



H&R BLOCK

RETURNED TO SCHOOL IN 2011?

Retraining or a new career could have tax implications

- **EI tuition help:** Tuition assistance for post-secondary course received through Employment Insurance (EI) is taxable. However, you may be able to claim tuition fees and the education/textbook credit for attendance and this information will be included on your T2202A.
- **Qualifying fees:** If the amount received is for adult basic education, you cannot claim tuition fees. However, you may claim an offsetting deduction that essentially makes it non-taxable.
- **Life Long Learning:** If you withdrew funds from your Registered Retirement Savings Plan (RRSP) to help finance your education through the Lifelong Learning Plan, you need to make sure you are in a qualifying program full-time. The Lifelong Learning Plan allows you to withdraw up to a maximum of \$20,000 from your RRSP over a period of up to four calendar years.
- **Using your RRSP funds:** Lifelong Learning Plan withdrawals do not need to be used exclusively for school expenses. But you do need to make sure you are in a qualifying program and return the money to your RRSP within 10 years. If not, the withdrawal will be considered taxable income.
- **Student loans:** If you qualify for a government student loan you can claim a non-refundable tax credit for the interest once you start paying it back. However, if you arrange for a private student loan or line of credit with a financial institution, this interest is not deductible.