

Filing Your Taxes – Made Easy!

We know filing your taxes can be scary...and confusing...and just plain boring. You might be asking why you need to do it, and HOW you do it. Read on to find out!

Why is it Important to File? Do I Have to?

By filing and paying your taxes, you are helping to pay for many things our government manages such as our health care system, employment insurance, police services, social services, etc.

As a young adult, you should be filing your taxes every year regardless of income. However in most cases you only have to file your taxes if you've earned more than the 'basic personal amount' for the year in question. The basic personal amount for 2018 was \$11,809 (but this changes each year).

...**BUT** it is a good idea to file your taxes every year regardless of income because you may be eligible to a refund, benefits, and credits (which for you means FREE money)! These credits and benefits include things like the GST tax credit, the Canada child benefit, and the working income tax benefit.

Also, you cannot apply for premium assistance for your MSP payments until you have filed your taxes. You will automatically be charged for MSP once you turn 19 unless you apply for premium assistance (which means you might owe MSP a lot of money!) For more information on MSP go to <http://www2.gov.bc.ca> and search 'MSP premiums.'

What if I'm being Supported by MCFD?

You are responsible for filing your own taxes regardless of your involvement with MCFD.

- The exception to this is if you have a Registered Disability Savings Plan (RDSP). If this is the case, the Public Guardian and Trustee (PGT) will be filing your income taxes on your behalf. For questions about this, call the PGT office at (250) 387-6121.

If you are on a YAG or AYA, you will be receiving a T5007 slip to prove this income.

What Do I Need?

Most importantly, you will need your Social Insurance Number (SIN). If you do not have one, you can find details on how to apply at www.canada.ca

You will need any slips issued to you that show income for the year. The ones you are most likely to receive are:

- T4 (shows wages paid and taxes deducted by an employer)
- T5007 (shows amount you received for Social assistance payments such as YAG's, AYA's, Income Assistance, and Disability)
- Any slips for investment income (such as a T3 or T5). Note that if you have any investments in a 'tax free savings account' (TFSA) you likely will not owe tax on the earnings.

You should receive your T4 by the end of February of each year, but you may not receive investment slips until the end of March.

You will also need to calculate any deductions you can use when filing your taxes. The more deductions you have, the more likely you'll receive a higher refund (which means more money for you!) Keep your receipts throughout the year for things that are tax deductible so you can calculate them during tax time. Examples include (but are not limited to):

- Tuition, textbooks, and interest paid on student loans (you should receive a T2202A certificate from your school)
- Most medical/dental expenses (that are not covered by insurance)
- Public Transit (such as monthly bus passes)
- Childcare expenses (take note there are certain requirements for this to be tax deductible)
- RRSP contributions (i.e. money invested in funds for your retirement)
- Charitable donations

For more information on what expenses are tax deductible and the requirements around these, head to www.cra-arc.gc.ca and search 'deductions, credits, and expenses.'

How Do I File?

Although you can still use the traditional method of filing on paper, the easier way to do it is online. You can even set up automatic deposit so you can receive refunds that you're eligible for faster (within 8 business days). Most of these online programs will allow you to file your taxes for all years dating back to 2013. There are lots of free online software options for you to use including:

- TurboTax Free: <https://turbotax.intuit.ca>
- Simple Tax: <https://simpletax.ca>
- H&R Block: <https://www.hrblock.ca>

Your other option is to bring all of your paperwork (earnings slips and deduction receipts) to an accountant or company like H&R block who will do it for you. Just remember that these services will charge you a fee.

Help!

If you earned less than \$30,000 for the filing year, you will most likely be eligible for free, in-person help to file your taxes. Check out www.cra-arc.gc.ca/volunteer for a list of organizations that can help you. Most organizations only offer their assistance with taxes March-May. Some of these organizations will help you with taxes from previous years as well (if you have never filed taxes before or missed a few years).

What if I'm Late Filing my Taxes?

Taxes should be filed by April 30 of each year. You will need to include all tax information for the year prior (which means that by April 30, 2019 you should have your taxes filed for the year 2018). If you are late filing your taxes, you will be charged a 'late filing penalty' and interest on amounts owed which adds up for every month you are late filing. You will not be eligible for any benefits or credits if you do not file your taxes.

What if I Owe Money?

If you haven't had enough taxes deducted from your income earned throughout the year, you may end up owing money to the Canada Revenue Agency (CRA). This should be paid before the deadline they provide you, otherwise you will be charged interest on the amount owed. If you can't afford to pay the amount owed, call the TeleArrangement service at 1-866-256-1147 to set up a payment arrangement.

Anything Else I Need to Know?

- Keep all of your tax related documents for 6 years (you may be asked for proof of them).
- If you are First Nations and have earned income while living on a reserve (and from the reserve) you will have some additional tax exemptions. Check out the agedout.com website listed below for details.
- Remember that your SIN and personal information should remain confidential! If you have any documents that contain this information, do not lose them as this puts you at risk for issues like identity theft.

Helpful Resources

Websites:

- <https://agedout.com/money-income>
- <https://www.canada.ca/en/revenue-agency.html>— search 'learning about taxes' for a free course that teaches you how to file.

Phone Help:

- Individual Income Tax Enquiries Line: : 1-800-959-8281

In-Person Help:

- Together Against Poverty Society (TAPS): <http://www.tapsbc.ca/>
(250)361-3521
#302-895 Fort St.