



# H&R BLOCK

## TAX TIPS FOR PARENTS WITH STUDENTS

- **Only students receive tuition receipts:** Even if you paid the tuition, colleges and universities issue the T2202A Form to the student. The T2202A Form allows a student to claim tuition as well as the education and textbook credits.
- **Transfers are not automatic:** The student is required to use their tuition and education tax credits to reduce their taxable income to zero. Once they have used the credits they need, they can either carry the balance forward to future years or transfer up to \$5,000 to a parent, grandparent or spouse.
- **Calculating transfers:** If the student did require some of their education credits to reduce their taxable income, the amount available for transfer will be correspondingly reduced.
- **Signed paperwork:** You cannot automatically claim the education credit transfer. You need to have the student sign the back of their T2202A Form acknowledging the transfer. Tuition transfers are reviewed by the Canada Revenue Agency and without a signed T2202A, your transfer credit will be refused.
- **Understanding carry forwards:** Even with a transfer, most students will not use all their tuition and education credits. Any amounts not used can be carried forward to be used in years when they are earning more income. Once the credits are carried forward, they cannot be transferred.
- **Claiming dependants:** For tax purposes, age and disabilities are the two factors used to determine whether or not someone is a dependant. Though your university student may rely on you for their living expenses or the roof over their heads, if they are over 18, they are not considered a dependant unless they are infirm.