

# Ready for TAX TIME?

Canada introduced several benefits last year in response to the COVID-19 pandemic that may affect your tax situation. Make sure you know what to expect as you prepare your 2020 tax return!

## Canada Emergency Response Benefit (CERB)

- ✓ No tax was withheld initially.
- ✓ Report as additional income on your 2020 return.
- ✓ The amount you'll owe depends on your tax rate, which may increase when you combine your income before the pandemic with the benefit amount received.

## Canada Recovery Benefit (CRB)

- ✓ 10% tax withheld upon distribution.
- ✓ If your tax rate is higher than 10%, you will need to pay the difference.
- ✓ CRB recipients must pay back half of whatever they make over \$38,000, excluding the CRB itself. So if you earned \$45,000 in 2020 without the benefit, you made \$6,000 over the limit, which means you'll need to repay \$3,000 at tax time.

## Canada Recovery Caregiving Benefit

10% tax withheld upon distribution, must pay the difference if your tax rate is higher.

## Canada Recovery Sickness Benefit

10% tax withheld upon distribution, must pay the difference if your tax rate is higher.

## Don't Forget the Home Office Deduction!

If you began working from home this year, you could qualify for a tax break. Check the CRA's website for eligibility requirements.

## Online Tax Calculators

- EY Tax Calculator
- TurboTax Canada
- SimpleTax

## Tax Deadline:

APRIL

30



# Save Time With a **TAX PRO**

Hiring a tax pro could make a lot of sense depending on your situation. Here are a few instances when you might consider going pro.



## **You Have a Lot on Your Plate**

Tax season can be stressful, and if you're worried about making errors or running out of time, it might be easier to bring in a tax pro to handle your returns.

## **You Hold Multiple Jobs**

If you have several side hustles, you may want to consider using a professional to keep everything straight.

## **You Own a Rental Property**

Investment properties bring a new set of tax circumstances. If you're unsure of where to begin, a tax preparer can help assess your situation.

## **You Have a Large Investment Portfolio**

Stocks and other investments can get tricky. A tax professional will make sure all your bases are covered.

**Need a great tax professional?** Call me for a trusted referral who will take excellent care of you and your financial situation!

[DISCLAIMER] All information is general in nature and should not be taken as legal advice or guaranteed. Readers should not rely solely on this information. Dates indicated and legal requirements may be subject to change. Contact a tax professional for more information on tax changes and preparation.

SOURCE: CRA; Jamie Golombek, "These end-of-year tax tips will help those who received CERB and other pandemic benefits," Financial Post, October 2020