



H&R BLOCK

Tax Tips for Recently Unemployed Canadians

- **EI repayment:** Repeat claimants are required to pay back part of their benefits if their net income exceeds \$55,250. For Canadians who are laid off and then find another job later in the year, this could result in a surprise at tax time. The situation may be compounded by the fact that insufficient tax is often withheld at source from EI benefits.
- **Income tax payments:** Even if you have been laid off in the first half of the year and paid income taxes based on your annual salary, you have to wait until you file your 2011 tax return before you can access any excess income tax paid.
- **Employee Packages:** If you have received a severance or retirement package from your employer, you may be able to transfer up to \$2,000 per year to your Registered Retirement Savings Plan for years of service prior to 1996 and \$3,500 per year for years of service prior to 1989.
- **RRSP Withdrawals:** Deciding to withdraw funds from your RRSP account can have big tax implications. The amount withdrawn is added to your income and the financial institution will withhold some monies for tax purposes. But it may not be enough and you will face a balance owing on your next return.
- **Pension Adjustment Reversals:** If your entitlement to Registered Pension Plan or Deferred Profit Sharing Plan benefits is reduced as a result of your termination, you will receive a pension adjustment reversal (PAR). This restores the RRSP deduction room previously lost due to your participation in the plan.