

## **Information for Rostered Ministers and Payroll Administrators regarding Form T1213 – Request to Reduce Tax Deductions at Source**

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### **What is Form T1213 & where is it available**

Form T1213 is a request to the Canada Revenue Agency (CRA) to reduce income tax deductions at source on for the upcoming year. The form is available for download on the CRA website [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)

### **Who must submit Form T1213?**

Rostered ministers who receive a housing allowance, and wish to have their taxes reduced at source for the upcoming year, must submit Form T1213.

However, submitting Form T1213 by a rostered minister is not mandatory. If a T1213 is not submitted, housing allowance will be treated as a taxable benefit, which will result in reduction of take-home (net) pay, due to more income tax being deducted. The rostered minister may receive a refund when they file their income tax return with Form T1223, Clergy Residence Deduction Form.

This form does not apply to rostered ministers living in parsonages.

### **When & Where to Submit Form T1213**

Fall is the optimum time of year for rostered ministers to submit Form T1213 with CRA for the upcoming year. CRA will respond in writing directly to the rostered minister within 4-8 weeks indicating whether or not their request is approved.

Approval of requests to reduce tax deductions at source are done on an annual basis and rostered ministers must reapply each year.

Submit Form T1213 and all supporting documents to Taxpayer Services Division in your area. The address is available on the CRA website.

### **Completing Form T1213**

Most of the information requested on the form is self-explanatory.

However, it lists several possible “deductions from income and non-refundable tax credits”, but clergy residence is not among those. Rostered ministers should therefore enter the amount in the “other” section on the form, and attach a copy of their previous year’s T1223 (Clergy Residence Deduction form) that was completed when filing their last income tax return.

### **Other documents to submit with Form T1213**

In the past several years, rostered ministers have been asked by CRA to provide further documentation to support their request after Form T1213 was filed. In order to avoid delays in receiving approval, we suggest that you attach the following documents to Form T1213 on your initial submission:

- Form T1223 which was filed with the most recent Income Tax Return
- T1223 for the upcoming year using estimated costs for utilities, etc. This form must be signed by the employer
- Copy of Ordination Certificate
- Copy of current Letter of Call
- Job Description with percentages of time allocated to various tasks. A sample of this document is available on the Treasurers Page on the MNO Synod website.
- Letter from Bishop Jason verifying the current call. Please contact the MNO Synod Office to obtain this letter.

### **Letter of Approval from CRA**

When a rostered minister's request is approved by CRA, the rostered minister is to provide the payroll administrator (usually congregational treasurer) with a copy of the letter of approval from CRA. Payroll administrators can only reduce taxes at source if they receive the letter of approval.

### **Other Information**

Rostered Ministers should still claim their Clergy Residence Deduction (Form 1223) on their income tax return.