



H&R BLOCK

TAX TIPS FOR FAMILIES WITH CHILDREN

- Families will continue to benefit from a \$2,089 Child Tax Credit for each child under the age of 18. This will result in a federal tax saving of \$313 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.
- Parents can claim the Children's Fitness Amount. The 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.
- The Universal Child Care Benefit (UCCB) is available to any child under the age of six regardless of the family's income. Each child under six is eligible for the \$100 per month benefit. UCCB is taxable in the hands of the lower-income spouse.
- 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.
- 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.
- A new Registered Disability Savings Plan (RDSP) has been 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.
- Lower income families with RESPs qualify for the Canada Learning Bond (CLB). 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.

- 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