

as a non-resident. Further information is available from Revenue Canada's Interpretation Bulletin IT-221, *Determination of an Individual's Residence Status*, and its special release.

Non-Resident Tax Returns

Once you have become a non-resident of Canada as defined by Revenue Canada, you are no longer required to file income-tax returns. It may be in your interest to do so, however, if you have income subject to Canadian withholding tax. Withholding taxes are considered final if you do not file a return, but you may be entitled to a refund if you file a return and your taxable income is low enough.

Canadian Departure Taxes

Taxpayers who emigrate from Canada are generally deemed to have disposed of their assets at fair market value on the date they leave. Capital gains taxes, if any, are assessed at this time. Assets affected by this provision include shares in Canadian corporations, but not real estate. Deemed disposition is triggered by your declaration that you have left the country, which you make on your final income-tax return, filed by

April 30 of the year following your departure. Those with assets valued at more than \$25,000 must file a special return.

Receiving Canadian Public Pensions Abroad

Canada Pension Plan/Quebec Pension Plan (CPP/QPP) and Old Age Security (OAS) benefits can be paid to you when you are living outside the country, subject to certain conditions. You must satisfy Canada's minimum residence requirements for foreign receipt of CPP/QPP. If you have lived or worked in a country with which Canada has concluded a reciprocal social security agreement, you may qualify for social security benefits from both countries.

Canada's OAS system is intended to guarantee a minimum income to retirees, and it is subject to an income test. You can receive OAS benefits outside Canada, but you must file an annual return reporting your worldwide income.

Canadian Non-Resident Withholding Taxes

Canada imposes a withholding tax on "passive" income paid to non-residents from Canadian sources, including RRIFs, RRSPs, annuity