

TAX TIPS FOR SINGLE PARENTS

- **Eligible dependants:** Single parents are allowed to claim the \$10,527 the amount for an eligible dependant (sometimes referred to as equivalent to spouse) for one of their children as well as the \$2,131 Child amount. You have to support your child in a dwelling which you live in and maintain.
- **Joint custody:** If there are two children and the parents share joint custody, then each parent can claim the equivalent to spouse amount for one child. But if you pay child support, you cannot claim this credit.
- **Child Tax Amount:** In primary custody situations, you are the only parent allowed to claim the child tax amount. For joint custody, then you have to agree to which parent will claim this credit. If you can't agree then no one will be able to claim it.
- **Child Tax Benefit:** This benefit is calculated by your household income level so the amount you receive depends on your earnings. The rates and amounts vary by province but in general, if you earn more than \$41,544, the CTB amount will decrease until it goes to zero at around \$109,000. There is also a supplement for lower-income families earning between \$24,183 and \$41,544. In joint custody situations, the benefit is split.
- **Child Support:** If your agreement is dated after May 1, 1997 then child support payments are neither taxable nor deductible although you do need to report them on your tax return.
- **Child Activities:** The Children's Fitness Amount can be claimed by either parent but cannot exceed \$500 in total per child. Beginning in 2011, there is also a Children's Arts Amount of up to \$500 per child.
- **Universal Child Care Benefit:** For any children under 6, you will receive \$100 per month under the Universal Child Care Benefit program but it is considered income. If you are single, the government now allows you to report this as income for one of your children.
- **Child Care:** Child care expenses can add up but you must have receipts from your daycare or babysitter. If you are paying a family member to look after your children, this can be claimed as long as they are 18 or over and provide a receipt with their SIN. They will also need to report this income on their tax return.
- **Changing status:** If you move in with the other parent of your child, you are considered common-law for tax purposes straight away. If you move in with someone

else, you are only considered common-law after you have lived together for a year. If you get married or become common-law, you need to report the change to the Canada Revenue Agency using a RC65 Form. This will affect your ability to claim the equivalent to spouse amount as well as your Child Tax Benefit calculation.

- **Claiming dependants:** Once a child turns 18, they are no longer considered a dependant for tax purposes even if you continue to support them. The only exception is infirm children.