



PAT KELLY

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Tips for your 2021 Tax Return

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Dear Constituents,

Yes, it's tax time. Here are some tips to help you get all of the benefits and deductions to which you are entitled. Please note that this is not a comprehensive list and is not tax advice. With inflation running at a 30-year high, many families have to cut back, so it makes sense to spend a few minutes making sure you are paying only what you are obligated to pay. Visit the Canada Revenue website at: <https://www.canada.ca/en/revenue-agency.html>.



GST Credit

Four times a year, this tax-free payment helps individuals and families with modest incomes offset their GST. If you have a spouse or common-law partner, only one of you can receive this credit. When you file your 2021 tax return, check the box. CRA will advise if you are eligible. It is paid directly into your bank account.



Medical Expense Deductions

This applies to numerous medical expenses you paid directly including home care, dental work, premiums on extra insurance, and prescriptions (many more eligible items—check CRA website). You claim the total of your expenses, minus \$2,421 or 3% of your income (whichever is less). There is no upper limit on the amount you can claim for yourself, spouse, common-law partner, or child under 18.



Simplified Home Office Tax Credit

If you worked at home due to the pandemic, the simplified flat-rate option is extended to allow Canadians to deduct home office expenses for the 2021 and 2022 tax years. The maximum amount that employees can deduct under the simplified method has been raised to \$500 from \$400.

If you worked more than 50% of the time from home for a period of at least four consecutive weeks due to COVID-19, you can claim \$2 for each day you worked from home. If it is to your benefit, you can continue to claim using the

detailed method, which requires receipts and forms, but could yield greater benefits if you are eligible.



Canada Training Credit

The Canada Training Credit is available for eligible tuition and other fees for certain courses taken in 2020 and subsequent tax years. Beginning with the 2019 tax year, an eligible individual can accumulate \$250 in each year toward their limit, up to a maximum of \$5,000 in a lifetime. This credit can be accessed the following year to help cover up to half of eligible tuition and fees associated with training. It is only available for individuals between 26 and 65, residing in Canada, with income between \$10,000 and \$151,978. Check the CRA website for eligibility and more detail.

Specific Employment Benefits

Specific benefits are available for some occupations including educators buying school supplies, volunteer firefighters, search & rescue volunteers, tradespeople (for tools) and meal exemptions for long-haul truck drivers.



Climate Action Incentive

Albertans claim the climate action incentive with their income tax return. The amount you receive depends on your personal situation. Beginning in July 2022, amounts will be paid to you quarterly, directly into your bank account rather than as a refund on your taxes.

HAVE YOUR SAY

Thinking about recent events and issues, is Canada -

- On the Right Track
- On the Wrong Track

Name: _____

Address: _____

Email: _____

Comments:





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Digital News Subscription

If you have a digital (or partly-digital) subscription to a newspaper such as the Herald, Sun, National Post or Globe and Mail you can access a non-refundable tax credit for the subscription cost. Claim it on line 31350 of your T-1 for years 2020 to 2024, for 15% of the total cost up to a maximum of \$500. You can split the credit with a family member, roommate, co-worker etc. if you share the cost.



Child Care Expense Deductions

Claim payments made to someone who has looked after your child, up to \$8,000 per child under seven, \$5,000 for children 7 to 16, and \$11,000 for children who are eligible for the

Disability Tax Credit.

Canada Caregiver Credit

Claim \$2,295 under the Canada Caregiver Credit if you support a spouse, a common-law partner or a dependent with a physical or mental impairment. If the person you are supporting has a net income of between \$7,368 and \$24,604, you may be able to claim an additional amount up to a maximum of \$7,348.

Child Disability Benefit

Families can claim the Child Disability Benefit up to \$2,915 per eligible child.

Adoption Expense Tax Credit

A 15% non-refundable tax credit relating to the completed adoption of a child under the age of 18. Currently, the maximum is \$16,729.



Home Accessibility Tax Credit

Seniors and persons with disabilities who are eligible for the Disability Tax Credit can qualify for tax relief of 15% on up to \$10,000 in eligible expenses. To be eligible, expenses

must be incurred in relation to a renovation allowing for better mobility and functionality or reducing the risk of harm.

Pension Income Amount

A non-refundable pension income credit applies to your first \$2,000 of pension income.

Increasing the Age Amount

The Age Amount allows seniors to claim up to \$7,713, depending on the individual's net income.

Pension Income-Splitting

Pension income-splitting allows any Canadian resident who receives qualifying pension income to allocate to their spouse (or common-law partner), with whom they reside, up to one-half of that income. By doing so, a pensioner and their family can dramatically reduce their tax load.



Canada Workers Benefit

This is a refundable tax credit that supplements the earnings of low-income workers to ensure they aren't penalized for getting a job.

Canada Employment Amount

The Canada Employment Amount provides most employees in the public and private sectors (excluding the self-employed) with help to offset the cost of work-related expenses. If you qualify, claim up to \$1,257 for 2021.



Home Buyers' Amount

First-time home buyers can claim \$5,000 on qualifying home purchases; also available to those who are not first-time buyers but eligible for the Disability Tax Credit (DTC) if they purchase a more accessible or functional home.

Home Buyers' Plan

Canadians can withdraw \$35,000 from their Registered Retirement Savings Plans (RRSP) for a down payment on their first home.



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