

## PERSONAL TAX CREDITS EXPLAINED – 2012 Taxation Year

Type	Description	Base Amount (before applying 15%)
<b>Basic personal amount</b>	All tax payers get this amount	\$10,822
<b>Age amount</b>	You can claim this amount if you were $\geq 65$ years of age on December 31, 2012, and your net income is less than \$78,684	\$6720 – (Net Income - \$33,884)
<b>Family caregiver amount (FCA)</b>	<p>If you have a dependant with an impairment in physical or mental functions, you may be eligible to claim an additional amount of \$2,000 for one or more of the following non-refundable tax credits</p> <ul style="list-style-type: none"> <li>▪ spouse or common-law partner amount</li> <li>▪ amount for an eligible dependant</li> <li>▪ amount for children born in 1995 or later</li> <li>▪ caregiver amount</li> </ul> <p>The dependant with the impairment must be:</p> <ul style="list-style-type: none"> <li>▪ 18 years of age or older and dependent on you because of a physical or mental impairment; or</li> <li>▪ a child under 18 years of age, with an impairment in physical or mental functions. The impairment must be prolonged and indefinite and the child must be dependent on you for assistance in attending to personal needs and care when compared to children of the same age.</li> </ul>	
<b>Spouse or common-law partner amount</b>	<ul style="list-style-type: none"> <li>▪ You claim this if you supported your spouse and his/her NI is less than \$10,822</li> <li>▪ Only one of the spouses can claim this amount</li> </ul>	\$10,822 – Spouse NI
<b>Amount for an eligible dependant</b>	<p>claim this amount if, at any time in the year, you met all of the following conditions:</p> <ul style="list-style-type: none"> <li>• You did not have a spouse or common-law partner or, if you did, you were not living with, supporting, or being supported by that person</li> <li>• You supported a dependant in 2012                             <ul style="list-style-type: none"> <li>○ Dependant must be:                                     <ul style="list-style-type: none"> <li>▪ your parent or grandparent by blood, marriage, or adoption</li> <li>▪ your child, grandchild, brother, or sister, by blood, marriage, or adoption and under 18 years of age or has a physical or mental impairment</li> </ul> </li> </ul> </li> <li>• You lived with the dependant in a home that you maintained. You cannot claim this for a person who was only visiting you.</li> </ul>	\$10,822 – Dependent's NI
<b>Amount for infirm dependants age 18 or older</b>	<p>The following two must be met</p> <ol style="list-style-type: none"> <li>1. You or your spouse                             <ul style="list-style-type: none"> <li>○ has a child or grandchild 18 or older with physical or mental impairment; or</li> <li>○ have a dependant that meets all of the following</li> </ul> </li> </ol>	Lower of <ol style="list-style-type: none"> <li>a) \$12,822 – Infirm Dependent's NI</li> <li>b) \$6,402</li> </ol>

	<p>conditions; the person is</p> <ul style="list-style-type: none"> <li>▪ a parent, grandparent, brother, sister, uncle, aunt, nephew, or niece</li> <li>▪ 18 or older and has mental or physical impairment</li> <li>▪ dependent on you or on you and others for support</li> <li>▪ a resident of Canada at any time in the year. You cannot claim this amount for a person who was only visiting you</li> </ul> <p>2. No one (including you) is claiming an amount for an eligible dependant for this dependant</p> <p>3. No one, including you, can claim the caregiver amount for this dependant</p> <p>4. The dependant's net income is less than \$12,822</p>	
<b>Child amount</b>	<ul style="list-style-type: none"> <li>▪ You can claim \$2,191 for each of your children who are under 18 years of age at the end of the year</li> <li>▪ Only one of the parent can claim this amount</li> <li>▪ If you qualify for the Family Caregiver Amount (see above) you can claim an additional amount of \$2,000 (i.e. \$4,191 per eligible child)</li> </ul>	\$2,191 * children under 18
<b>CPP or QPP contributions through employment</b>	<ul style="list-style-type: none"> <li>▪ Anyone who makes a contribution to the CPP/QPP can claim an amount that is the lesser of: <ul style="list-style-type: none"> <li>○ Amount of CPP/QPP contributed (see T4 slip); and</li> <li>○ \$2,306.70</li> </ul> </li> </ul>	See description
<b>CPP or QPP contributions on self-employment and other earnings</b>	<ul style="list-style-type: none"> <li>▪ You can claim half of the total of your Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) contributions</li> <li>▪ <b>This is done through schedule 8</b></li> </ul>	See description
<b>Employment insurance premiums</b>	<ul style="list-style-type: none"> <li>▪ Anyone who made an EI contribution can claim an amount that is the lesser of: <ul style="list-style-type: none"> <li>○ EI Premiums paid (see T4 slip); and</li> <li>○ \$839.97</li> </ul> </li> </ul>	See description
<b>Canada employment amount</b>	<ul style="list-style-type: none"> <li>▪ If you reported employment income in 2012, you can claim the lesser of: <ul style="list-style-type: none"> <li>○ \$1,095; and</li> <li>○ Employment income</li> </ul> </li> </ul>	See description
<b>Public transit amount</b>	<ul style="list-style-type: none"> <li>▪ You can claim cost of monthly public transit passes or passes of longer duration for travel within Canada on public transit</li> <li>▪ You can claim Shorter duration passes if each pass entitles you to unlimited travel for an uninterrupted period of at least 5 days and you purchase enough of these passes so that you are entitled to unlimited travel for at least 20 days in any 28-day period (for example you continue to purchase weekly passes that allows you make unlimited trips throughout a full month)</li> </ul>	Amount Spent
<b>Children's fitness amount</b>	<ul style="list-style-type: none"> <li>▪ You can claim to a maximum of \$500 per child under 16 years of age (or under 18 years of age if eligible for the disability amount) at the beginning of the year in which an eligible fitness expense was paid</li> <li>▪ If the child qualifies for the disability amount and is &lt; than</li> </ul>	See description

	<p>18 years of age at the beginning of the year, an additional amount of \$500 can be claimed as long as a minimum of \$100 is paid on registration or membership</p> <ul style="list-style-type: none"> <li>▪ Eligible programs must the have following <ul style="list-style-type: none"> <li>○ be ongoing (a minimum of eight consecutive weeks duration or, in the case of children's camps, five consecutive days);</li> <li>○ be supervised;</li> <li>○ be suitable for children; and</li> <li>○ require significant physical activity that contributes to cardiorespiratory endurance, plus one or more of: muscular strength, muscular endurance, flexibility, balance.</li> </ul> </li> </ul>	
<p><b>Children's arts amount</b></p>	<ul style="list-style-type: none"> <li>▪ you can claim a maximum of \$500 per child relating to the costs of registering the child for artistic, cultural, recreational, or developmental activity</li> <li>▪ eligibility is the same as the fitness amount above (16 years of age or less, 18 If disabled; the additional \$500 amount for disabled children also applies if at least \$100 is paid on registration or membership)</li> <li>▪ the program must a program must: <ul style="list-style-type: none"> <li>○ be ongoing (a minimum of eight consecutive weeks duration, or in the case of children's camps, five consecutive days);</li> <li>○ be supervised; and</li> <li>○ be suitable for children.</li> <li>○ The program also has to meet at least one of the following criteria: <ul style="list-style-type: none"> <li>▪ it contributes to the development of <b>creative skills</b> or expertise in an <b>artistic or cultural activity</b>;</li> <li>▪ it provides a substantial focus on <b>wilderness and the natural environment</b>;</li> <li>▪ it helps children <b>develop and use particular intellectual skills</b>;</li> <li>▪ it includes structured interaction among children where supervisors teach or help children develop <b>interpersonal skills</b>; or</li> <li>▪ it provides enrichment or <b>tutoring in academic subjects</b>.</li> </ul> </li> </ul> </li> <li>▪ Examples: literary arts, visual arts, performing arts, music, media, languages, customs, and heritage.</li> <li>▪ You are allowed to claim both the children’s arts amount and the fitness amount together (even if it is for the same child)</li> </ul>	<p>See description</p>
<p><b>Home buyers' amount</b></p>	<ul style="list-style-type: none"> <li>▪ You can claim an amount of \$5,000 for the purchase of a qualifying home made in 2012, if both of the following apply: <ul style="list-style-type: none"> <li>○ you or your spouse or common-law partner acquired a qualifying home; and</li> <li>○ you did not live in another home owned by you or your spouse or common-law partner in the year of acquisition or in any of the four preceding years (first-</li> </ul> </li> </ul>	<p>See description</p>

	<p>time home buyer).</p> <ul style="list-style-type: none"> <li>▪ The home must be in Canada and it must be under your name or your spouse's name</li> </ul>	
<b>Adoption expenses</b>	<ul style="list-style-type: none"> <li>▪ You can claim an amount for eligible adoption expenses related to the adoption of a child who is under 18 years of age. The maximum claim for each child is \$11,440</li> </ul>	<p>Lesser of</p> <ul style="list-style-type: none"> <li>a) Eligible adoption expense;</li> <li>b) \$11,440</li> </ul>
<b>Pension income amount</b>	<ul style="list-style-type: none"> <li>▪ You can claim up to \$2,000 if you reported: <ul style="list-style-type: none"> <li>○ Eligible annuity and/or pension income (i.e. annuities, RRIF, pensions from other countries)</li> <li>○ Eligible elected split-pension amount</li> <li>○ Annuity payments from RRSP, only if you were 65 years of age or older on December 31, 2012, or you received the payments because of the death of your spouse or common-law partner</li> </ul> </li> </ul>	<p>Lesser of</p> <ul style="list-style-type: none"> <li>a) pension income;</li> <li>b) \$2,000</li> </ul>
<b>Caregiver amount</b>	<ul style="list-style-type: none"> <li>▪ You can claim the caregiver amount if all of the following are met: <ul style="list-style-type: none"> <li>○ You maintained a home where you and a dependent lived</li> <li>○ Each dependant must have been 18 years of age or older and dependent on you due to an impairment in physical or mental function</li> <li>○ If the dependent is your/spouse's parent they must be at least 65</li> <li>○ The dependent must have a net income in 2012 of less than \$19,435</li> </ul> </li> <li>▪ You can claim the caregiver amount for more than one eligible dependant</li> <li>▪ If <b>anyone (including you)</b> claim the caregiver amount for a dependant, no one can claim an amount for "Amount for infirm dependants age 18 or older" for the same dependent</li> <li>▪ If <b>anyone other than you</b> claims the "Amount for an eligible dependant" for the dependant, you cannot claim the caregiver amount for that dependent</li> </ul>	<p>Lesser of</p> <ul style="list-style-type: none"> <li>a) \$19,435 - Dependant's net income; and</li> <li>b) \$4,402.</li> </ul> <p>Minus: The amount for an eligible dependant claimed for this dependent</p>
<b>Disability amount (for self)</b>	<ul style="list-style-type: none"> <li>▪ A person with a severe and prolonged impairment in physical or mental functions can claim this</li> <li>▪ This person would have trouble doing basic things such as walking, feeding, dressing, hearing, speaking, seeing, mental functions for daily life</li> </ul>	<p><b>If over 18:</b> claim \$7,546</p> <p><b>If 18 or under:</b></p> <p>Lesser of</p> <ul style="list-style-type: none"> <li>a) \$7,546 + \$4,402 – (Total of child care and attendant care expenses for you, claimed by you or by another person – \$2,578);</li> <li>b) \$11,948</li> </ul>
<b>Disability amount transferred from a dependant</b>	<ul style="list-style-type: none"> <li>▪ If a dependent is eligible for the disability amount, and does not need to use all of it up; he or she can transfer the amount to you</li> </ul>	
<b>Interest Paid on Student Loans</b>	<ul style="list-style-type: none"> <li>▪ You can carry forward any unused amounts of interest paid for any of the next five years</li> <li>▪ Claim the amount you paid (no maximum amount)</li> </ul>	See description

	<ul style="list-style-type: none"> <li>▪ This only applies to interest paid to the government (i.e. OSAP)</li> </ul>	
<b>Tuition, Education, and Textbook Amounts (TET)</b>	<ul style="list-style-type: none"> <li>▪ <b>Tuition Amount</b> <ul style="list-style-type: none"> <li>○ You <b>cannot</b> claim the tuition amount on your tax certificate if any of the following applies to you:                             <ul style="list-style-type: none"> <li>▪ the fees were paid or reimbursed by your employer or parent’s employer , where the amount is not included in your or your parent's income;</li> <li>▪ the fees were paid by a federal, provincial, or territorial job training program, where the amount is not included in your income;</li> <li>▪ the fees were paid under a federal program to help athletes, where the payment or reimbursement has not been included in your income.</li> </ul> </li> </ul> </li> <li>▪ <b>Education Amount</b> <ul style="list-style-type: none"> <li>○ Fulltime students (box c) can claim:                             <ul style="list-style-type: none"> <li>▪ \$400 * # of months enrolled in an educational institution as a full time student; or</li> <li>▪ \$400 * # of months enrolled as a part-time student if you claim the disability about</li> <li>▪ \$400 * # of months enrolled as a part-time student if you have a mental or physical impairment certified in a letter (i.e. by a doctor)</li> </ul> </li> <li>○ Part time students (box b) can claim                             <ul style="list-style-type: none"> <li>▪ \$120 * # of months enrolled as a part-time student</li> </ul> </li> </ul> </li> <li>▪ <b>Textbook Amount</b> <ul style="list-style-type: none"> <li>○ \$65 * # months enrolled full time; or</li> <li>○ \$20* # months enrolled part-time</li> </ul> </li> <li>▪ If the taxpayer has claimed the TET amount and has reduced tax payable to zero; the taxpayer can choose to transfer a maximum of \$5,000 to his or her parents, grandparents, or spouse.</li> </ul>	See description
<b>Amounts transferred from your spouse or common-law partner</b>	<ul style="list-style-type: none"> <li>▪ You may be able to claim all or part of the following amounts, if your spouse/CL partner did not need the whole amount to reduce his or her federal tax to zero:             <ul style="list-style-type: none"> <li>○ the age amount if your spouse or common-law partner was ≥ 65 years of age;</li> <li>○ the child amount;</li> <li>○ the pension income amount;</li> <li>○ the disability amount (for self); and</li> <li>○ tuition, education, and textbook amounts</li> </ul> </li> </ul>	
<b>Medical Expenses</b>	<p>You can claim the total eligible medical expenses you or your spouse or common-law partner paid for:</p> <ul style="list-style-type: none"> <li>▪ yourself;</li> <li>▪ your spouse or common-law partner; and</li> <li>▪ children 18 or younger</li> <li>▪ please see <a href="http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/Ins300-350/330/llwbl-eng.html">http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/Ins300-350/330/llwbl-eng.html</a> for a list of all eligible expenses</li> </ul>	<b>Medical Expenses – lesser of (3% of Net Income and \$2,109)</b>

	<ul style="list-style-type: none"> <li>▪ example: dental services, bathroom aids, cancer treatment, prescription drugs</li> <li>▪ you can claim medical expenses paid over any 12 month period that ends anytime in the current tax year (i.e. for the 2013 tax year I can choose to claim expenses paid from May 1, 2012 to April 30, 2013; or June 1, 2012 to May 31, 2013..etc) as long as the amount was not claimed in the previous tax year</li> <li>▪ Tax Tip – compare the tax savings of both spouses before deciding who should claim this credit</li> </ul>	
<p><b>Donations</b></p>	<p>You can claim the following if made to registered charities:</p> <ol style="list-style-type: none"> <li>1. donations made by December 31 of the applicable tax year;</li> <li>2. any unclaimed donations made in the previous five years; and</li> <li>3. any unclaimed donations made by your spouse or common law partner in the year or in the previous five years.</li> </ol> <p>Maximum amount allowed to be claimed is 75% of Net Income</p> <p>There will be no Taxable Capital Gains (TCG) on stocks donated to charities (note that there will be a Capital Gain; however the inclusion rate for tax purposes will be 0% rather than the normal 50% thus making TCG=\$NIL)</p> <p>Unused Donations can be carried forward for 5 years</p>	<p>Donation Credit (note – not the base amount) = 15% * first \$200 of donations + 29% * remaining amount of donations</p> <p>Maximum donations you are allowed to claim for the credit = 75% of Net Income</p> <p>i.e. suppose 75% of NI = \$20,000; and you made donations of \$30,000</p> <p>you would only use \$20,000 for the calculation ; apply 15% to \$200; and 29% to (18,800)</p> <p>the remaining unused \$10,000 can be carried forward for 5 years.</p>