

# Surviving Tax Season

CPABC RRSP & Tax Tips

## 1 MARK YOUR CALENDAR



RRSP Contribution Deadline for 2020 Tax Year



Filing Deadline for Personal Income Tax



Filing Deadline for Self-employed Individuals

### Two Ways to File

Internet



Mail



## 2 GATHER TAX SLIPS + RECEIPTS



Gather and organize your tax-related documents, such as your T4, donation receipts, etc.



**COVID-19 Consideration:** Did you receive the Canada Emergency Response Benefit (CERB)? If so, make sure to include it in your tax filing as it is a taxable benefit. The BC Emergency Benefit for Workers is tax-free.

### DID YOU KNOW?

# 90%

of returns received from the 2019 tax year were filed electronically.

## 3 UNDERSTAND THE DIFFERENCE



### DEDUCTION

Reduces **taxable income** dollar for dollar

### VS

### CREDIT

Reduces **tax payable** dollar for dollar

## 4 GET EXPERT HELP



If you need help preparing and filing your return, hire a CPA. If you qualify as a low-income individual, you can receive assistance from a volunteer tax clinic, either virtually or in person. Search for "free tax clinics" at [www.canada.ca](http://www.canada.ca).



If you didn't use all of your deductions or tax credits this tax year, you may be able to use them in the future!

Visit [rrspandtaxtips.com](http://rrspandtaxtips.com) for more info.



Worked from home in 2020? You may be eligible for a tax deduction. Employees working from home due to COVID-19 are allowed to claim expenses up to \$400 without the need to track detailed expenses.

## 5 IF YOU GET A TAX REFUND

Consider contributing early to your RRSP or maximizing your TFSA! The earlier you put your money into your RRSP, the earlier you start making tax-free compounded earnings.

# TFSA CONTRIBUTION ROOM \$6,000

RRSP contributions made in January and February 2021 count towards the 2020 tax year.

## 6 DO YOU OWE MONEY?



If you owe money and have trouble paying, you should still file before the deadline to avoid penalties. To help pay your bill, consider a **pre-authorized debit** agreement with the Canada Revenue Agency (CRA). This allows you to create a custom agreement with the CRA to spread your tax bill over a period of time. You can find more information by signing in to your CRA account or talking to a tax expert.

## 7 GET READY FOR 2021

Understanding the changes for the coming tax year can help you prepare for the year and reduce the taxes you may owe.



**COVID-19 Consideration:** Keep an eye on this year's tax deadlines and updates. Many deadlines were deferred in the 2019 tax year as a result of the pandemic. Depending on the situation, deadlines for the 2020 tax year may shift as well.

Learn about the latest tax changes by visiting the CRA website or [rrspandtaxtips.com](http://rrspandtaxtips.com).