

Tax Credit for the Reporting of Tips

Complete this form if you are an individual and you are claiming a refundable tax credit for payroll taxes that you or a partnership you are a member of paid for the 2024 calendar year on tips received by or allocated to eligible employees.

You must enclose this form with your 2024 income tax return. However, if you are a **member of a partnership** whose fiscal period includes December 31, 2024, but ends in 2025, enclose this form with your 2025 income tax return to claim the tax credit for payroll taxes paid by the partnership in 2024.

If you are unable to file this form with your income tax return, send it to us with a duly completed copy of form TP-1.R-V, *Request for an Adjustment to an Income Tax Return*, within 12 months after the deadline for filing the return.

NOTE

If you are claiming the tax credit on behalf of a corporation, use form CO-1029.8.33.13, *Crédit d'impôt relatif à la déclaration des pourboires*.

Before completing this form, read the information on pages 5 and 6.

1 Your identification

Last name and first name

Social insurance number

2 Identification of sole proprietorship

Name of regulated establishment

Québec enterprise number (NEQ)

Identification number

File

R S

Address of regulated establishment

Postal code

3 Identification of partnership

Name of partnership

End date of fiscal period

Identification number

File

S P

Y Y Y Y M M D D

Name of regulated establishment

Québec enterprise number (NEQ)

Identification number

File

R S

Address of regulated establishment

Postal code



4 Tips, contributions and indemnities

4.1 Tips and indemnities of all eligible employees

To complete lines 1 through 6, you can use the copy of form TP-1019.4-V (statement of tips) provided by your employees for each pay period.

Tips reported to the employer for pay periods ending in 2024
+ Tips controlled by the employer (service charges added to the customer's bill) for pay periods ending in 2024
+ Indemnities (other than vacation pay) paid in 2024 and calculated for pay periods ending in 2024 on reported, controlled or allocated tips (see note below)
= Add lines 1 through 3. Carry the result to lines 21 and 25.
+ Tips allocated by the employer for pay periods ending in 2024
+ Add lines 4 and 5. Carry the result to lines 8, 11, 17, 20.1 and 29.

	Sole proprietorship	Partnership
1		
2		
3		
4		
5		
6		

Tips and indemnities of all eligible employees =

NOTE

The indemnities to be reported include those paid for statutory holidays, for family or parental leave (for a marriage, birth, adoption or death) and for leave taken to fulfill family obligations or for health reasons.

4.2 Employer contribution to the health services fund

Total payroll (TP) for the year

7		
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Amount from line 6

8		
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Applicable rate for the year according to the TP	TP	Rate
	\$1,000,000 or less	1.65%
	More than \$1,000,000 but less than \$7,500,000	$1.2485\% + \left(0.4015\% \times \frac{TP}{1,000,000} \right)$
	\$7,500,000 or more	4.26%

9	%	%
10		

Multiply line 8 by line 9.
Carry the result to line 35.
Employer contribution to the health services fund =

4.3 Employer contribution related to labour standards

Amount from line 6
+ Vacation pay paid in 2024 and calculated on tips
= Add lines 11 and 12.
- Adjustment respecting the maximum remuneration subject to the contribution related to labour standards for 2024 (see page 6)
= Subtract line 14 from line 13.

11		
12		
13		
14		
15		
16	0.06%	0.06%

Multiply line 15 by 0.06%. Carry the result to line 36.
Employer contribution related to labour standards =

4.4 Employer base QPP contribution and first additional QPP contribution

Amount from line 6
- Adjustment respecting the maximum pensionable earnings under the QPP for 2024 (see page 6)
= Subtract line 18 from line 17.
- Adjustment for employees who are under 18 or 73 or over in 2024 or who have elected to stop making QPP contributions (see page 6)
= Subtract line 19a from line 19.

17		
18		
19		
19a		
19b		
20	6.40%	6.40%

Multiply line 19b by 6.40%. Carry the result to line 37.
Employer base QPP contribution and first additional QPP contribution =



4.5 Employer second additional QPP contribution

		Sole proprietorship	Partnership
Amount from line 6	20.1		
Adjustment respecting the additional maximum pensionable earnings under the QPP for 2024 (see page 6)	- 20.2		
Subtract line 20.2 from line 20.1.	= 20.3		
Amount from line 19	- 20.4		
Subtract line 20.4 from line 20.3.	= 20.5		
Adjustment for employees who are under 18 or 73 or over in 2024 or who have elected to stop making QPP contributions (see page 6)	- 20.6		
Subtract line 20.6 from line 20.5.	= 20.7		
	×	4%	4%
Multiply line 20.7 by 4%. Carry the result to line 37.1.			
Employer second additional QPP contribution	= 20.8		

4.6 Employer EI premium

Amount from line 4	21		
Adjustment respecting the maximum insurable earnings subject to EI premiums for 2024 (see page 6)	- 22		
Subtract line 22 from line 21.	= 23		
EI contribution rate for 2024	×	23.1 %	%
Multiply line 23 by line 23.1. Carry the result to line 38.			
Employer EI premium	= 24		

4.7 Employer QPIP premium

Amount from line 4	25		
Adjustment respecting the maximum insurable earnings subject to QPIP premiums for 2024 (see page 6)	- 26		
Subtract line 26 from line 25.	= 27		
	×	0.692%	0.692%
Multiply line 27 by 0.692%. Carry the result to line 39.			
Employer QPIP premium	= 28		

4.8 Employer contribution to the CNESST

Amount from line 6	29		
Vacation pay paid in 2024 and calculated on tips	+ 29.1		
Add lines 29 and 29.1.	= 29.2		
Adjustment respecting the maximum insurable earnings for the CNESST in 2024 (see page 6)	- 29.3		
Subtract line 29.3 from line 29.2.	= 29.4		
CNESST contribution rate for 2024	×	30 %	%
Multiply line 29.4 by line 30. Carry the result to line 40.			
Employer contribution to the CNESST	= 31		



4.9 Vacation pay and employer contributions on the vacation pay

	Sole proprietorship	Partnership
Sole proprietorship: Vacation pay earned by the employees in 2024 and calculated on the tips reported, controlled or allocated for pay periods ending in 2024	32	
Partnership: Vacation pay earned by the employees in the fiscal period that includes December 31, 2024, and calculated on the tips reported, controlled or allocated for pay periods ending in that fiscal period		32
Sole proprietorship: Employer health services fund and QPP contributions and employer EI and QPIP premiums calculated on the vacation pay, according to the applicable rates for 2024 and the applicable maximums and adjustments in respect of QPP contributions for employees who are under 18 or 73 or over or who have elected to stop making QPP contributions	+ 33	
Partnership: Employer health services fund and QPP contributions and employer EI and QPIP premiums calculated on the vacation pay earned by the employees, according to the rates applicable for the year in which the vacation pay was earned and the applicable maximums and adjustments in respect of QPP contributions for employees who are under 18 or 73 or over or who have elected to stop making QPP contributions, if the fiscal period includes December 31, 2024		+ 33
Add lines 32 and 33. Carry the result to line 41.		
Vacation pay and employer contributions on the vacation pay	= 34	= 34

5 Tax credit for the reporting of tips

	Sole proprietorship	Partnership		
Employer contribution to the health services fund (amount from line 10)	35			
Employer contribution related to labour standards (amount from line 16)	+ 36			
Employer base and first additional QPP contributions (amount from line 20)	+ 37			
Employer second additional QPP contribution (amount from line 20.8)	+ 37.1			
Employer EI premium (amount from line 24)	+ 38			
Employer QPIP premium (amount from line 28)	+ 39			
Employer contribution to the CNESST (amount from line 31)	+ 40			
Vacation pay and employer contributions on the vacation pay (amount from line 34)	+ 41			
Indemnities calculated on tips for statutory holidays, for family or parental leave and for leave taken to fulfill family obligations or for health reasons and paid for 2024 or the fiscal period that includes December 31, 2024 (see page 5)	+ 42			
Add lines 35 through 42.	= 43			
Multiply line 43 by 75%.	×			
For a sole proprietorship, carry the result to line 48.	= 44			
Percentage interest in the partnership		×	46	
Multiply line 45 by line 46. Carry the result to line 49.		=	47	
Amount from line 45 (sole proprietorship)			48	
Amount from line 47 (partnership)			49	
Add lines 48 and 49. Carry the result to line 462 of your income tax return.			+	50
Tax credit for the reporting of tips				



Information

Eligibility requirements

You can claim a refundable tax credit for the payroll taxes that you or a partnership you are a member of paid **for the 2024 calendar year** in relation to tips:

- received by your eligible employees or the eligible employees of the partnership; or
- allocated to such employees.

To claim the tax credit, you must be:

- the employer of an individual who, in 2024, worked in the restaurant and hotel sector for a regulated establishment (see the definition in section 1.3 of document IN-250-V, *Tax Measures Respecting Tips*); or
- a member of a partnership that, during the fiscal period that includes December 31, 2024, was the employer of such an individual.

If you are a member of a partnership, the tax credit is based on your percentage interest in the partnership.

Eligible employee

A person is an eligible employee if they receive tips directly or indirectly in the performance of their duties at a regulated establishment.

A person is also an eligible employee if all or substantially all (90% or more) of the tips they receive directly or indirectly are derived from service charges paid by the customers of the regulated establishment. In this case, the following conditions must be met:

- In all or substantially all cases, the service charges are at least 10% of the amount of tippable sales, and customers are informed of the mandatory nature of the charges.
- Any tip-sharing arrangement in place at the establishment is managed by the employer.

Percentage interest

The "percentage interest" is your share of the partnership's income (or loss) for a given fiscal period, divided by the partnership's income (or loss) for that period. If the partnership had no income or loss for its fiscal period, do the calculations as if it had income of \$1,000,000.

Amounts qualifying for the tax credit

The portion of the following contributions and premiums that relates to tips received (directly or indirectly) by an eligible employee or allocated to an eligible employee under a tip-sharing arrangement, for pay periods ending in 2024, qualifies for the tax credit:

- employer contributions to the health services fund, the QPP and the CNESST, and the employer contribution related to labour standards;
- employer EI and QPIP premiums (since allocated tips are not subject to employer EI and QPIP premiums, a tax credit cannot be claimed in this regard).

The following amounts also qualify for the tax credit:

- on line 32**, the vacation pay earned by the employees in 2024 (or during the fiscal period that includes December 31, 2024, if you are a member of a partnership), under the *Act respecting labour standards* or an employment contract, on tips received or allocated;
- on line 33**, the employer health services fund and QPP contributions and the employer EI and QPIP premiums calculated on the vacation pay (these amounts must be determined according to the employer contribution rates applicable for the year in which the vacation pay was earned by the employees);
- on line 42**, the indemnities calculated on reported, controlled or allocated tips for statutory holidays, for family or parental leave and for leave taken to fulfill family obligations or for health reasons and that were paid for the 2024 taxation year or for the fiscal period that includes December 31, 2024.

The following are statutory holidays: January 1; Good Friday or Easter Monday (whichever is chosen by the employer); the Monday immediately before May 25; June 24 (or June 25 if the 24th falls on a Sunday); July 1 (or July 2 if the 1st falls on a Sunday); the first Monday of September; the second Monday of October; and December 25. Family or parental leave is leave on which an employee may be absent from work, without a pay reduction, for family or parental matters (death, marriage, birth, adoption), as provided for under sections 80, 81 and 81.1 of the *Act respecting labour standards*. Days of leave taken to fulfill family obligations correspond to the days for which an employee may, under section 79.7 and the second paragraph of section 79.16 of the *Act respecting labour standards*, be absent from work, without reduction of wages, to fulfill obligations related to the care, health or education of the employee's child or the child of the employee's spouse, or because of the state of health of a relative or a person for whom the employee acts as a caregiver, as attested by a professional working in the health and social services sector and governed by the *Professional Code*. Days of leave taken for health reasons correspond to the days for which an employee may, under section 79.7 and the second paragraph of section 79.16 of the *Act respecting labour standards*, be absent from work, without reduction of wages, owing to sickness, an organ or tissue donation for transplant, an accident, domestic violence or sexual violence of which the employee has been a victim.

The indemnities paid are those provided for in the *Act respecting labour standards* and the *National Holiday Act* or in the employment contract.

Any government assistance that you or the partnership received or is entitled to receive with regard to amounts qualifying for the tax credit must be subtracted from those amounts.

If you or the partnership repaid government assistance attributable to amounts from a previous year, you can include the repaid amount.



Special tax

The payroll taxes for which you can claim the tax credit, other than vacation pay and the related employer contributions, must have been **paid** by the time this form is filed. If you were granted a tax credit in respect of vacation pay, but the amount has not been paid by the deadline for filing this form (that is, 12 months after the deadline for filing your income tax return) or within 18 months after the end of the partnership's fiscal period that ends in the taxation year if you received the tax credit as a member of a partnership, you must pay a special tax so we can recover the portion of the tax credit relating to the vacation pay and to the employer contributions on the vacation pay.

You must also pay a special tax for any amount refunded to you for which you received a tax credit.

Adjustment for 2024 (line 14, 18, 22, 26 or 29.3)

You must make an adjustment if, on line 13, 17, 21, 25 or 29, as applicable, you included tips or indemnities received by employees whose total remuneration (basic salary or wages, plus tips) exceeds the applicable maximum for remuneration subject to the contribution related to labour standards, pensionable earnings under the QPP, or insurable earnings subject to EI premiums or QPIP premiums or for the CNEST.

On line 14, 18, 22, 26 or 29.3, enter the **portion** of the tips or indemnities received by these employees **on which you did not withhold or pay contributions or premiums** because their remuneration subject to the contribution or their pensionable and insurable earnings had already reached the applicable maximum. The maximum is:

- \$94,000 for labour standards;
- \$68,500 for the QPP;
- \$63,200 for EI;
- \$94,000 for the QPIP;
- \$94,000 for the CNEST.

Adjustment for employees who are under 18 or 73 or over in 2024 or who have elected to stop making QPP contributions (lines 19a and 20.6)

You must make an adjustment if the amounts on lines 19 and 20.5 include tips or indemnities received by employees before or in the month in which they turned 18, because no QPP contributions were paid in respect of these tips or indemnities.

Effective January 1, 2024, you are no longer required to withhold QPP contributions from employees as of January 1 of the year they turn 73. You must make an adjustment if the amounts on lines 19 and 20.5 include tips or indemnities received by an employee who turned 73.

Also effective January 1, 2024, employees 65 or over but under 73 at the end of the year who receive a QPP retirement pension can elect to stop making QPP contributions by filing form RR-50-V, *Election to Stop Contributing to the Québec Pension Plan, or Revocation of an Election*. You must make an adjustment if the amounts on lines 17 and 20.1 include tips received by such an employee.

On lines 19a and 20.6, enter the portion of the tips and indemnities received by the employees in question for which no QPP contributions were made.

Adjustment in respect of the additional maximum pensionable earnings under the QPP for 2024 (line 20.2)

You must make an adjustment if the amount on line 20.1 includes tips or indemnities received by employees whose total remuneration (basic salary or wages, plus tips) exceeds the additional maximum pensionable earnings under the QPP.

On line 20.2, enter the **portion** of the tips or indemnities received by these employees **on which you did not pay the second additional QPP contribution** because the additional maximum pensionable earnings under the QPP (\$73,200) was reached.

Abbreviations

CNEST	Commission des normes, de l'équité, de la santé et de la sécurité du travail
EI	Employment Insurance
QPIP	Québec parental insurance plan
QPP	Québec Pension Plan

