



Lakehead University's Financial Literacy Newsletter

February 17, 2021

Edition 4

Preparing for a New Tax Season

A Message from the Associate Registrar



Welcome to mid-February. As I write this most of Ontario is wrapped in a bitter cold of at least -20 outside. There is hope because at the start of the month Wiarton Willie did not see his shadow and that hopefully means an early spring. What that also means is that tax season is nearby. Most people are uncertain about their taxes but I hope that this edition of our newsletter tries to dispel some of those uncertainties and lets you explore the wonderful world of income tax. I say wonderful world of income tax because this is an opportunity for you as a student to perhaps find some additional funding during the last few months of this academic year. Although restrictions in Ontario resulted in many people not being able to find work, if you found work and you are studying as a full-time student, you may find yourself in receipt of a credit. A credit is a good thing because it's when the government owes you money and that little bit can help to go a long way. There are also education tax credits that you can use to help offset some of what you may owe, these can be used now or saved for the future. Read on to learn more about income taxes and how you can cash in.

Sincerely,

Josh

Ask an Expert!



Jeremy Bertrand is a Senior Program Advisory Specialist with the Ministry of Finance.

Are You Ready for Tax Season?

It's that time of year again – time to file your income tax and benefit return for 2020.

Follow these simple tips this tax season:

Tip 1: File your taxes, even if you don't owe tax or have any income to report

Your tax return is an application for tax credits and benefits and may help you qualify for income-based government programs.

Some of the tax credits and benefits you can apply for include the:

- Ontario Trillium Benefit
- GST/HST credit
- [Climate Action Incentive](#).

To apply for the Ontario Trillium Benefit, complete form [ON-BEN – Application for the 2021 Ontario Trillium Benefit and Senior Homeowners' Property Tax Grant](#).

Make sure to check all the boxes that apply to your situation and declare any off-campus rent being paid by you or on your behalf. When filing, don't forget to keep documents that support your application, such as receipts for charitable donations and rent.

Tip 2: Report all your income

This includes your full and part-time income, as well as any side income.

Don't forget about:

- tips
- self-generated income like selling services online
- rental income like Airbnb, and
- COVID-related income replacement benefits, like the Canada Emergency Response Benefit and the Canada Recovery Benefit.

Tip 3: Stay up-to-date

Tax credits and benefits change over time. It's important to stay up-to-date so you don't miss out.

Visit [Ontario.ca/TaxReturn](#) for more information about filing your personal income tax and benefit return.

You can also visit [ontario.ca/covid19](#) and [canada.ca/covid19](#) to learn more about available COVID19-related financial assistance programs.

This article is supplied by the Ontario Ministry of Finance and is for information purposes only.

Want to meet Jeremy? Check out one of his upcoming Tax presentations!

February 25 at 6:00PM: Tax Session with Jeremy Bertrand

March 3 at 11:30AM: Tax Session with Jeremy Bertrand



Taxes 101

Taxes are involuntary fees levied on individuals or corporations and enforced by a government entity — whether local, regional or national — in order to finance government activities.

Why Do Taxes Exist?

Although taxes are collected involuntarily, they do contribute to a large number of vital services for the community as a whole. In particular, taxes fund things like:

- Education (Public Elementary, Secondary, & Post-Secondary schools)
- The Canadian Armed Forces
- Public Libraries
- Roads and Parks
- Social Services (i.e. shelters, food banks, etc.)
- Emergency Services (i.e. Ambulance, Fire, and Police)
- Courts
- And more!

Types of Taxes

- **Income Tax**
Derived from and individuals employment or a corporations revenue
 - A tax that governments impose on income generated by businesses and individuals.
- **Consumer Tax**
Retail and sales tax
 - Often referred to as sales tax, it is a tax imposed by the government on the sale of goods and services (GST, PST, HST)
- **Property Tax**
Derived from the sale, purchase, and ownership of property
 - Property tax is the annual amount paid by a land owner to the local government or the municipal corporation of his area.
- **Import/Export Tax**
Based on the movement of goods across borders
 - Import duty is a tax collected on imports and some exports by a country's customs authorities. Depending on the context, import duty may also be known as a customs duty, tariff, import tax or import tariff.

What Should You Do With A Tax Refund?

Consider paying outstanding bills, your credit card or line of credit, saving for future expenses, or paying off outstanding student loans.

Things to Know

Failure to file your taxes on time can result in:

- Financial penalties
- Interest on any outstanding balance owed
- Complicate future OSAP applications

Taxes can be files in a number of ways:

- With the help of an authorized tax professional
- Yourself, using tax preparation software (e.g. SimpleTax, TurboTax, etc.)
- Yourself, using a Canada Revenue Agency paper form

Example of documents you may need when filing your income tax:

- T4: Employment Income
- T2202: Tuition/Education
- Receipts: Including, but not limited to interest paid on student loan, exams for professional certifications, medical expenses, charitable donations, childcare, moving expenses, etc.

In many cases, employers automatically pay both federal and provincial taxes on behalf of their employee. This can be determined by looking at your individualized pay stub.

After taking into account your income, federal and provincial tax rates, your taxable income, and your eligible tax credits or deductions, you may have paid more taxes then required. This would result in a payment back to you, equivalent to the amount you over paid.

OSAP and Filing your Taxes

When applying for OSAP, you may be required to report gross income from the previous tax year from yourself, your spouse, and/or your parent(s). You can find this on your Notice of Assessment (Line 15000).

It is important to ensure that all parties have submitted their previous years taxes. Income information reported on OSAP applications will be checked versus completed tax returns. If OSAP is unable to verify this information, it can eventually result in grants being converted to loans.

You will also be asked to report the income you expect to make during your study period. This will then be verified versus your future tax return. An inaccurate representation of expected income can result in “income variance”, resulting in a restriction from receiving OSAP.

Tax Resources

[Lakehead University's Taxes Page](#)

[The Government of Canada's Taxes Page](#)

[The Government of Ontario's Taxes and Benefits Page](#)

[Federal Income Tax and Benefit Guide - 2020](#)

[Ontario Tax Information Guide](#)

Student Zone



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Brezina is a third
year student in the
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Central.



In your own words, describe what financial literacy means.

I think that financial literacy is the understanding of how to manage your money. That's a loaded concept, but essentially it's about how to budget and be conscious of your spending habits. Financial literacy also encompasses how to get the money you need (otherwise there's nothing to manage). This means how to look for and apply to scholarships and bursaries, understanding loans, and having a job.



What is something that you do on a regular basis that you consider financially savvy?

Every week I plan out my meals for the following week, then I review all the flyers and use a cashback app (Checkout 51) while planning out my shopping list to make sure that I'll get the best deals on food, and that I'm buying food that I'll actually eat. This doesn't take as long as it sounds like it can, and it really helps keep my grocery bill manageable.



What are the resources you use to make financial decisions?

My favourite resources for making financial decisions are flyers for grocery stores, and also those around me who I trust. It's really helpful to ask for advice from a friend, family member, or coworker if I'm having trouble making a financial decision and I trust them.



A piece of advice for your fellow Lakehead Thunderwolves.

Not a lot of students take advantage of all the things that Lakehead has to offer in terms of financial literacy. I think Student Central has some really great resources that I personally have used, and it never hurts to send an email or pick up the phone if you have a question. Also, implementing little things into your spending habits such as writing a grocery list and meal plan or checking out Facebook Marketplace or a thrift store before buying an item brand new.

Meet a Team Member!



Hi, my name is Candace! I have been working as a Student Central Professional since January 2019. During my time as a Lakehead student, I participated in the Work Study Program from 2015 - 2018. I enjoy talking to students about Work Study and other opportunities for financing their education, with a focus on setting financial goals.

My biggest piece of financial literacy advice for students is: plan ahead, and work during your university years if you can. Working as a student allows you gain valuable experience for your career goals, while also earning money to assist you in meeting your financial goals.

Mark Your Calendar

February 25 at 6:00PM: Tax Session with Jeremy Bertrand

March 3 at 11:30AM: Tax Session with Jeremy Bertrand

March 9 at 1:00PM: Rob Brown, author of 'Wealthening like Rabbits', is back!

March 22 at 6:00PM: Living a Financially Healthy Life Workshop with the Canadian Foundation for Economic Education (CFEE)

March 24 at 12:00PM: RBC Presents "Fraud: What it is, how it happens, and how to protect yourself"

Visit [our website](#) for information on Financial Literacy, Lakehead funding opportunities, and more!

Our next edition is **March 17th, keep your eye out for it!**

Questions? Email us at studentcentral@lakeheadu.ca

