


2021 Personal Tax Letter

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New Tax Measures That May Affect Your Return

Home Office Expenses

To continue to support Canadians working from home due to the pandemic, the government will extend the simplified rules for deducting home office expenses and increase the temporary flat rate to **\$500** annually. These rules will apply to the 2021 and 2022 tax years. If you have worked from home more than 50% of the time for a period of at least four consecutive weeks.

Climate Action Incentive

Starting with the 2021 taxation year, the CAI will no longer be claimed on personal income tax returns. The delivery of CAI payments has been changed from a refundable credit claimed annually on personal income tax returns, to quarterly payments made through the benefit system. Payment for the first and second quarters of the 2022-23 fuel charge year will be delivered in July 2022, with quarterly payments to follow. **** you will notice a change to your refund or balance owing this year ****

Enhanced Support for Teachers

To support teachers and early childhood educators in Canada, the government **proposes** to expand and enrich the Eligible Educator School Supply Tax Credit to allow them to claim a refundable tax credit worth 25% (up from 15%) of up to \$1,000, and to ensure that purchased supplies may be eligible no matter where they are used.

The government also **proposes** to expand the list of eligible teaching supplies to include electronic devices such as graphing calculators, digital timers, and tools for remote learning. In addition, new rules would broaden the location where teachers supplies are permitted to be used by removing the requirement that teaching supplies be used in a school or regulated child-care facility to be eligible. These enhancements would take effect starting with the 2021 tax year.

Seniors Home Safety Tax Credit

This credit is designed to help you make your home safer, more accessible and to allow you stay in your home longer. The credit is available for the 2021 and 2022 tax years and is worth 25% of up to \$10,000 in eligible expenses per year, for a senior's principal residence in Ontario. Eligible expenses include anything that makes the home more accessible or help a senior be more functional or mobile at home. Routine repairs, appliances and services like housekeeping are not eligible expenses. Expenses must be paid or payable in 2021 and 2022. The maximum credit is \$2,500 per year.

You are eligible to claim the credit if you: are 65 or older by the end of the year, or live with a senior relative or will live with a senior relative within 24 months after the end of the year.

**** If you are not a senior but have a disability tax credit you may still claim these types of expenses as Home accessibility expenses. *****

If you have any questions regarding any of the information or wish to discuss any aspect of your tax situation, please contact us at your earliest convenience.

CCH iFirm Portal

Many of you have now used our secure portal CCH iFirm. This continues to be our preferred method of document exchange.

You will get email notification when documents are uploaded to your portal and vice versa for us. We can upload your completed returns and signing documents to help save you a trip to our office. Do remember to save a copy of your return every year as portal documents will be cleaned up before the next tax season.

Please let us know if you would like to use this secure system to receive your files. We will create your iFirm Portal that you can access to send us information at any time during the year.

If you used our portal in the past your user name and password will continue to be valid.
<https://adamsandassociates.cchifirm.ca/clientportal/>

Firm Policy

It is necessary for us to file and prepare the returns for all family members if there are any transferable credits. We cannot do a good job nor guarantee that returns filed by spouses, children or other tax preparers are correct or complete. Therefore we will not perform any services when we aren't doing 100% of the filings.

ADAMS and Associates Ltd

Before we will file or e-file your documents all outstanding amounts due must be paid in full. Arrangements for extended payments must be approved before services are performed.

You will find this document and other forms to help with your tax preparation under Forms and Organizers on our website
www.ADAMSandAssociates.ca

At this time, there have not been ANY income tax filing extensions announced. Currently all personal tax returns are due April 30th, 2022. If you or your spouse carried on a self-employed business, you have until June 15th, 2022 to file, however any taxes owing are due April 30th, 2022.

Current Office Hours

January 1 through April 29

8am - 4pm (closed between 12-1 for lunch) Monday through Friday.

Saturdays 8am - 4pm April 2, 9 and 23rd

We will be open Good Friday April 15 and Easter Monday April 18 but closed Saturday April 16

In **May** we will return to our regular office hours of 8 am - 4 pm (closed between 12-1 for lunch) Monday through Thursday and 8am to Noon Friday.

#	Please answer the following in order to help us prepare your 2021 Personal Income Tax return.	<u>YES</u>	<u>NO</u>
1	<p>Do you wish to release your name, address and date of birth to Elections Canada? YES/NO</p> <p><u>ARE YOU A CANADIAN CITIZEN???</u> YES/NO</p>		
2	<p>Please confirm your current e-mail address</p> <p>_____</p> <p>Would you like us to communicate to you through email? YES/NO</p> <p>Would you like to receive/upload documents through our iFirm Portal?</p>		
3	<p>Has your personal information changed?</p> <p>Cell Phone Home Phone Work Phone</p> <p>_____</p> <p>Address _____</p> <p>_____</p>		
4	<p>Have you sold your PRINCIPAL RESIDENCE? You are now REQUIRED to report the sale to CRA. It continues to be tax free if it is reported properly on your return. In order for us to report this, we will need original purchase cost and date purchased. We will also need the sale documents.</p>		
5	<p>Has your marital status changed in 2021 or will in 2022?</p> <p>Married / Common Law / Divorced / Widowed</p> <p>Date of Change _____</p> <p><i>*if you are unsure if this may apply please ask*</i></p>		
6	<p>The names, dates of birth and Social Insurance Number for new children under the age of 19. If we are not preparing their returns we WILL NOT claim transferable credits on your returns.</p> <p>NEW CHILDREN <u>born in 2021 or early 2020?</u></p> <p>NAME _____</p> <p>DOB _____</p> <p>SIN _____</p>		
7	<p>*VERY IMPORTANT* Do you own foreign property? Including investments</p>		
8	<p>All income information slips received. This includes T3, T4, T4A, T4OAS, T4P, T4RSP, T4RIF, T4U, T5, T5008, T5013, RC62 as well as any other forms you may receive that are reporting income you earned.</p>		
9	<p>Details of any other income received from any other source <u>not</u> reported on information slips— <i>don't forget such things as tips, rental properties, casual labour, etc.</i></p>		

#	Please answer the following in order to help us prepare your 2021 Personal Income Tax return.	<u>YES</u>	<u>NO</u>
10	Original RRSP Contribution receipts. <i>Don't forget to include your contributions in the first 60 days of 2022! These are to be reported on THIS YEARS tax return!!!!</i>		
11	Details of any RRSP withdrawals including transactions on Home Buyers' Plans or Life Long Learning Plans .		
12	Did you receive a buyout from your employer? Please bring all details of RRSP transfers and purchases (direct or otherwise). RRSP receipts for any lump sum transfers are necessary.		
13	<i>Alimony or maintenance paid or received—including the name, address and S.I.N. of the spouse. Please let us know the amount of all support received or paid or whether taxable or not.</i> Please include a copy of any agreement you may have. Proof of payment or confirmation from recipient may be requested. <i>Legal fees for matrimonial settlements</i> are only claimable if they are incurred to collect <i>support or alimony</i> . Any costs to determine asset distributions are NOT deductible.		
14	<i>Capital gains are TAXABLE including investment gains.</i> We need the sale dates and prices of shares you sold as well as the <i>details of the original purchase price</i> <i>Capital losses</i> may be used against capital gains so please remember those as well.		
15	Amounts for interest or carrying charges and investment counsel fees (excluding tax free savings account, RRSP and RRIF fees). <i>SORRY - the cost of renting a safety deposit box from a financial institution is no longer deductible for income tax purposes.</i>		
16	Are you a <i>first time homebuyer</i> or have you purchased a home after you or your spouse have not owned one for the 4 preceding years? If so, you may qualify for credits and rebates! <i>Please provide a copy of your property purchase documents.</i>		
17	Receipts for union dues or professional fees paid.		
18	Your receipted property tax bill or the details of rent paid <i>including your address, landlord name and signature.</i>		
19	Receipts for any <i>senior public transit fees.</i>		
20	Moving Expenses if your move brought you at least <i>40 KM</i> closer to your job or educational institution.		
21	Teacher and early childhood educator teacher supplies. Please provide certification from your employer as well as receipts for the supplies.		

#	Please answer the following in order to help us prepare your 2021 Personal Income Tax return.	<u>YES</u>	<u>NO</u>
22	Original Charitable and Political Donation receipts.		
23	Assessment or reassessment notices received from CRA.		
24	Official receipt for student loan interest.		
25	Your receipted child care expenses amount including the name, S.I.N. and address of the caregiver.		
26	<p>Tuition Fees—T2202A forms (typically the student must log into school website to obtain). Students must sign the back of the T2202 form to transfer the deduction. Students must claim the amount first on their returns and any excess can be transferred.</p> <p>Receipted amounts for occupational skills courses.</p>		
27	<p>Do you wish to deduct automobile, home office or other expenses from your employment income?</p> <p>Employees are required to obtain a completed and signed T2200 (Declaration of Conditions of Employment) from their employer. Please provide it, as well as the details of the amounts you want to claim as expenses.</p> <p><u>When claiming automobile expenses CRA REQUIRES a completed vehicle travel log.</u></p>		
28	<p>Office in home temporary flat rate method. Please let us know the number of days worked.</p> <p>You must have worked more than 50% of the time from home for a period of at least 4 consecutive weeks. Your employer must not have reimbursed you for all of your home office expenses. Multiple employees may work in the same home and be each eligible to claim the flat rate method. Vacation days and sick days are not included in the number of days worked.</p>		
29	<p>Any medical or attendant care expenses for you or a dependent that were not fully reimbursed by a medical plan.</p> <p>Don't forget to get your SUMMARIZED claim report from your pharmacy, dentist, chiropractor and any other medical professional.</p> <p>Also print off your annual report from any medical plan to show what costs have been reimbursed to you!</p>		
30	<p>Home Accessibility Tax Credit and Seniors Home Safety Tax Credit</p> <p>*Seniors and/or individuals eligible for DTC. Expenses to gain access to or be mobile or functional within the dwelling or reduce the risk of harm to the qualifying individual.</p>		
31	<p>If this is the first year we are preparing your return, we need copies of two previous years returns. If you filed a capital gains exemption on your 1994 tax return please provide it as well.</p>		
32	<p>Are you signed up for direct deposit? Has your banking info changed? If it has please provide us with a VOID cheque otherwise not needed.</p>		

Things to keep in mind and possibly inquire on	** Let's talk **
<p>If you are over 65, are you receiving Old Age Pension? Have you confirmed your parents are receiving Old Age Pension? The Old Age Supplement is available to lower income individuals over 65 years of age.</p>	
<p>The balance in your RRSP accounts after the last spouse dies are fully taxable as at the date of death. This can be a considerable amount of tax to pay in your estate. Estate planning is necessary to help avoid the OAS claw back and reduce excessive tax.</p>	
<p><u>USA Closer Connection</u> If you are a Canadian travelling to the USA for an extended period of time (more than 180 days) there may be tax consequences. If you are in the USA for no more than 182 days you may file form 8840 to not be considered a US resident for the year. If the form is not filed may be subject to filing requirements applicable to US citizens and residents. Please let us know if this may apply to you.</p>	
<p>If you or any other member of your family has become <u>disabled</u> for tax purposes (which applies to a person with a severe and prolonged impairment in physical or mental functions) please contact our office. We will provide you with a T2201 to be completed by your qualified practitioner. CRA will then use this form to determine if you are eligible for the disability tax credit.</p>	
<p>Our services include estate management and executor services. If you feel you have the need for an impartial, local executor or just want to sit down and discuss the plans for your estate we would be happy to help. <u>Ignoring the planning of your estate does not guaranty immortality.</u></p>	
<p>Do you have a will and is it updated? It is important that you not only have a will and that it meets your goals, but does so in a tax effective manner.</p>	
<p>Are you a senior or are you disabled and need us to pickup your tax papers? If so please call us to arrange a time - we are happy to help! 613-489-3583</p>	