

Surviving Tax Season

CPABC RRSP & Tax Tips

1 MARK YOUR CALENDAR

FEB
28

RRSP Contribution
Deadline for 2021
Tax Year

APR
30

Filing Deadline for
Personal Income Tax

JUN
15

Filing Deadline for
Self-employed
Individuals

Two Ways to File

Internet



Mail



DID YOU KNOW?

91%

of returns received from the 2020 tax year were filed electronically.

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 Recovery Benefit (CRB)? If so, make sure to include it in your tax filing as it is a taxable benefit.

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.

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

Remember, RRSP contributions made in January and February 2022 count towards the 2021 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 2022

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: If you received benefits issued by the CRA in 2021, such as the Canada Recovery Benefit, a T4A information slip will be mailed to you by the end of February 2022. Note that when your COVID-19 benefits were paid, some tax was withheld at source, but you may end up owing more based on your income tax filing.

Learn about the latest tax changes by visiting the CRA website or rrspandtaxtips.com.