## TAX TIME 2020 WHAT'S NEW?

Check out some significant changes that may affect your tax returns for 2019 and 2020.

#### **Planning to Retire?**

Maximum pensionable earnings increased for The Canada Pension Plan (CPP) in 2020:

\$58,700

up from \$57,400 in 2019

#### **New CPP Contribution Rates**

**Employer and Employee:** 

5.25%

Self-Employed:

10.5%

#### **Maximum Yearly CPP Contributions in 2020**

**Employer and Employee:** 

\$2,898

Self-Employed:

\$5,796

Note: This money is still taxed as income!

#### **Retirement Account Contributions Can Roll Over**

If you didn't max out your Registered Retirement Savings Plan (RRSP) or Tax-Free Savings Account (TFSA) contributions in 2019, the Canada Revenue Agency (CRA) lets you add the difference onto next year's contribution.

#### Do You Own a Small **Business?**

The tax rate dropped to

on the first \$500K of income compared

#### **Does Your Business Generate Passive** Income?

If you make more than

\$50K the 9% tax rate may not apply.

to 10% in 2018.

#### **Common Small Business Deductions:**

- Home Office Expenses (can include interest on your mortgage)
- Vehicle Expenses
- Accounting and Legal Fees
- Reserves or "Sinking Fund" (for reasonable amounts)
- Office Rent

Need a professional to help you get started on your taxes? Call me for a great referral!



Michelle McFarland



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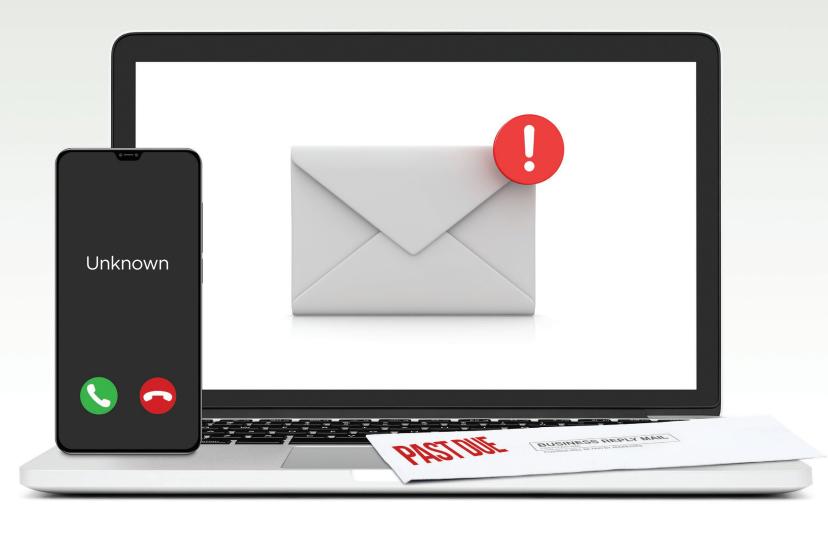












# HOW TO IDENTIFY A CRA SCAM

In 2018, more than 4,000 victims lost out on over \$15.2 million as a result of tax scammers pretending to be with the Canada Revenue Agency (CRA).

### **Communication Scams to Watch For**

- Phone Call
- Email
- Text Message
- Door-to-door
- Mail

#### **Red Flags**

- Demanding personal info social insurance, credit card or bank account numbers.
- Referencing debt you don't have.
- Threatening or coercive language.
- Demanding immediate payment, especially in the form of bitcoin or gift cards.
- You are prompted to visit a website outside of the canada.ca official domain.
- Saying they're sending the police.

#### Before You Respond, Ask Yourself...

- Is this link legit? Hover over it to see where it leads before you click.
- Am I sure this caller or sender is a CRA employee? The CRA will never pressure or threaten you to take immediate action.
- Do I owe money to the CRA?
   If you know you don't, it's probably a scam.

Have I received an official

statement of account recently?
Government programs like
Canada student loans or
employment insurance will send
you official statements — not
a threatening phone call out of
the blue.