



## 2021 Tax Guide & Parliamentary Update



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## A MESSAGE FROM YOUR MP

Dear Constituent,

Canadians have faced a significant amount of adversity early into 2021. This after one of the most challenging years in memory, the new year started with some optimism, however as have spoken with many of you that have shared how that optimism has faded with extensive job losses, business closures, vaccine uncertainty, and other effects from COVID-19 are being felt by many.

In the midst of these challenges, I admire the resilience and ingenuity of Canadians. That spirit and tenacity is what will get us through these difficult times. This mailout will provide some information related to the filing of your 2020 taxes. I did however also want to update you on some of the many issues that are facing our nation that are keeping me busy in Parliament while staying connected with my constituency.

Some examples of this include debate and work on a myriad of bills and issues. Frustratingly, the Government has used the cover of COVID-19 to introduce bills that impact almost every aspect of Canadian life.

It appears they are doing some of these things in hopes that Canadians won't be paying attention. From communications act changes to expansion of medical assistance in dying, to massive changes to Canada's firearms laws the list of these changes goes on. I am committed to representing you and have spoken up on these issues, in addition to many more including Keystone XL, western alienation concerns about rural service delivery. Thank you to everyone who has reached out to share how you feel about these and many other

concerns. I value your feedback and the role it plays in our democratic process.

This is of course in addition to the role Parliament plays in ensuring that Canada's national Government is held to account. There are many aspects to this as we hold the Government to account for their unmitigated spending over the last year, and the budget we expect to debate in the spring.

You can stay up to date on these, and the many other issues being addressed in Parliament by following me on social media, reading my bi-weekly updates in local newspapers, and sign up for my monthly e-newsletter (sign up at [www.damienkurek.ca/subscribe](http://www.damienkurek.ca/subscribe)).

My colleagues and I have been pressuring the Government to refine supports for those impacted by COVID-19 to ensure that programs and services get to those who need them. Further, there is a need to address gaps in the accountability of this spending and the thousands of contracts awarded through the pandemic.

In this pamphlet, I have included resources and supports available to you to protect yourself against the financial impacts of COVID-19, keep

money in your pocket when filing your taxes, practical tools to assist you at tax time, and help businesses through the pandemic.

It is an honour to serve as your Member of Parliament. If you have any concerns or need assistance please feel free to reach out.

Sincerely,



COVID has changed the way we connect with each other. **THANK YOU** to everyone I have been able to connect with over social media, email, phone, mail, or as shown in this picture, over Zoom.

## COVID-19 PROGRAMS UPDATE

Conservatives worked with the government to create support programs that help Canadians who have lost their jobs or saw their hours cut. We have worked to expand the programs to ensure that everyone is covered. If you need financial assistance, have lost a job, are unable to work or are taking care of family members due to the COVID-19 pandemic, there are programs to help you.

**WARNING AT TAX TIME:** If you received the Canada Emergency Response Benefit (CERB) or other benefits in 2020, they are considered taxable income by CRA and there were no source deductions, so be prepared for a hefty tax bill of up to 15-20% of benefits received, depending on your overall income level.

### Canada Recovery Sickness Benefit (CRSB)

- The CRSB provides \$500 per week for up to a maximum of two weeks, for workers who:
  - Are unable to work for at least 50% of the week because they contracted COVID-19;
  - Are self-isolated for reasons related to COVID-19;
  - Have underlying conditions, are undergoing treatments or have contracted other sicknesses that, in the opinion of a medical practitioner, nurse practitioner, person in authority, government or public health authority, would make them more susceptible to COVID-19.

### Canada Recovery Caregiving Benefit (CRCB)

- The CRCB provides \$500 per week for up to 26 weeks per household for workers:
  - unable to work for at least 50% of the week because they must care for a child under the age of 12 or family member because schools, day-cares or care facilities are closed due to COVID-19; or
  - because the child or family member is sick and/or required to quarantine or is at high risk of serious health implications because of COVID-19.

### Canada Recovery Benefit (CRB)

- The CRB provides \$500 per week for up to 26 weeks for workers who have stopped working or had their income reduced by at least 50% due to COVID-19, and who are not eligible for Employment Insurance (EI).

### Employment Insurance (EI) program

- For 2021, there are changes to the Employment Insurance (EI) program to better support Canadians who need financial assistance. As of September 27, 2020, the minimum benefit rate is \$500 per week before taxes in most cases.

For the most up to date information on COVID-19 supports and programs, visit [www.damienkurek.ca/coronavirus](http://www.damienkurek.ca/coronavirus).



## SAVINGS FOR FAMILIES

### Child Care Expense Deductions

You can claim payments you have made to someone who has looked after your child while you either earned an income from employment, operated a business alone or as an active partner, attended school or conducted research.

The previous Conservative government increased the dollar limits that parents can claim up to \$8,000 per child who is under the age of seven, up to \$5,000 for each child aged 7 to 16 (and for infirm children over the age of 16), and \$11,000 for any children who are eligible for the Disability Tax Credit.

### Canada Caregiver Credit

You can claim \$2,230 under the Canada Caregiver Credit if you support a spouse, a common-law partner or a dependent with a physical or mental impairment. For your spouse, common-law partner or eligible dependent over 18, you may also claim an additional amount up to a maximum of \$7,140.

### Child Disability Benefit

To recognize the additional costs that can add up when caring for a child with a severe disability, families can continue to claim the Child Disability Benefit. It is an amount of up to \$2,886 per eligible child.

### Registered Disability Savings Plan

The previous Conservative government introduced the Registered Disability Savings Plan (RDSP) to ensure long-term financial security for Canadians and families who are dealing with severe disability. Over the years, we have also made a number of enhancements. In particular, the Plan now ensures that long-term financial security is provided to children whose parents are no longer able to provide support.

### Adoption Expense Tax Credit

This credit is a 15% non-refundable tax credit that allows adoptive parents to claim eligible adoption expenses relating to the completed adoption of a child, up to a maximum of \$16,563.



## SAVINGS FOR SENIORS

### Home Accessibility Tax Credit

Seniors and persons with disabilities who are eligible for the Disability Tax Credit can qualify for tax relief of 15% on up to \$10,000 in eligible expenses, delivered by the previous Conservative government. To be eligible, expenses must be incurred in relation to a renovation allowing for better mobility and functionality or reducing the risk of harm.

### Doubling the Pension Income Amount

Years ago, a non-refundable pension income credit was introduced to apply to the first \$1,000 of eligible pension income. A lot has changed since then, which is why the previous Conservative government increased the maximum amount of eligible pension income that can be claimed to \$2,000. This results in even more savings that will make a real difference for pensioners.

### Increasing the Age Amount

The Age Amount allows seniors to claim up to \$7,637 on their 2020 tax return, depending on the individual's net income.

### Pension Income-Splitting

The previous Conservative government introduced pension income-splitting to help ease the tax burden and deliver fairness for Canadian pensioners.

Generally, each individual Canadian pays taxes on their full income earned. Pension income-splitting allows any Canadian resident who receives qualifying pension income to allocate to their spouse (or common-law partner), with whom they reside, up to one-half of that income. By doing so, a pensioner and their family can dramatically reduce their tax load.

### Increasing the Age Limit for Converting RRSPs to RRIFs

Registered Retirement Savings Plans (RRSPs) provide one of the best opportunities for Canadians to save for the future. Since RRSP contributions are not taxable below your RRSP deduction limit, they are an ideal way to plan for retirement. However, some Canadians have been restricted by the way RRSPs are structured. Even though they chose to work past 69 years of age, it was a requirement to convert their RRSP into a Registered Retirement Income Fund (RRIF) and begin making withdrawals.

The previous Conservative government increased the age limit for converting RRSPs to RRIFs from 69 to 71. Now, more Canadians have the freedom to choose when they convert their RRSPs.



Keep your receipts for tax purposes when you see this symbol!

## Tax Guide

*Saving You More*

Read this guide before completing your 2020 tax return!

## SAVINGS FOR ALL CANADIANS

The previous Conservative government succeeded in reducing the tax burden on Canadians to the lowest point in half a century. We did this by removing one million Canadians from tax rolls, increasing the amount Canadians could earn tax free, and cutting the lowest personal income tax rate to 15%.

Here is a list of some tax benefits that you can claim:

### Goods and Services Tax (GST) Credit

Four times a year, this tax-free payment helps individuals and families with modest incomes offset all or part of the GST they pay.

If you have a spouse or common-law partner, just one of you can receive this credit. When you file your 2020 tax return, CRA will determine your eligibility and will advise those who are eligible to receive the credit.

### Medical Expense Deductions

This credit applies to a number of eligible expenses – from home care services, to laser eye surgery, to orthopedics. The previous Conservative government expanded the deduction itself, as well as the list of expenses, to include costs associated with certain types of service animals (e.g. diabetes alert dogs). The amount you can claim is the total of your expenses, minus approximately \$2,397 or 3% of the claimant's income (whichever is less). There is no limit on the amount of eligible expenses a taxpayer can claim for himself or herself, a spouse or common-law partner, or a child under 18.

### Climate Action Incentive

Canadians who live in a province where the Liberal Carbon Tax applies – Alberta, Saskatchewan, Manitoba and Ontario – can claim the climate action incentive with their income tax return. The amount you receive depends on your province of residence and your personal living situation, and it probably won't cover all the costs of the carbon tax. You may also qualify for a 10% supplement if you are a resident of a small or rural community. (The basic amounts for 2020 are as follows: Alberta \$490, Saskatchewan \$500, Manitoba \$360, Ontario \$300.)

### Simplified Home Office Tax Credit for 2020

For 2020, employees who worked from home more than 50% of the time over a period of at least four consecutive weeks in 2020 due to COVID-19 can claim a deduction of \$2 for each day they worked at home up to a maximum of \$400.

### Canada Training Credit

The Canada Training Credit (CTC) is available for eligible tuition and other fees paid for courses taken in 2020 and subsequent tax years. An eligible individual can accumulate \$250 in each year toward their CTC limit, up to a maximum of \$5,000 in a lifetime, which can be accessed the following year to help cover up to half of eligible tuition and fees associated with training.





## SAVINGS FOR WORKING CANADIANS

### Canada Workers Benefit

This benefit, introduced by the previous Conservative government in 2007, is a refundable tax credit that supplements the earnings of low-income workers to ensure they aren't penalized for getting a job. The Liberal government has since renamed and expanded the benefit.

For those low-income working Canadians with a disability who face even larger barriers to workforce participation, the Working Income Tax Benefit (WITB) provides an additional supplement.

### Canada Employment Amount

The Canada Employment Amount provides most employees of the public and private sector (excluding the self-employed) with help to offset the cost of work-related expenses such as home computers, uniforms and supplies. If you qualify for this amount, you can claim up to \$1,245 on your 2020 tax return.

### Apprenticeship Job Creation Tax Credit

Employers who employ an eligible apprentice in a skilled trade in the first two years of an apprenticeship contract (registered with the federal, provincial, or territorial government) can be eligible to receive a non-refundable tax credit equivalent to 10% of the salaries and wages paid to the apprentice. Introduced by the previous Conservative government, this can translate into tax savings for an employer of up to \$2,000 per eligible apprentice. Visit online for more information at [www.red-seal.ca](http://www.red-seal.ca).

### Lower Taxes for Local Business Owners, Farmers and Fishermen

When an owner of a family farm, local business, or fishing enterprise passes from one generation to the next, the properties – or shares – are subject to a Capital Gains Tax. Previously, the first \$500,000 of the value was tax-free.

The previous Conservative government increased this exemption to \$800,000. (As it is indexed for inflation, the lifetime capital gains exemption is \$883,384 for the 2020 tax year.) Additionally, Conservatives also increased the limit specifically for farm and fishing businesses to \$1 million.

### Eligible Educator School Supply Tax Credit

Eligible educators can claim a 15% refundable tax credit on up to \$1,000 of supply purchases per year. Some examples include flashcards, arts supplies, writing materials, books for the classroom and more.

### Volunteer Firefighters' Tax Credit

This is a 15% non-refundable tax credit based on an amount of \$3,000 for volunteer firefighters who perform at least 200 hours of service per year. Delivered by the previous Conservative government, the option to claim the exempt amount of up to \$1,000 for honoraria will remain in lieu of the credit, if desired.

### Search and Rescue Volunteer Tax Credit

This is a 15% non-refundable tax credit based on an amount of \$3,000 to acknowledge the valuable contributions of ground, air and marine search and rescue volunteers, who perform at least 200 hours of service per year. Delivered by the previous Conservative government, the option to claim the exempt amount of up to \$1,000 for honoraria will remain in lieu of the credit, if desired.

### Tradespersons' Tools Deduction

This tax deduction on tools, delivered by the previous Conservative government, helps those tradespeople who often must pay for their work expenses up front out of their own pockets.

### Meal Expenses of Long-Haul Truck Drivers

The Canadian tax system generally limits business-related meal, entertainment, and other expenses to be deductible only up to 50%. The previous Conservative government raised the deductible portion of meal expenses for long-haul truck drivers to 80%.

Employers can save up to  
**\$2,000 per eligible  
apprentice**

**Claim tools and  
meal expenses**

**Supporting volunteer  
firefighters, and search  
and rescue personnel**

### WATCH OUT FOR SCAMS

As the world becomes more advanced, unfortunately so do scammers. Always be vigilant while sharing personal information.

If you suspect you have been a victim of fraud, please contact the Canadian Anti-Fraud Centre at 1.888.495.8501.

You can also file a report at [antifraudcentre-centreantifraude.ca](http://antifraudcentre-centreantifraude.ca).



## Winter 2021 ISSUES SURVEY

*I read every response and value your feedback*

1. Are Canada's Conservatives on the right track by calling for a vaccine plan?

☐ Yes ☐ No ☐ Unsure

2. Are you worried that your job may be impacted in 2021?

☐ Yes ☐ No ☐ Unsure

3. Are you concerned about the amount of taxes you need to pay?

☐ Yes ☐ No ☐ Unsure

4. Which issues are important to you?

- ☐ Getting Canadians back to work  
☐ Lowering taxes for all Canadians  
☐ Providing direct help for seniors  
☐ Defending our freedoms  
☐ Cutting government waste and red tape  
☐ Holding the Government to account  
☐ Other: \_\_\_\_\_

5. Do you feel you hear from me...

☐ Too often ☐ Just enough ☐ Not enough

6. Would you like to be subscribed to my E-Newsletter? If yes, please provide email.

☐ Yes ☐ No ☐ Unsure

7. As your Member of Parliament, am I on the right track?

☐ Yes ☐ No ☐ Unsure

Name: \_\_\_\_\_

Address: \_\_\_\_\_ Town/City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

E-mail: \_\_\_\_\_ Phone #: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

**RETURN THIS SURVEY POSTAGE FREE BY CUTTING OUT, FOLDING, & TAPING/STAPLING CARD. NO ENVELOPE NEEDED.**

*Information collected is always handled with care and treated confidentially*

## SAVINGS FOR HOME BUYERS

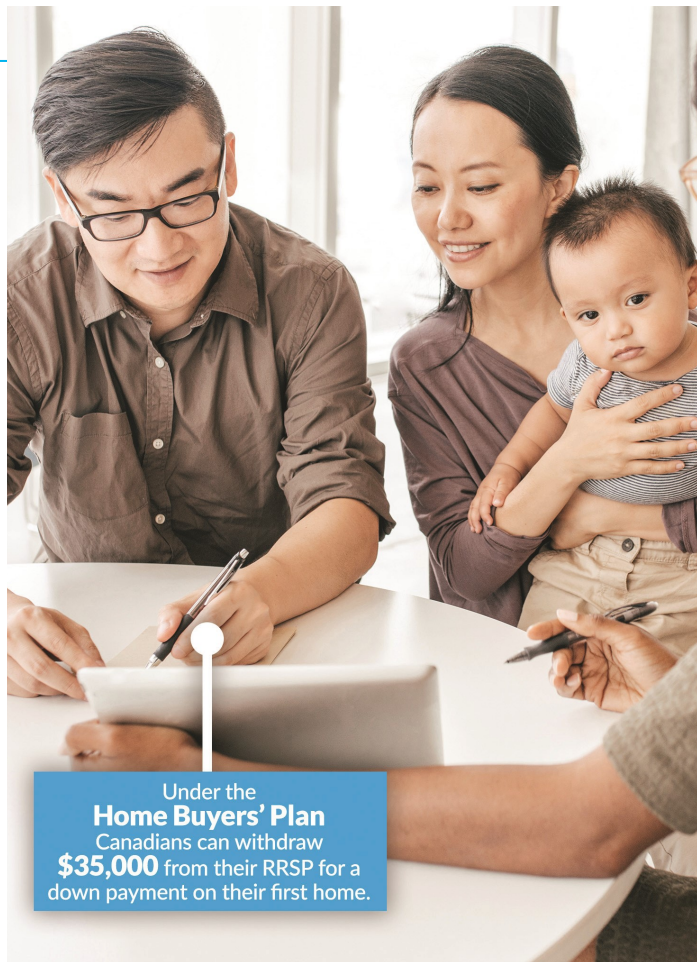
Here is a list of some tax benefits that you can still claim:

### Home Buyers' Amount

The credit (delivered by the previous Conservative government) allows first-time home buyers to claim an amount of \$5,000 on qualifying homes purchased. It's also available to those who are not first-time home buyers but who are eligible for the Disability Tax Credit (DTC) when they purchase a more accessible or functional home.

### Home Buyers' Plan

Under the Home Buyers' Plan, the previous Conservative government raised the amount Canadians can withdraw from their Registered Retirement Savings Plans (RRSP) for a down payment on their first home. The amount has increased again to \$35,000.



Under the  
**Home Buyers' Plan**  
Canadians can withdraw  
**\$35,000** from their RRSP for a  
down payment on their first home.



## HOW TO FILE YOUR TAXES

**Many reading this file your taxes with an accountant or tax professional. This is a great way to ensure that your taxes are done right.**

For reference however, the CRA provides four additional methods to file your taxes.

### Using Software

You will find a list of certified desktop, online, and mobile software products at [canada.ca/netfile-software](https://canada.ca/netfile-software). Some of the software is free.

### On Paper

**Please note:** Due to COVID-19, paper filing may delay your assessment.

If you filed your taxes on paper last year, the CRA will automatically mail you the 2020 Income tax package by February 19, 2021.

You can see, download and order forms and publications as of January 18, 2021 at [canada.ca/taxes-general-package](https://canada.ca/taxes-general-package). Starting February 5, 2021, you can call the CRA at 1.855.330.3305 to order forms and publications.

### By Phone

The CRA offers an automated phone service called File my Return. This free service lets you complete and file your return by phone. The service is available to eligible Canadians who have low or fixed incomes and whose tax situation doesn't change from year to year. If you are eligible for File my Return, the CRA will mail an invitation letter to you by mid-February.

### Using the Community Volunteer Income Tax Program

Through the CRA's Community Volunteer Income Tax Program, community organizations host free tax clinics for Canadians with a modest income and simple tax situation. Volunteers may be able to complete and file returns for free, by videoconference, by phone, or through a document drop-off arrangement. To find a tax clinic near you, go to [canada.ca/taxes-help](https://canada.ca/taxes-help).

## QUESTIONS ABOUT YOUR TAXES?

Contact the Canada Revenue Agency at  
1.800.267.6999  
[canada.ca/en/revenue-agency](https://canada.ca/en/revenue-agency)

### DEADLINES:

The due date for filing an income tax and benefit return and paying any related tax balance due is April 30th, 2021. If you are self-employed, have until June 15th to file a return. However, to avoid late penalties, the CRA encourages you to file by April 30th.



My office is here to help you and your family access federal government support programs. Don't hesitate to get in touch if you need assistance navigating federal programs, or if you have concerns about how the programs are being operated.

My offices are able to assist constituents with a wide variety of concerns related to Federal Government Programs, including:

- Passports
- Citizenship and Immigration
- Canada Border Services Agency
- Employment Insurance
- Old Age Security
- Federal Student Loans
- CRA/GST Issues
- Guaranteed Income Supplement.
- Communications with Canada Post
- Canada Pension Plan

For a full list of the services my office can assist you with, visit [www.damienkurek.ca/not-sure-where-to-turn](https://www.damienkurek.ca/not-sure-where-to-turn)

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