



## **T1198 Frequently Asked Questions for Staff**

**Learn more about the Qualifying Retroactive Lump-Sum Payment (QRLSP) Statement (Form T1198)**

### **Frequently Asked Questions (FAQs)**

#### **Are Bill 124 retroactive payments included in my 2024 T4?**

Yes, your T4 for 2024 includes all amounts paid to you in 2024, including all qualifying lump sum retroactive payments for the year. You may file your 2024 taxes choosing not to use the Statement of Qualifying Retroactive Lump-Sum Payment.

#### **What is a Statement of Qualifying Retroactive Lump-Sum Payment?**

A Statement of Qualifying Retroactive Lump-Sum Payment (a T1198, or a letter with equivalent information) will be prepared by the Thames Valley District School Board for eligible employees who received a qualifying retroactive lump-sum payment or payments exceeding \$3,000. There is no legal requirement under the Income Tax Act (ITA) or Income Tax Regulations for a payor to issue this statement and it would typically be requested directly by an individual, but due to the circumstances around Bill 124 payments, TVDSB will be issuing this information to eligible employees as outlined below.

#### **1. What is a Qualifying Retroactive Lump-Sum Payment (QRLSP)?**

According to the Canada Revenue Agency (CRA), A QRLSP is a lump-sum payment paid to an individual (other than a trust) in a year that relates to one or more prior eligible tax years in which the



individual was a resident of Canada for the full year. Employment income received as an order or judgment from a court or other competent tribunal is considered a qualifying amount. "Qualifying" in the context of the QRLSP and employees of the TVDSB means income paid to employees as a result of the Ontario Superior Court of Justice's decision ruling Bill 124 unconstitutional. These payments were received in relation to the 2019-20, 2020-21, and 2021-22 years. Retroactive lump-sum payments made with respect to collective bargaining are not considered "qualifying" and will not be included on the QRLSP Statement.

**2. How do I know if I am eligible to receive the Qualifying Retroactive Lump-Sum Payment Statement?**

All employees who received qualifying payments exceeding \$3,000 will receive a QRLSP Statement.

**3. When will I receive my Statement of Qualifying Retroactive Lump-Sum Payment?**

Payroll services is working with our payroll system provider to be able to have this information available. At this time, it is projected that this information will be available in early April.

**4. What am I required to do?**

You are not required to do anything. However, if you would like more information on how a QRLSP Statement could impact you, please consult with your tax professional. If the total of all QRLSPs paid to you exceed \$3,000, you can request CRA to do a special tax calculation which would have your



QRLSP income redistributed to prior years as if you received the payments in those years. To determine if this would be advantageous to you, please consult with your tax professional.

**5. Why does my QRLSP Statement have different amounts than my pay stubs?**

QRLSP's must be reported to CRA based on a taxation year (January 1-December 31) whereas retroactive payments were issued based on a school year (September 1-August 31).

**6. I still have questions, who can I contact?**

If you still have questions regarding the QRLSP statement, a further explanation about what a QRLSP is and how it applies to you, and/or whether you should be requesting a special calculation for previous tax years, please contact your tax professional. The TVDSB cannot provide staff with personal income tax guidance or advice.

For payroll-related inquires, please contact [payrollhelpline@tvdsb.ca](mailto:payrollhelpline@tvdsb.ca).