

This information is to provide assistance for pensioners who have an address outside Canada.

1. Becoming a non-resident of Canada involves more than a simple change of address. A change in residency status does not automatically occur when a pensioner moves to another country and changes their address. When pensioners contact us to advise us of a change in address to another country, we must also confirm whether they are changing their tax status as well. If the pensioner is unsure, they should contact **International Tax Services at 1-855-284-5946**. We must be certain that a pensioner is truly a non-Canadian resident in order to us to change their tax status and begin issuing an NR4 rather than a T4A. A copy of CRA's confirmation (see step .003) should be obtained and placed in the pensioner's file.
2. Pension income paid to non-residents of Canada is subject to income tax under Part XIII of the Income Tax Act ("Tax on Income from Canada of Non-Resident Persons"). This means that the pension income is subject to a flat rate that is not changed by tax credits; therefore the TD1 form is not relevant because the TD1 is used to determine the applicable tax credits in the calculation of the Part I tax.
3. In terms of appropriate evidence of residency status, CRA advises non-residents that they are obliged to provide confirmation of non-residency for tax purposes and identify their country of residence to the entity making the payments in Canada.
4. Canada has tax conventions or agreements -- commonly known as tax treaties -- with many countries. A tax treaty is designed to avoid double taxation for people who would otherwise pay tax on the same income in two countries.

Each tax treaty is different and relates to how pension income shall be treated for tax purposes in each country.
5. The applicable tax that must be withheld depends on your country of residence. For example, periodic pension payments made to a UK resident are not subject to Canadian tax, periodic pension payments made to a US resident are subject to a 15% rate, and periodic pension payments made to a resident of France are subject to a 25% rate.
6. CRA states: **To make sure the correct amount is deducted**, it's important for pensioners to tell Canadian payors:
 - *that you are a non-resident of Canada for tax purposes;*
 - *your country of residence.*
7. If an individual is subject to Part XIII tax on their income, ***Canadian payors, including financial institutions, must deduct Part XIII tax when the income is paid or credited to the pensioner.***

The usual Part XIII tax rate is 25% (unless a tax treaty between Canada and your home country reduces the rate).

8. If you change your address to another country it is necessary to submit written confirmation of your tax status to Nova Scotia Pension Services Corporation so that your tax may be deducted appropriately.
9. Tax treaty information is available at:
https://www.fin.gc.ca/treaties-conventions/treatystatus_-eng.asp
10. Contact information for the International Tax Services Office is available at:
<https://www.canada.ca/en/revenue-agency/corporate/contact-information/international-tax-non-resident-enquiries.html>

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