**Age Credit**

Definition

Age credit is non-refundable credit available to individuals who are age 65 or older.

Tax Tips

You can claim a credit at the federal and provincial level. The federal credit is gradually reduced when income exceeds $35,927 and is completely eliminated when income exceeds $83,427. Provincial threshold varies depending on your province/territory or residence.

**Spousal or common-law credit**

Definition

Spousal or common-law credit is non-refundable credit available to individuals who are married or in a common-law relationship.

Tax Tips

You can claim a credit at the federal and provincial level. The federal credit is reduced by income earned by spouse/common-law partner and is completely eliminated when income exceeds $11,474. The credit is increased by $2,121 if spouse or common-law partner is physically or mentally impaired. Provincial rules are similar and threshold varies depending on your province/territory or residence.

**Eligible dependent credit**

Definition

Eligible dependent credit is non-refundable credit available to individual who is not claiming the spousal or common-law credit and lived with the dependent in a home that you maintained.

Eligible dependents are:

1. Your parent or grandparent who are resident in Canada; **or**
2. Your grandchild, child, brother, or sister resident in Canada who are either under age 18 or physically or mentally impaired

Tax Tips

You can claim a credit at the federal and provincial level. The federal credit is reduced by income earned by the eligible dependent and is completely eliminated when income exceeds $11,474. The credit is increased by $2,121 if the eligible dependent is physically or mentally impaired. Provincial rules are similar and threshold varies depending on your province/territory or residence.

Only one person can claim the credit for the dependent.

**EI contribution credit**

Definition

Employment Insurance (EI) contribution is a premium paid to an unemployment insurance program that allows individuals who have recently lost a job to receive temporary financial assistance. Employment insurance can also be extended to individuals who are unable to work because of illness or who are caring for a young child or a seriously ill family member.

EI contribution is a non-refundable credit available to individuals/employees who earn insurable earnings.

Tax Tips

Individuals can claim a credit at the federal and provincial level based on the EI contribution made. The maximum EI contribution in 2016 is $955.04 for employee.

**CPP contribution credit**

Definition

Canada Pension Plan (CPP) contribution is a premium paid to an unemployment insurance program that allows individuals who have recently lost a job to receive temporary financial assistance. Employment insurance can also be extended to individuals who are unable to work because of illness or who are caring for a young child or a seriously ill family member.

EI contribution is a non-refundable credit available to individuals/employees who earn insurable earnings.

Tax Tips

You can claim a credit at the federal and provincial level based on the EI contribution made. The maximum EI contribution in 2016 is $955.04 for employee.

**Volunteer firefighters' credit**

Definition

If you are a volunteer firefighter and you completed at least 200 hours of related volunteer services, you can claim $3,000 for the volunteer firefighters' credit.

Tax Tips

As a volunteer firefighter, it may be more beneficial for you to claim a $1,000 exemption instead of the volunteer firefighters’ credit. If you choose to claim this income exemption, you will **not** be eligible for the volunteer firefighters' credit or the search and rescue volunteers' credit.

You are entitled to additional tax credit if you live in one of the following provinces: Manitoba, Newfoundland & Labrador, Nova Scotia, Nunavut, and Prince Edward Island.

**Search and rescue volunteer's credit**

Definition

If you are a search and rescue volunteer and you completed at least 200 hours of related volunteer services, you can claim $3,000 for search and rescue volunteers’ credit.

Tax Tips

As a search and rescue volunteer, it may be more beneficial for you to claim a $1,000 exemption instead of the search and rescue volunteers’ credit. If you choose to claim this income exemption, you will **not** be eligible for the volunteer firefighters' credit or the search and rescue volunteers' credit.

You are entitled to additional tax credit if you live in one of the following provinces: Manitoba, and Nova Scotia.

**Canada employment credit**

Definition

Canada employment credit is a non-refundable tax credit available for the first $1,161 of employment income earned.

Tax Tips

This credit only applies if you are an employee who earns employment income. You are entitled to additional tax credit if you live Yukon.

**Public transit credit**

Definition

Public transit credit is a non-refundable tax credit available for the amount spent on public transit. You are entitled to additional tax credit if you live Yukon.

Tax Tips

You can claim public transit costs as tax credit not only for yourself, but also for your spouse/common-law partner, and your children under age 19.

However, not all public transit costs can be claimed as a tax credit. To be eligible, the following criteria must be met:

For public transit passes

Weekly passes will qualify for the tax credit where the taxpayer purchases them for at least 4 consecutive weeks, and the passes provide the holder with unlimited use of the public transit system for a period of 5 to 7 days. Monthly passes will qualify.

For electronic payment cards

Costs relate to the use of public transit for at least 32 one-way trips during an uninterrupted period not exceeding 31 days. In other words, you will use the card for 16 round trips in a month to qualify.

**Home buyers’ credit**

Definition

Home buyer’s credit is a non-refundable credit available to individuals who purchased a home in the year and did not own and live in a home in the past 4 years.

Tax Tips

A common misconception is that the credit only applies to first-time home buyers. The home buyers’ credit actually applies if you or your spouse/common-law partner did not live and own a home in the past 4 years. In addition, you can only claim this credit in the year you acquire the property. Per CRA, you are considered to acquire the home if it is registered under your name in accordance with the land registration system.

A credit of $5,000 can be claimed, with additional credit available for residence of Saskatchewan.

**Adoption credit**

Definition

Adoption credit is a non-refundable credit available to individuals who incurred costs for adopting a child.

Tax Tips

Not all adoption costs can be claimed as tax credits. Eligible adoption expenses include fees paid to adoption agencies and foreign institutions, court and legal costs, and document translation fees. You may also claim travel and living expenses related to the adoption and mandatory expenses for an adopted child's immigration. For expenses to qualify, the adoptive parents must incur them during the adoption period, which begins when the prospective parent's application for adoption is submitted to an adoption agency/provincial ministry and ends when the adoption order is recognized by the Canadian government and the child begins to live with the adoptive family.

You may claim up to $15,453 per child in qualifying adoption expenses, with additional credit available for residence of Alberta, British Columbia, Manitoba, Newfoundland & Labrador, Ontario, and Yukon.

**Pension income credit**

Definition

If you receive certain pension income, you may claim a credit at the federal and provincial level. Pension income credit is a non-refundable tax credit.

Tax Tips

If you are a low income earner and do not fully utilize the credit, any unused portion can be transferred to your spouse or common-law partner.

You can claim a credit of $2,000 at the federal level and up to $2,000 at the provincial level depending on your province of residence.

Not all pension income are qualified for pension income credit. Eligible pension income are noted below.

For individuals age 65 or older

* Life annuity payments from a superannuation or pension plan,
* Payments from a RRIF
* Annuity payments from an RRSP or from a deferred profit sharing plan (DPSP)
* Regular annuities and income averaging annuity contracts (IAAC) reported in box 24 of a T4A or box 19 of a T5

For individuals below age 65

* life annuity payments from a superannuation or pension plan
* payments from a RRIF, or annuity payments from an RRSP or from a DPSP, which have been received as a result of the death of a spouse or common-law partner

**Caregiver credit**

Definition

If you maintained a home and your parent or grandparent (age 65 or older) lived with you, you may be able to claim the caregiver credit. Your parent or grandparent must be a resident of Canada.

Alternatively, you may qualify if you have a dependent (ie. child, grandchild, siblings, niece, nephew, aunt, uncle) age 18 or over, and dependent on you due to a mental or physical infirmity. Dependents must also be a resident of Canada.

Tax Tips

If you are already claiming the eligible dependent credit, you cannot claim the caregiver credit for the same dependent. However, if the caregiver credit is more beneficial, you can claim the excess as caregiver credit.

**Disability tax credit**

Definition

Disability tax credit is a non-refundable credit available to individuals who suffered from severe and prolonged mental or physical impairment and certified by a doctor.

Tax Tips

You must receive an approved Disability Tax Credit Certificate (form T2201) to qualify for the disability tax credit.

If you are a low income earner and do not fully utilize the credit, any unused portion can be transferred to your spouse, common-law partner or another supporting individual.

The amount of this federal tax credit is $8,001 for 2016, with a supplement of $4,667 for 2016 for disable individuals under age 18. Depending on your province of residence, you may qualify for additional $24,912 of additional disability credit.

**Student loan interest credit**

Definition

Student loan interest credit is a non-refundable credit that can be claimed on student loan interest paid. Tax credit is available at the federal and provincial level.

Tax Tips

To claim the credit, interest must have been paid by the student or a person related to the student. Interest paid by a person not related to the student does not qualify. Only the student can claim the credit.

If you are a low income earner and do not fully utilize the credit, any unused portion can be carried forward for 5 years.

Not all student loans qualify. Loans must be obtained under Canada Student Loans Act, Canada Student Financial Assistance Act, or a similar provincial or territorial government law for post-secondary education. For example, loans obtained under Ontario Student Assistance Program (OSAP) would qualify.

**Tuition credit**

Definition

Tuition credit is generally available to students who paid tuition fee for courses at a post-secondary school (eg. University and college) Student loan interest credit is a non-refundable credit that can be claimed on student loan interest paid. Tax credit is available at the federal and provincial level.

Alternatively, tuition fees paid to an educational institution in Canada certified by the Minister of Human Resources Development for courses to provide a student (who is age 16 or older) with skills for an occupation would also qualify.

Tax credit is available at the federal and provincial/territorial level.

Tax Tips

You must have received an official tuition tax slip (T2202A) to claim the tax credit. If you are a low income earner and do not fully utilize the credit, any unused portion can be transferred to another individual (such as your spouse/common-law partner or parent), or you can carry forward this credit indefinitely. Maximum tuition credit that can be transferred is $5,000 at the federally level, and varies for each province. Carried forward tuition credit cannot be transferred to anyone in a future year.

After 2016, education and textbook credits have been eliminated. Tuition credit continues to be available.

Private school tuition fees for elementary and secondary students are generally not tax deductible.

**Medical expense credit**

Definition

You may be able to claim a non-refundable tax credit for medical expenses paid for you, your spouse, and children under 18. Tax credit is available at the federal and provincial level.

Tax Tips

Medical expense can be claimed if they were paid within any 12-month period ending in the current tax year, and not claimed in the prior tax year. In other words, you can pick any 12-month period that is the most advantageous for your tax situation. For example, you can claim medical expense from August 1, 2015 to July 31, 2016 on your 2016 tax return.

You can claim a credit for medical expenses paid for you, your spouse/common-law partner, or your child under age 18. The total medical expense must exceed a prescribed threshold. At the federal level, this threshold is the lessor of $2,237 or 3% of net income. The provincial/territorial threshold varies depending on your location of residence.

You can also claim medical expenses for amounts paid on behalf of an individual dependent on the you for support, such as child over age 17, grandchild, parent, grandparent, brother, sister, uncle, aunt, niece or nephew who are resident in Canada.

**Donation credit**

Definition

Donation credit is a non-refundable tax credit available to individuals who made a donation to registered charities. Tax credit is available at the federal and provincial level.

Tax Tips

Total donations greater than $200 provide a substantially more favourable tax credit rate. Therefore, if you have a spouse/common-law partner, it is usually best to combine and claim all donations on one tax return. Any unused donations can be carried forward for up to 5 years.

If you nor your spouse/common-law partner claimed donation in the past 5 years, you can claim an additional 25% tax credit on up to $1,000 donation.

Donations made to registered charitable organizations are eligible as long as it does not exceed 75% of your net income. You should receive an official donation tax receipt for the value of donation made.

**Federal political contribution credit**

Definition

You can claim the tax credit if you contributed to a registered federal political party or to a candidate for election to the House of Commons.

Tax Tips

Federal contribution can be claimed by either spouse/common-law partner. If you have a spouse/common-law partner and want to contribute more than $400 in one year, it would be beneficial to make two separate contributions, for greater flexibility in maximizing the tax credit.

Up to $1,250 can be claimed with a maximum tax savings of $650 can be obtained.

**Provincial/Territorial political contribution credit**

Definition

You can claim the tax credit if you contributed to a political party registered in your province or territory, or to a candidate seeking election to the Legislative Assembly of your province or territory.

Tax Tips

The first few hundred dollars of contribution (varies by province/territory) provides the greatest tax benefit. Therefore, if you have a spouse or common-law partner, make two separate contributions and get both receipts in the names of both spouses, for greater flexibility in maximizing the tax credit.

In BC and Ontario, a contribution can be claimed by either spouse/common-law partner, but one contribution receipt cannot be split between spouses.

In any other province or territory, a contribution receipt can be used by either spouse only if it is in the name of both spouses.

In Ontario and Nunavut, the tax credit is refundable, all other provinces are non-refundable.

**Education coaching credit**

Definition

You can claim a tax credit if you live in BC, and you are a teacher or teaching assistant who carry out extracurricular coaching activity.

Tax Tips

This tax credit only applies to individual resident of British Columbia. You can claim $500 if you are a teacher or teaching assistant who carry out at least 10 hours of extracurricular coaching activity in the year