Finance for LifeTM



Finance for Life. Wealth for Living.™

Disability Tax Credit

The following will reveal an often unknown tax break for many seniors.

If you are over the age of 65, have a mental impairment; or physical or mobility impairment, such as taking a walk in your town park, you're not alone. Approximately 33% of Canadians have similar health problems, many affecting mobility. That figure increases to well over 50% for those over 75.

Such impairment can enable a tax-filer to recover up to \$5,000 per year of income tax paid over the last 10 years. The government pays millions of dollars via tax credits to people with impairments. A refund of tax paid is calculated, for the length of time health has been impaired and qualified by a doctor. Canadians who received a refund from income taxes paid in past

years, insofar as their health remains impaired, will continue to receive the refund for a lifetime. Thus, it is imperative to apply for the refund initially with all the proper documentation.

How do you apply?

• At least 12 months of continuous impairment

must have passed.

- Your impairment must be severe enough to restrict you all of the time.
- A qualified practitioner (doctor, optometrist, audiologist, occupational therapist to name a few) must confirm your prolonged impairment.
- You must have paid income taxes for the last 3 years.

Disability Tax Credit Certificate: http://www.cra-arc.gc.ca/E/pbg/tf/t2201/

Age Matters For Pension Planning

Targeted Tax Relief for Seniors The federal government provides targeted tax relief to seniors via the increased Age Credit.



The Age Credit is an income tested non-refundable tax credit for Canadians 65 years of age and older. Budget 2009 increased the Age Credit amount by \$1,000, and further in 2013, the amount is now \$6,854, providing tax relief of up to \$1,028 for eligible

Continued on page 2...

Finance for Life. Wealth for Living.™

Continued from page 1...

seniors with a net income of \$34,562 or less in 2013.

Please note that no Age Amount can be claimed once an individual's net income reaches \$80,256 as of 2013. Any unused portion of an individual's Age Credit may be transferred to the individual's spouse or common-law partner.



Pension Income Splitting To help ease the tax burden, you can take advantage of Pension Income Splitting. Generally, each individual Canadian pays taxes on their full income. Pension Income Splitting allows any Canadian resident who receives qualifying pension income to allocate to their spouse (or common-law partner), with whom they reside, up to one-half of that income. By doing so, pensioners can dramatically reduce their tax load.

Age 71 Limit for Converting RRSPs to RRIFs Registered Retirement Savings Plans (RRSPs) provide one of the best opportunities for Canadians to save for the future. Since RRSP contributions are not taxable below your RRSP deduction limit, they remain an ideal way to plan for retirement. When people choose to continue to work to supplement their retirement income, or want to defer taking RRSP withdrawals into income, they can delay converting RRSPs to RRIFs up to to age 71.

Deducting Moving Expenses If you have moved 40 or miles (by the shortest usual public route) closer to work, from your previous home to where you now live, you can deduct eligible moving expenses. The move must be to carry on a business at the new location. This also applies if you are a student who moves to study full-time courses at a university, college or other educational institution at a post-secondary school level.

Source: CRA



This newsletter was written and produced by Adviceon and is information provided for your convenience only, and is not an endorsement of any product or information provided by any other party. No representation, warranty, or guarantee of the information is offered. Consult a professional before investing in or buying any financial product. Please read the prospectus before investing. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Mutual funds are not guaranteed; their values change frequently and past performance may not be repeated. Any indicated rate of return is for illustration purposes only and is not intended to reflect future values of returns on investment. Any amount allocated to a mutual fund or a segregated fund is at the risk of the contract holder and may increase or decrease as it is not guaranteed. Borrowing to invest can magnify the risk of investing. You should not act on, or make any decision based on, any information in this publication, as it is meant for general purposes only and it may not accurately apply to your specific circumstances, nor should it be applied as professional advice for the reader. References in this publication to third-party goods or services or trademark names are not endorsements. The publisher does not guarantee the accuracy and will not be held liable in any way for any errors or omissions, including statements or statistics in this publication, though we seek to present information based on material believed to be precise, reliable, and complete. Reproduction by any means without written permission of Adviceon, the publisher who retains all rights, is strictly forbidden under copyright law. ©Adviceon • email: admin@adviceon.com [1/01/13]