



# H&R BLOCK

## TAX TIPS FOR CANADIANS OVER 50

- Seniors are allowed to split up to half of their eligible pension income with a spouse or common-law partner. Income splitting allows some seniors to enjoy a significant tax reduction. In the situation where the lower-income spouse has very little income, the tax savings are substantial.
- The Federal Government increased the age limit to 71 from 69 for Registered Retirement Savings Plans.
- Any senior receiving Guaranteed Income Supplement (GIS) through Old Age Security should file on time to ensure their benefits continue uninterrupted.
- If your spouse is unable to completely offset his or her age amount, pension income and disability amount against tax payable, he or she may transfer the unused portion to your return.
- If you live with your children and you are over 65, they may be able to claim a caregiver amount for you if your income is less than \$18,534.
- Pensions from foreign countries may be subject to special tax treatment under the terms of a tax treaty. Always check with a tax professional to find out if the pension you receive from a foreign source is taxable in Canada.
- You may be able to split part of your CPP retirement benefits with your spouse depending on how long you lived together when you were contributing to the plan. This is an advantage if one senior is in a higher tax bracket than the other. However, to do so, you must apply to Human Resources & Social Development Canada using Form ISP-1002. It cannot be done at the time of tax preparation.
- Remember that there are tax credits available for federal or provincial political contributions, medical expenses and charitable donations. A tax professional can advise you as to what can be claimed and the best way to ensure maximum deductions.