why Allan's new employer needs the information on the Personal Tax Credits Return (TD1) form.

mark the TD1 form

Question 2 Enter Allan's *tuition and education amounts* into the correct box on the TD1 form.

write the amount on the form

Question 3 Calculate Allan's *total claim amount* and enter this amount on the form.

write the amount on the form



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

2001 PERSONAL TAX CREDITS RETURN

TD1

Complete this TD1 form if you have a new employer or payer and you will receive salary, wages, commissions, pensions, Employment Insurance benefits, or any other remuneration. Be sure to sign and date it on the back page and give it to your employer or payer who will use it to determine the amount of your payroll tax deductions.

If you do not complete a TD1 form, your new employer or payer will deduct taxes after allowing the basic personal amount **only**.

You **do not** have to complete a new TD1 form every year unless there is a change in your personal tax credit amounts. Complete a new TD1 form no later than seven days after the change.

You can get the forms and publications mentioned on this form from our Internet site at www.ccr-aadrc.gc.ca or by calling 1-800-959-2221.

Last name	First name and initial(s)	Date of birth (YYYY/MM/DD)	Employee number
Address including postal code		For non-residents only – Country of permanent residence	Social insurance number

<p>1. Basic personal amount – Every resident of Canada can claim this amount. If you will have more than one employer or payer in 2001, see the section called "Income from other employers or payers" on the back page. If you are a non-resident, see the section called "Non-residents" on the back page.</p>	\$7,412
<p>2. Age amount – If you will be 65 or older on December 31, 2001, and your net income for the year will be \$26,941 or less, enter \$3,619. If your net income will be between \$26,941 and \$51,068 and you want to calculate a partial claim, get the <i>Worksheet for the 2001 Personal Tax Credits Return</i> (TD1-WS) and complete the appropriate section.</p>	
<p>3. Pension income amount – If you will receive regular pension payments from a pension plan or fund (excluding Canada or Quebec Pension Plans (CPP/QPP), Old Age Security and guaranteed income supplements), enter \$1,000 or your estimated annual pension income, whichever is less.</p>	
<p>4a. Tuition and education amounts (full-time) – If you are a student enrolled full-time at a university, college, or educational institution certified by Human Resources Development Canada, enter the total of the tuition fees you will pay, if more than \$100 per institution, plus \$400 for each month that you will be enrolled full-time.</p>	
<p>4b. Tuition and education amounts (part-time) – If you are a student enrolled part-time at a university, college, or educational institution certified by Human Resources Development Canada, enter the total of the tuition fees you will pay, if more than \$100 per institution, plus \$120 for each month that you will be enrolled part-time.</p>	
<p>5. Disability amount – If you will claim the disability amount on your income tax return by using Form T2201, <i>Disability Tax Credit Certificate</i>, enter \$6,000.</p>	
<p>6. Spousal amount – If you are supporting your spouse or common-law partner who lives with you, and his or her net income for the year will be \$629 or less, enter \$6,294. If his or her net income for the year will be between \$629 and \$6,923 and you want to calculate a partial claim, get the <i>Worksheet for the 2001 Personal Tax Credits Return</i> (TD1-WS) and complete the appropriate section.</p>	
<p>7. Equivalent-to-spouse amount – If you do not have a spouse or common-law partner and you support a dependent relative who lives with you, and his or her net income for the year will be \$629 or less, enter \$6,294. If his or her net income for the year will be between \$629 and \$6,923 and you want to calculate a partial claim, get the <i>Worksheet for the 2001 Personal Tax Credits Return</i> (TD1-WS) and complete the appropriate section.</p>	
<p>8. Caregiver amount – If you are taking care of a dependant who lives with you, whose net income for the year will be \$11,953 or less, and who is either your or your spouse's or common-law partner's:</p> <ul style="list-style-type: none"> • parent or grandparent age 65 or older, or • relative age 18 or older who is dependent on you because of an infirmity, <p>enter \$3,500. If the dependant's net income for the year will be between \$11,953 and \$15,453 and you want to calculate a partial claim, get the <i>Worksheet for the 2001 Personal Tax Credits Return</i> (TD1-WS) and complete the appropriate section.</p>	
<p>9. Amount for infirm dependant age 18 or older – If you are supporting an infirm dependant age 18 or older who is your or your spouse's or common-law partner's relative, who lives in Canada, and his or her net income for the year will be \$4,966 or less, enter \$3,500. You cannot claim an amount for a dependant claimed on line 8. If the dependant's net income for the year will be between \$4,966 and \$8,466 and you want to calculate a partial claim, get the <i>Worksheet for the 2001 Personal Tax Credits Return</i> (TD1-WS) and complete the appropriate section.</p>	
<p>10. Amounts transferred from your spouse or common-law partner – If your spouse or common-law partner will not use all of his or her age amount, pension income amount, tuition and education amounts (maximum \$5,000), or disability amount on his or her income tax return, enter the unused part.</p>	
<p>11. Amounts transferred from your dependant – If your dependant will not use all of his or her tuition and education amounts (maximum \$5,000) or disability amount on his or her income tax return, enter the unused part.</p>	
<p>12. TOTAL CLAIM AMOUNT – Add lines 1 through line 11. Your employer or payer will use this amount to determine the amount of your payroll tax deductions.</p>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$</div>

Form continues on the back _____

Answers - TD1 Form Problem

Allan is a full-time student at Bow Valley College. He just got a job tending bar at a local hotel. His new employer wants him to fill out a TD1 form. Allan is single and has no dependants. He will be a full-time student for 8 months in 2001 and will pay \$1,800.00 for tuition fees. He has not received any bursaries or scholarships.

1. Highlight, circle or underline the words that explain why Allan's new employer needs the information on the Personal Tax Credits Return (TD1) form.
"Your employer or payer will use this amount to determine the amount of your payroll deductions." (2 instances of this phrase, both correct)
2. Enter Allan's tuition and education amounts into the correct box on the TD1 form.

Tuition	\$1,800.00
Other expenses \$400.00 x 8 months	\$3,200.00
Total	\$5,000.00
3. Calculate Allan's total claim amount and enter this amount on the form.
 $5,000 + 7,412 = \mathbf{12,412}$

What makes questions easy or difficult?

Specificity of Operation - In question 3, the arithmetical operation of addition is well specified (the tax people want to make it easy to pay taxes). The phrase 'add lines 1 through 11' and the arrangement of the numbers in a column offer the form-filler adequate cues that an addition is required. If the arithmetic is poorly specified, the test item is more difficult.

Distracting Information - Without careful reading, the two categories of 'Tuition and Education' amounts in 4a and 4b can be confused. The form-filler has to use the additional search term 'full time' to identify the correct line.

Type of Match - The match between 'given' information and 'requested' information in question 2 requires no inference, the match is 'literal' or exact. However, the use of two search terms to locate the correct line ('full time' and 'education amount') raises the difficulty level.



Complete this TD1 form if you have a new employer or payer and you will receive salary, wages, commissions, pensions, Employment Insurance benefits, or any other remuneration. Be sure to sign and date it on the back page and give it to your employer or payer who will use it to determine the amount of your payroll tax deductions.

If you do not complete a TD1 form, your new employer or payer will deduct taxes after allowing the basic personal amount only.

You do not have to complete a new TD1 form every year unless there is a change in your personal tax credit amounts. Complete a new TD1 form no later than seven days after the change.

Visit our website at www.ccr-aadrc.gc.ca or by calling 1-800-959-2221.

Q1 Scan for 'use of form' or 'purpose of form'

Locate 'use' and 'employer' in two separate sections. Both instances are acceptable answers.

Date of birth (YYYY/MM/DD)	Employee number
Non-residents only - Country of permanent residence	Social insurance number

If you will have more than one employer or on the back page. If you are a non-resident,	\$7,412
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<p>2. Age amount - If you will be 65 or older on December 31, 2001, and your net income for the year will be \$26,941 or less, enter \$3,619. If your net income will be between \$26,941 and \$51,068 and you want to calculate a partial claim, get the <i>Worksheet for the 2001 Personal Tax Credits Return (TD1-WS)</i> and complete the appropriate section.</p> <p>3. Pension income amount - If you will receive regular pension payments from a pension plan or fund (excluding Canada or Quebec Pension Plans (CPP/QPP), Old Age Security and guaranteed income supplements), enter \$1,000 or your estimated annual pension income, whichever is less.</p> <p>4a. Tuition and education amounts (full-time) - If you are a student enrolled full-time at a university, college, or educational institution certified by Human Resources Development Canada, enter the total of the tuition fees you will pay, if more than \$100 per institution, plus \$400 for each month that you will be enrolled full-time.</p> <p>4b. Tuition and education amounts (part-time) - If you are a student enrolled part-time at a university, college, or educational institution certified by Human Resources Development Canada, enter the total of the tuition fees you will pay, if more than \$100 per institution, plus \$120 for each month that you will be enrolled part-time.</p> <p>5. Disability amount - If you will claim a <i>Credit Certificate</i>, enter \$6,000.</p> <p>6. Spousal amount - If you are supporting a spouse or common-law partner whose net income for the year will be \$629 or less, and you want to calculate a partial claim, complete the appropriate section.</p> <p>7. Equivalent-to-spouse amount - If you are supporting a relative who lives with you, and his or her net income for the year will be between \$629 and \$11,953, complete the appropriate section.</p> <p>8. Caregiver amount - If you are supporting a dependent who lives with you, and who is either: • parent or grandparent age 65 or older • relative age 18 or older who is dependent on you enter \$3,500. If the dependant's net income for the year will be \$3,500 or less, enter the amount of his or her net income. If the dependant's net income for the year will be more than \$3,500, enter \$3,500. If the dependant's net income for the year will be more than \$3,500, enter the amount of his or her net income. If the dependant's net income for the year will be more than \$3,500, enter the amount of his or her net income. If you are supporting a dependent who lives with you, and who is either: • parent or grandparent age 65 or older • relative age 18 or older who is dependent on you enter \$3,500. If the dependant's net income for the year will be \$3,500 or less, enter the amount of his or her net income. If the dependant's net income for the year will be more than \$3,500, enter the amount of his or her net income.</p> <p>9. Amount for infirm dependant age 18 or older - If you are supporting an infirm dependant age 18 or older who is your or your spouse's or common-law partner's relative, who lives in Canada, and his or her net income for the year will be \$4,966 or less, enter \$3,500. You cannot claim an amount for a dependant claimed on line 8. If the dependant's net income for the year will be between \$4,966 and \$8,466 and you want to calculate a partial claim, get the <i>Worksheet for the 2001 Personal Tax Credits Return (TD1-WS)</i> and complete the appropriate section.</p> <p>10. Amounts transferred from your spouse or common-law partner - If your spouse or common-law partner will not use all of his or her age amount, pension income amount, tuition and education amounts (maximum \$5,000), or disability amount on his or her income tax return, enter the unused part.</p> <p>11. Amounts transferred from your dependant - If your dependant will not use all of his or her tuition and education amounts (maximum \$5,000) or disability amount on his or her income tax return, enter the unused part.</p>	<p>Q3 Locate instructions to 'add lines 1 through 11'</p> <p>Perform addition</p> <p>In order to 'disconnect' this question from the previous one, mark it correct if the two amounts in line 1 and 4a are added correctly - even if the tuition and education amount has been miscalculated or is on the wrong line.</p>	<p>Tax</p> <p>923</p> <p>ome</p> <p>a</p>
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<p>12. TOTAL CLAIM AMOUNT - Add lines 1 through line 11. Your employer or payer will use this amount to determine the amount of your payroll tax deductions.</p>	\$ 12,412
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