



H&R BLOCK

TAX TIPS FOR FAMILIES WITH CHILDREN

- **Claim the kids:** Families will continue to benefit from a \$2,131 Child Tax Credit for each child under the age of 18. This will result in a federal tax saving of \$320 per child. And if one parent cannot use the entire amount to lower their tax payable, the unused amount can be transferred to a spouse or common-law partner.
- **Credit for being active:** The Children's Fitness Amount is a non-refundable credit is worth up to \$500 for children under the age of 16 enrolled in an eligible program of physical activity. Not every program meets the eligibility guidelines so you need to ensure you know the requirements. Make sure you keep your receipts. Disabled children will also qualify for the credit if they are under 18. Manitoba, Yukon, Ontario, Nova Scotia and Saskatchewan also have a provincial fitness credit.
- **Artistic credit:** The new Children's Arts Credit is another non-refundable credit worth up to \$500 for children under the age of 16 enrolled in an eligible program. This could include language classes, Girl Guides or Scouts, art classes or ballet lessons. Again, keep your receipts to make the claim.
- **Universal Child Care Benefit:** This is available to any family with children under the age of six regardless of the household income. Each child under six is eligible for the \$100 per month benefit. UCCB is taxable in the hands of the lower-income spouse.
- **Child Tax Benefit:** Upon the birth of a child, parents should complete Form RC66, Canada Child Tax Benefit Application and send it to the CRA. This form will register their child for the GST/HST Credit and Universal Child Care Benefit (UCCB) as well as the Child Tax Benefit.
- **Use public transit:** Taxpayers who use public transit can claim a non-refundable tax credit for their passes. This includes passes purchased for dependent children under the age of 19. The passes have to be for a period of at least one month or weekly passes purchased over a period of four consecutive weeks. Electronic payment cards also qualify.
- **Save for future education:** Designed to help save for a child's post-secondary education, parents can make up to \$50,000 RESP lifetime contribution. Canada Education Savings Grant (CESG) per year is \$500.
- **Registered Disability Savings Plan:** The RDSP was introduced to help families save for the financial security of a disabled family member. There are great incentives provided to encourage people to open RDSPs like Canada Disability Savings Grant, which will provide matching government contributions. For a lower income family, a

one-time Canada Disability Savings Bond will provide an initial government contribution of up to \$1,000 to kick-start the plan.

- **Canada Learning Bond:** Designed to help lower income families the Government provides \$500 in a CLB at birth for children whose families are entitled to the National Child Benefit Supplement. As long as the family is still entitled to the supplement, they will receive an additional \$100 CLB each year until the age of 15.
- **Get a SIN:** Apply for a social insurance number upon a birth of the child. You will need this in order to open an RESP. It will also be required even for minor jobs such as babysitting or paper routes. Money earned from this type of employment qualifies for the calculation of an RRSP deduction limit.