



## Financial Evaluation

- **Quebec residents need not complete this form**

The *Financial Evaluation* form (IMM 1283) will help you assess if you (and your spouse or common-law partner, if he or she is co-signing the undertaking) will have the financial ability to support the persons you are planning to sponsor and their family members.

If you are sponsoring a person other than

- your spouse, common-law or conjugal partner who has no family members, or
- your spouse, common-law or conjugal partner who has dependent children who have no dependent children of their own, or
- your child who has no children of his or her own,

you must prove that you have an annual income that is at least equal to the minimum necessary income to support the group of persons consisting of

- yourself and your family members, whether they are living with you or not;
- the person you are sponsoring and his or her family members;
- every other person you have sponsored in the past and their family members, where an undertaking is still in effect or is not yet in effect;
- every other person for whom you have co-signed an undertaking that is still in effect or is not yet in effect; and
- every person not included above for whom your spouse or common-law partner has given or co-signed an undertaking that is still in effect or is not yet in effect, if your spouse or common-law partner is co-signing your current sponsorship undertaking.

If you declared bankruptcy and are required to meet settlement arrangements, income earned during the period of the bankruptcy cannot be considered.

### Co-signer

If you have to meet financial requirements and do not have enough money to sponsor your relatives on your own, your spouse or common-law partner may help you meet the income requirement by co-signing the undertaking.

The co-signer must:

- meet the same eligibility requirements as the sponsor;
- agree to co-sign your application to sponsor; and,
- agree to be responsible for the basic requirements of the persons you want to sponsor and their family members for the term of the undertaking.

The co-signer will be equally liable if commitments are not met. If you are sponsoring a spouse, common-law or conjugal partner, you cannot have a co-signer. If you are sponsoring a dependent child who does not have children of his or her own, you do not need a co-signer.

Assets, potential earnings, or assistance from other family members will not be considered.

If your spouse or common-law partner is co-signing your sponsorship undertaking, make sure you complete questions **1.B** and **15** to **19**.

### Social assistance

Social assistance means any benefit, whether money, goods or services, provided to or on behalf of a person by a province under a program of social assistance. It includes assistance for food, shelter, clothing, fuel, utilities, household supplies,

personal requirements and health care not provided by public health care.

### Family members and persons included in undertakings in effect or not yet in effect

The minimum income you will need to meet the requirements of your sponsorship undertaking is determined in part by the number of persons described in questions 2 to 6. For each group described in questions 3 and 4, enter the number of persons included in that group and give details of each person in the group as instructed on the form. We have already entered 1 in the box in question 2 to account for yourself. If you have a spouse or common-law partner and he or she is not included in 3, complete question 5; provide details as required. Enter in 6 the number of your other family members not included in 2, 3, 4 or 5; give details of each person in the group as instructed on the form. Read each description carefully. Add the numbers entered in each of the boxes provided for the number of persons in questions 2, 3, 4 and, if applicable, 5 and 6. Enter the total in the box provided at question 7. This total and the low income cut-off table will help you determine the minimum amount you will need to sponsor.

### Minimum necessary income

Refer to the low income cut-off table (**Table 1**) and go down the column until you come to the line that matches the number of people as determined in **Box 7**. This is the amount of income you must have to sponsor your relatives. Enter that amount in the box at question 8.

### Table 1 — Low Income Cut-off

(Effective until December 31, 2010)

Size of Family Unit	Minimum necessary income
1 person (the sponsor)	\$22,171
2 persons	\$27,601
3 persons	\$33,933
4 persons	\$41,198
5 persons	\$46,727
6 persons	\$52,699
7 persons	\$58,673
More than 7 persons, for each additional person, add	\$5,974

**If you are using this kit after December 31, 2010, contact our Call Centre for revised LICO figures.**

### Your available income

Make sure you provide all the required information regarding the income you earned over the twelve months preceding the mailing of your application (questions 10 to 14) and, if you have a co-signer, the income he or she earned over that same period (questions 15 to 19).

The office processing your application may ask you for additional information and documentation if it is not satisfied you have provided sufficient evidence to sustain your income calculation.

Your available income is the amount of money you have earned in the period of 12 months preceding the date of your application, excluding any allowance or benefit of the type described in 12.B below.

To calculate your available income, you will need a document called an "Option-C Printout." It is the equivalent of the last notice of assessment you would have received in respect of the most recent taxation year and will serve as a basis for the calculation of your income. This printout is issued by the Canada Revenue Agency (CRA, formerly CCRA) and you can obtain it free of charge by calling 1 800 959-8281. Your spouse or common-law partner will also have to obtain an "Option-C Printout" if he or she is co-signing the undertaking.

If you are unable to obtain and produce an "Option-C Printout" or if your income reported in this document is less than your minimum necessary income, you will need to provide documentation establishing the amount of income you earned over the period of 12 months preceding the date of your application, such as: pay stubs, if you are employed; a statement of business of activities, if you are self-employed; bank statements, if you have received interest income; statements or certificates, if you have other sources of income (investment, rental, pension, special benefits paid under the Employment Insurance Act, etc.). Your spouse or common-law partner will need to provide similar documentation if he or she is co-signing the undertaking and does not produce an "Option-C Printout" or if the income reported on your spouse or common-law partner's "Option-C Printout" combined with your available income is less than your minimum necessary income.

To calculate your earned income, complete question 12 (calculation based on the "Option-C Printout") on the Financial Evaluation form with the help of the instructions below. If you are not producing an "Option-C Printout" or if your total income calculated as per question 12 of the Financial Evaluation form is less than your minimum necessary income, complete question 13 (calculation based on preceding 12 months) on the Financial Evaluation form. The greater of the two amounts entered at 12.C and 13.C is your available income; enter this amount in box 14.

If your spouse or common-law partner is co-signing the undertaking, you will have to complete question 17 (calculation based on the "Option-C Printout") and/or question 18 (calculation based on preceding 12 months) to calculate his or her earned income. The greater of the two amounts entered at 17.C and 18.C will be your co-signer's available income; enter this amount in box 19.

The total of boxes 14 and 19 will be the total income that is available to you to support your application to sponsor. This total must at least be equal to the amount of the minimum necessary income (see box 8) you need to sponsor.

#### Question 11. - Your situation over the last 12 months

In the table in question 11, complete the sections (A, B and/or C) which apply to your situation during the 12 months preceding the date of your application. If your situation changed during that period, in the Period I column, enter information on the most recent period and, in the next columns, enter information on the previous period(s), which make(s) up the rest of the 12 months preceding your application.

For each of the employers you worked for during the period of 12 months preceding the date of your application and from which you have received or will receive a T-4 slip, give details about your employment in section B, including your **personal employment income**. Personal employment income is defined as the gross income earned from your job(s) as reported to CRA from a T4.

If you were self-employed, give details about your business in section C, including your **personal business income**. Personal business income is defined as the net income earned (or loss incurred) and reported to CRA from activities conducted for profit from a sole proprietorship, partnership or unincorporated business. This would include professions,

trades and businesses such as small retail outlets and restaurants. Income from other personal **self-employment** endeavours such as farming, fishing, commission sales, consulting and child care that are conducted for profit should also be included.

Be careful to indicate clearly the reference period (first line at the beginning of each section you complete). For example, if the date of your application was June 5, 2004, and you were self-employed during the 12 months preceding your application, you would complete section C in the Period I column, providing on the first line of that section the start (June 6, 2003) and the end (June 5, 2004) of the 12-month period. However, if you had been working for an employer for only six months, were self-employed for the two months before you were hired and, before that, were unemployed, you would first complete section B in the Period I column, indicating your employment information and, on the first line of that section, the date you were hired (December 1, 2003 for the purpose of our example) and the date of your application (June 5, 2004). Then you would complete section C in the Period II column, providing information about your self-employment and, on the first line of that section, the date that your activities started (September 28, 2003 for the purpose of our example) and ended (November 30, 2003). Lastly, you would complete section A in the Period III column, indicating income you earned from sources other than employment (for example, pension income or special benefits paid under the *Employment Insurance Act* – see questions 12 and 13 for details) and, on the first line of that section, the period during which you were unemployed (June 6, 2003, to September 27, 2003).

If you need additional space, provide details on a separate sheet.

#### Question 12. - Calculation of income based on the "Option-C Printout"

**12.A:** Print the amount that appears at line 150 of the last notice of assessment ("Option-C Printout") issued to you by the CRA for the most recent taxation year.

**12.B:** Enter all of the following payments that were included in the amount at line 150 of your notice of assessment, add them up and print the total:

- **Provincial instruction or training allowance;**
- **Social assistance** paid by a province;
- **Employment insurance:** only maternity, parental and sickness benefits paid under the *Employment Insurance Act* are considered income. Other payments such as employment insurance and federal training allowances are **not** considered as income; and
- **Guaranteed income supplement** paid under the *Old Age Security Act*.

**12.C:** Deduct the total entered at 12.B (line 6) from the amount at 12.A (line 1). The result 12.C is your total income as per this method of calculation.

#### Question 13. - Calculation of income based on preceding 12 months

Complete question 13 if

- you cannot produce a notice of assessment ("Option-C Printout") for the most recent taxation year preceding the date of your application to sponsor, or
- you can produce a notice of assessment but the amount at line 150 is less than the minimum necessary income (see definition above) and your financial circumstances have improved since you received the notice of assessment.

**13.A: Personal income from employment, business and self-employment**

Add all personal income from employment, business and other self-employment earned in the 12 months preceding the date of your application to sponsor, as instructed. Enter the result on line 5 in section 13.A.

**13.B: Other income**

Calculate income that you received from other sources. Use the following definitions:

- **Net rental income:** net income earned (or loss incurred) and reported to CRA from rental property.
- **Investment and interest income:** income reported to and accepted by CRA from dividend payments, interest, stocks, bonds and other investments and, interest on savings deposits.
- **Pension income:** income from Old Age Security, Canada/Quebec Pension Plan, other pensions, superannuation and annuity payments from Canadian sources. Do not include Guaranteed Income Supplement (GIS) payments.
- **Maternity/parental/sickness benefits:** only maternity, parental and sickness benefits paid under the *Employment Insurance Act* are considered income. Other payments such as employment insurance and federal training allowances are **not** considered as income.
- **Other sources of income:** include income you have received and will continue to receive on a regular basis that is not included above (e.g. spousal, child support). Specify the source of the income on the form.

**You cannot include provincial instruction and training allowances, social assistance, child tax benefits, guaranteed income supplement or employment insurance payments.**

Add all income received from other sources and enter the result on line 11 in section 13.B.

**13.C:** Add the totals entered at 13.A (line 5) and 13.B (line 11). The result 13.C is your total income as per this method of calculation.

Your available income (box 14) is the greater of the two amounts entered in boxes 12.C and 13.C.

## Income available to your spouse or common-law partner, if he or she is a co-signer

Complete questions 15 and 16 if your spouse or common-law partner is co-signing the sponsorship undertaking. Print the required employer and/or, if self-employed, the business or professional information. You must also complete the calculation based on the "Option-C Printout" (question 17) and/or the preceding 12 months (question 18) to determine the income he or she earned and that can be added to your available income if you need help to meet the financial requirement.

### Question 16. – Your co-signer's situation over the last 12 months

Complete the sections (A, B and/or C) which apply to your co-signer's situation during the 12 months preceding the date of your application. If your co-signer's situation changed during that period, in the Period I column, enter

information on the most recent period and, in the next columns, enter information on the previous period(s), which make(s) up the rest of the 12 months preceding your application.

Refer to instructions for question 11 to help you complete question 16.

Note that if during any period in the 12 months preceding your application your co-signer was unemployed, the income he/she received from sources other than employment (for example, pension income or special benefits paid under the *Employment Insurance Act*) should be entered in section A.

If you need additional space, provide details on a separate sheet.

### Question 17. – Calculation of income based on the "Option-C Printout"

**17.A:** Print the amount that appears at line 150 of the last notice of assessment ("Option-C Printout") issued to your spouse or common-law partner by CRA for the most recent taxation year.

**17.B:** Enter described payments that were included in line 150 of your spouse's or common-law partner's notice of assessment, add them up and print the total.

**17.C:** Deduct the total entered at 17.B (line 6) from the amount at 17.A (line 1). The result 17.C is the total income your spouse or common-law partner can contribute as per this method of calculation.

### Question 18. – Calculation of income based on preceding 12 months

Complete question 18 if

- your co-signer cannot produce a notice of assessment ("Option-C Printout") for the most recent taxation year preceding the date of your application to sponsor, or
- his or her financial circumstances have improved since he or she received the notice of assessment.

#### **18.A: Personal income from employment, business and self-employment**

Add all personal income from employment, business and other self-employment your co-signer earned in the 12 months preceding the date of your application to sponsor, as instructed. Enter the result on line 5 in section 18.A.

**18.B: Other income**

Calculate income that your co-signer received from other sources. Use definitions in question 13.B to help you complete question 18.B.

Add the totals entered in boxes 18.A (line 5) and 18.B (line 11). The result 18.C is the total income of your spouse or common-law partner as per this method of calculation.

Your spouse's or common-law partner's available income (box 19) is the greater of the two amounts entered in boxes 17.C and 18.C.

## Total income available to sponsor

Add the amounts in boxes 14 and 19 and enter the total in box 9, on page 1 of the form. This is the amount of money that you (and, if applicable, your co-signer) have available to sponsor.