

# 2020 PERSONAL TAX UPDATES AND COVID-19 BENEFITS

A PRESENTATION BY  
ACCOUNTING PLUS FINANCIAL SERVICES

February 17<sup>th</sup>, 2021



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Financial Services Inc.

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Please consult with an accountant or professional advisor for more details regarding your situation.



Terms and  
Conditions

# TODAY'S AGENDA

- OVERVIEW OF COVID-19 GOVERNMENT BENEFITS
- CHANGES FOR THE 2020 PERSONAL TAX RETURN
- FOCUS ON EMPLOYMENT EXPENSE CLAIMS

AN **FAQ** SESSION WILL BE CONDUCTED AFTER THE PRESENTATION.



# COVID-19 CANADIAN EMERGENCY BENEFITS

- ☐ CANADA EMERGENCY RESPONSE BENEFIT (CERB)
- ☐ CANADA EMERGENCY STUDENT BENEFIT (CESB)
- ☐ CANADA RECOVERY BENEFIT (CRB)
- ☐ CANADA RECOVERY SICKNESS BENEFIT (CRSB)
- ☐ CANADA RECOVERY CAREGIVING BENEFIT (CRCB)
- ☐ PROVINCIAL AND PENSION BENEFITS ALSO OFFERED

# CERB

# CESB

Initial programs to get funds quickly to Canadians affected by  
COVID-19 (**no tax withheld**):

- **Canada Emergency Response Benefit (CERB)**
  - \$2,000 per month – max. 28 weeks
- **Canada Emergency Student Benefit (CESB)**
  - \$1,250 per month for students – max. 4 months



**PANDEMIC  
#COVID19**

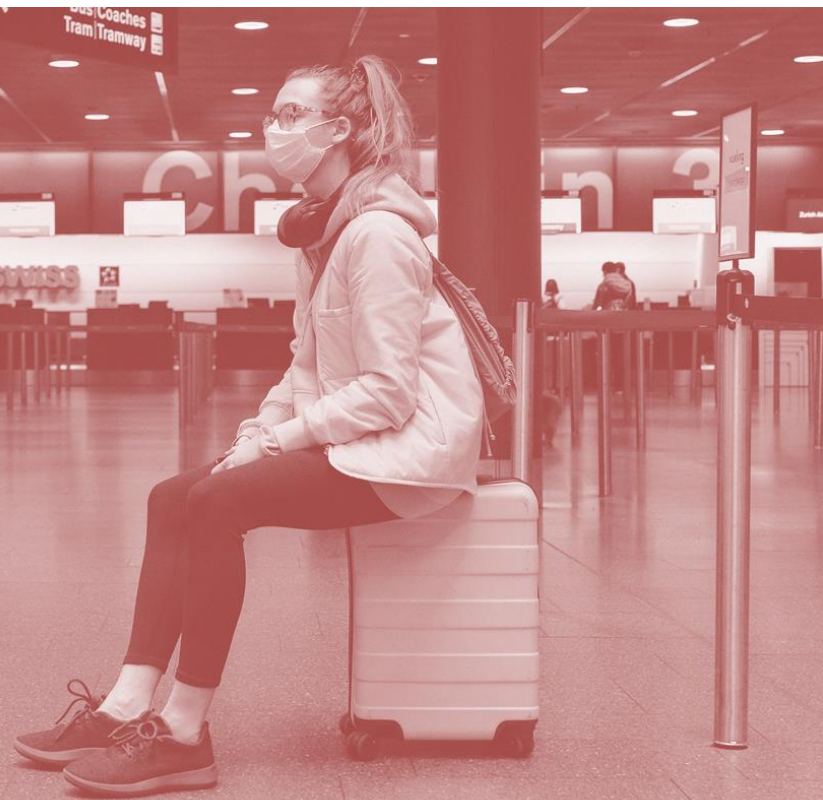
# CRB

# CRSB

# CRCB

Three programs introduced to replace the CERB in  
September 2020 **(10% of claims are withheld as tax):**

- **Canada Recovery Benefit (CRB)**
  - \$500 per week – max. 26 weeks
- **Canada Recovery Sickness Benefit (CRSB)**
  - \$500 per week – max. 2 weeks
- **Canada Recovery Caregiving Benefit (CRCB)**
  - \$500 per week – max. 26 weeks





# OTHER BENEFITS (NON-TAXABLE)

- **Old Age Security** – max. \$500
- **Federal Child Support** - \$300 per child
- **GST/HST Benefit** – max. \$400 per individual; \$600 per couple
- **Benefit for Holders of Disability Tax Credit Certificate** - \$600
- **Ontario Child Support & Support for Learners** - \$200 per child; \$250 per child with special needs (two payments)

# HOW DOES THIS AFFECT MY TAXES?

- ALL CANADA EMERGENCY AND RECOVERY BENEFIT PROGRAMS ARE TAXABLE INCOME.
- Any **CERB, CESB, CRB, CRSB, CRCB** received in 2020 will need to be reported on your 2020 personal tax return.
- Canada Recovery Benefit (CRB)
  - CRB pay back is required if your income exceeds \$38,000 in tax year 2020.
  - Must pay back \$0.50 for every dollar over \$38,000.



# TAXATION EXAMPLES (ONTARIO — SINGLE)

EMPLOYMENT INCOME	CERB INCOME	CRB INCOME	CLAWBACK	TOTAL TAX (ESTIMATED)
\$35,000	\$0	\$4,000	N/A	<b>\$1100.00</b>
\$40,000	\$6,000	\$0	N/A	<b>\$1250.00</b>
\$60,000	\$6,000	\$2,000	\$2,000	<b>\$3600.00</b>

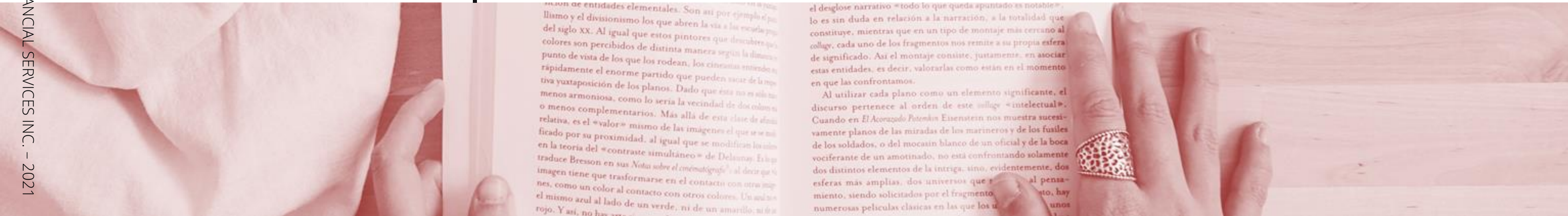
# 2020 PERSONAL TAX CHANGES

- **Canada Training Credit (CTC)**
- **Digital News Subscription Tax Credit (DNSTC)**
- **Simplified Employment Expense Reporting**

# CANADA TRAINING CREDIT (CTC)

## NEW FOR 2020 - Refundable Tax Credit

- Individuals over the age of 26 attending eligible schooling
- Receive \$250 per year toward the credit for each year of tax return filing as of 2019 – max. \$5,000
- If you filed your 2019 return, you already have \$250 of CTC raised  
→ filing 2020 will bring it to \$500





# DIGITAL NEWS SUBSCRIPTION TAX CREDIT (DNSTC)

## NEW FOR 2020 - Non-Refundable Tax Credit (only reduces your tax owing)

- Can claim a maximum of \$500 on your return for subscriptions to Canadian digital news media.
- A \$500 claim provides a tax savings of \$75 (15% of \$500)



# EMPLOYMENT EXPENSES

## ADJUSTED FOR 2020

- Simplified reporting introduced for Canadians working from home 50% or more due to COVID-19.
- Two methods to report:
  - Simplified Method
  - Detailed Method





# SIMPLIFIED OR DETAILED METHOD?



## SIMPLIFIED METHOD

- Work from home due to COVID
- Claim \$2 per day for each day working from home, Max. \$400
- No forms required

## DETAILED METHOD

- Report actual home expenses, including utilities, maintenance, rent (based on office space) business use of phone, internet and supplies.
- Form T2200S must be filled out and signed by employer.



# EMPLOYMENT EXPENSE EXAMPLES

## SIMPLIFIED METHOD

- Work from home 120 days
- \$2 a day
- Claim \$240 income deduction on tax return

## DETAILED METHOD (Received T2200S)

- Claim actual expenses:
  - Home office = 10% of usable home space
  - Rent - \$1,800 per month @ 4 months
  - Maintenance - \$700 overall
  - Utilities - \$400 overall
  - Total Expenses - \$8,300
- **Home Office Claim - \$830.00**





## Declaration of Conditions of Employment for Working at Home Due to COVID-19

This form is only for employees who worked from their home in 2020 due to COVID-19. The **employer** must complete and sign this form if the employee chooses to use the detailed method to calculate their home office expenses (work-space-in-the-home and supplies). If the employee is required to pay for expenses other than home office expenses, do not use this form. Instead, complete Form T2200, Declaration of Conditions of Employment.

The **employee** does **not** need to attach this form to their return, but they must keep it in case the Canada Revenue Agency asks to see it later. However, employees must complete and attach Form T777S, Statement of Employment Expenses for Working at Home Due to COVID-19, to their tax return to deduct home office expenses for the year.

For more information about claiming employment expenses, see Guide T4044, Employment Expenses.

### Part A – Employee information

Last name	First name	Tax year 2020
Employer address		

### Part B – Conditions of employment

1. Did this employee work from home due to COVID-19? ☐ Yes ☐ No
2. Did you or will you reimburse this employee for any of their home office expenses? ☐ Yes ☐ No
3. Was the amount included on this employee's T4 slip? ☐ Yes ☐ No

### Employer declaration

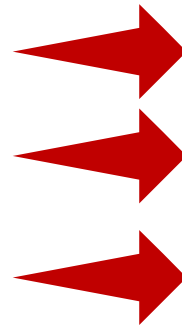
I certify that this employee worked from home in 2020 due to COVID-19, and was required to pay some or all their own home office expenses used directly in their work while carrying out their duties of employment during that period.

I certify that the information given on this form is, to the best of my knowledge, correct and complete.

**Note:** Clearly print the name and telephone number of the authorized person in case we need to call to verify information.

Name of employer		Name and title of authorized person
Date	ext. Telephone number	Signature of employer or authorized person

# T2200S

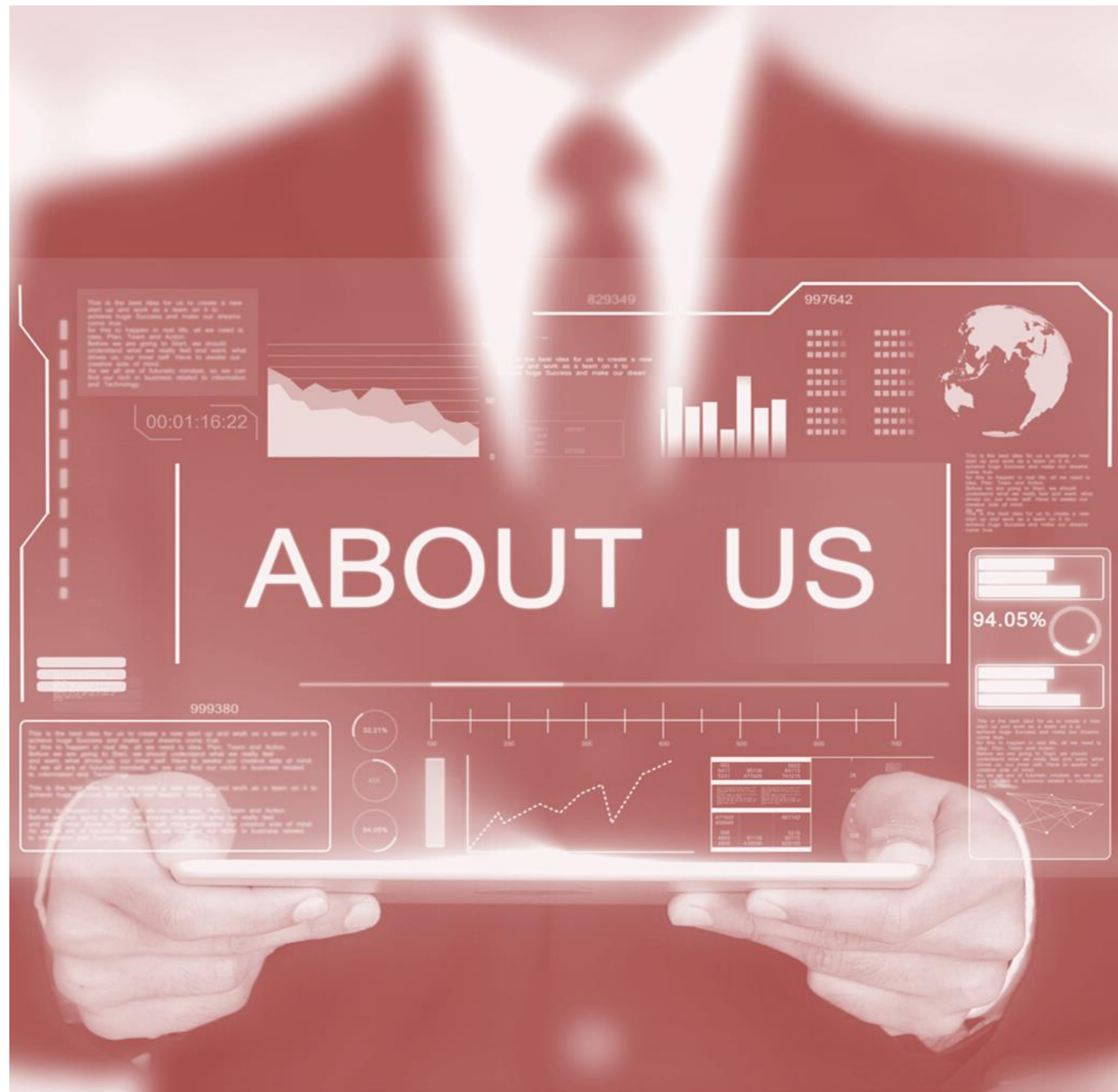




# HOW ACCOUNTING PLUS CAN HELP YOU!

## ACCOUNTING PLUS HAS BEEN OPERATING FOR OVER 30 YEARS!

- With tax season around the corner, we are here to help you prepare your personal taxes.
- Our services are not just limited to tax preparation, but continuous services during the year, including tax planning and guidance for future years, answering year-round questions, unlimited consultations and handling of all CRA reviews.
- Unsure about new tax benefits or COVID-19 response benefits? We are here to help.





# TAX SEASON: COMING SOON

**Our office hours starting February 22nd, 2021 to April 30th, 2021 are as follows:**

- **Monday – Thursday: 9:00AM – 8:00PM**
- **Friday: 9:00AM – 5:30PM**
- **Saturday: Closed**
- **Sunday: 10:00AM – 4:00PM**

# TAX SEASON: COMING SOON

## Important due dates:

**February 22nd, 2021:** First day to file the 2020 Personal Income Tax Return (T1)

**March 1st, 2021:** Deadline to make your RRSP contributions for the 2020 tax year

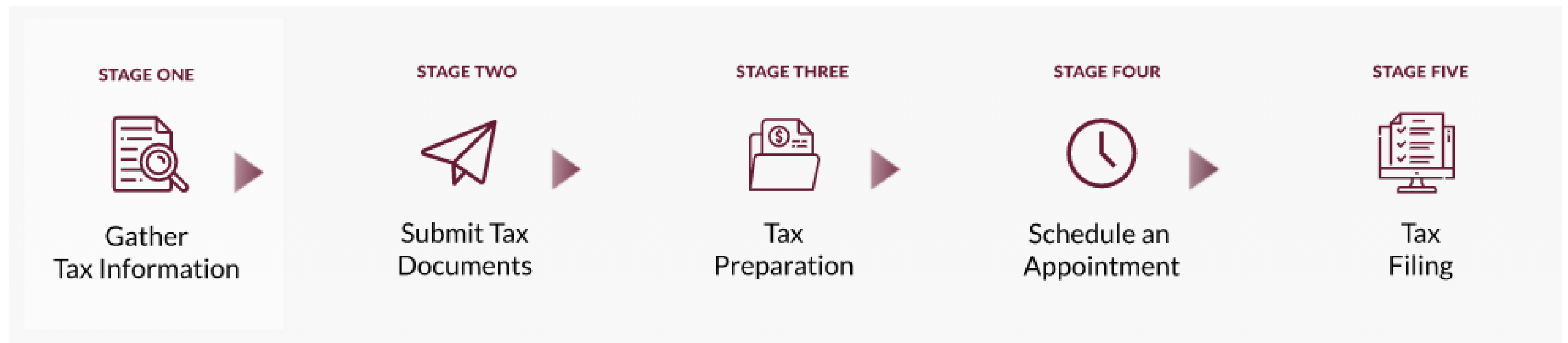
**April 30th, 2021:** Deadline to file the 2020 Personal Income Tax Return (T1) and pay any tax owing amounts

**June 15th, 2021:** Deadline to file the 2020 Personal Income Tax Return for individuals who are self-employed



# VIRTUAL TAX RETURN PROCESS

We currently only offer virtual or telephone meetings due to the COVID-19 restrictions:



**visit our website at [www.accplus.ca](http://www.accplus.ca) for details**



# ACCOUNTING PLUS FOR BRAVERY

A heartfelt thank-you to all frontline healthcare workers for the courage and commitment you have shown since the beginning of the COVID-19 crisis. As a small token of our appreciation, Accounting Plus would like to contribute their professional expertise by providing **free** tax return services to all frontline healthcare workers. Visit our website for more details.

## TAX SEASON PROMOTION

Accounting Plus will offer a special **10% discount** to all clients who come in to prepare personal tax returns from March 1, 2021 to March 31, 2021.



# THANK YOU FOR ATTENDING OUR WEBINAR!



*ABOUT US: OPERATING FOR OVER 30 YEARS, ACCOUNTING PLUS IS HERE TO HELP YOU WITH YOUR PERSONAL TAXES.*



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