

## TAX INFORMATION FOR POSTDOCTORAL ASSOCIATES AND FELLOWS AT WESTERN

The first thing to do when preparing to file your taxes is to collect all of your relevant paperwork including your previous year's notice of assessment (if you filed in 2011). To file your taxes correctly you must identify all sources and types of income you incurred in 2012.

### POTENTIAL SOURCES OF INCOME:

- T4 (including EI benefits) – PDAs should be receiving this slip from Western
- T4A (Research Grant/Other Income) – PDFs and NSERC/SSHRC/CIHR should be receiving this slip from Western
  - This is a very special tax reporting method for PDFs without a fellowship (NSERC/SSHRC/CIHR) whereby you are supposed to report your T4A research grant as the net amount (your gross salary amount received for 2012 minus research expenses incurred that were not reimbursed by Western)
- Investments (T3, T5, T5008)
- Universal child care benefits, social assistance, alimony, child support payments, capital gains (or losses), rental property income, foreign income/property, partnership income and tax shelters (T5013/T5013A)

The way your income is reported depends on the type of income you have earned in 2012. Due to the different types of income earned by PDAs and PDFs these two groups must file their taxes differently and are eligible for different deductions. Below is a list of potential deductions you MAY be eligible to use, however, it is PAWs advice that you contact the Canada Revenue Agency or a Certified Accountant to advise you on your eligibility.

### POTENTIAL DEDUCTIONS:

- RRSP, HBP, LLP, other plans and funds
- Medical expenses, disability, caregiver
  - You may use the expenses incurred over any 12-month period ending during the 2012 tax year.
  - Medical expenses must total more than 3% of net income before a credit is allowed.
  - Eligible Expenses:
    - Payments to a medical doctor, dentist, nurse, or other medical professionals or to a public or licensed private hospital
    - Premiums paid to private health services plans (**SOGS health/dental plan**, other university health/dental plan, Blue Cross, etc.)
    - Premiums paid under a provincial or territorial prescription drug plan
    - Payments for artificial limbs, wheelchairs, crutches, hearing aids, **prescription eyeglasses or contact lenses**, dentures, pacemakers, **prescription drugs**, and certain prescription medical devices
- Donations, political contributions
- Tuition, education, textbooks, student loans (interest paid on student loans)

- Don't forget about any education tax credits that you may have been carrying forward from previous years.
- Union or professional dues not on T4 slip
  - As a PDA you pay union dues, however, these are deducted on your paycheque and should be reported on your T4 for you
  - Other union or professional dues should be eligible
- Employment expenses (These are what you would deduct from you T4A income)
  - You may be eligible to deduct expense that you have incurred to do your job such as (not including vehicle or home office):
    - Legal fees & related expenses (such as an accountant)
    - Food and beverages
    - Lodging to attend a meeting/conference
    - Parking occurred when meeting collaborators off campus
    - Supplies – (telephone/telecommunications if required to do your research)
    - Travel expenses
    - Conference fees
- GST or QST rebate on employment or partnership expenses
- Moving expenses
  - If you moved to London for work you should be eligible to claim moving expenses, you will need to calculate the number of kilometres from your old place of residence to your new residence in the London area (must be greater than 40 km)
  - Did you require temporary lodging? What was the associated cost of the temporary lodging? What type of transportation did you use to travel & associated cost? What was the associated cost to move your personal affects & what moving company did you use?
- Child care (special cases)
- Alimony or support payments
- Investment tax credits
- Losses of prior years, carrybacks
- Provincial tax credits
  - Property tax credit for home owners or tenants
- Other deductions and credits
  - Adoption tax credit
  - Public Transit
    - You can claim the cost of monthly public transit passes or passes of longer duration such as an annual pass for travel within Canada on public transit for 2012. These passes must permit unlimited travel on local buses, streetcars, subways, commuter trains or buses, and local ferries. You can also claim the cost of shorter duration passes if **each pass** entitles you to unlimited travel for an uninterrupted period of at least 5 days and you purchase enough of these passes so that you are entitled to unlimited travel for at least 20 days in any 28-day period. You can claim the cost of electronic payment cards when used to make at least 32 one-way trips during an uninterrupted period not exceeding 31 days.

## **FILING YOUR TAXES:**

PDA's – Once you have all your relevant documents together you can complete your taxes by yourself or by using an accountant, as you may have done in previous taxation years.

PDFs – Once you have all your relevant documents together PAW suggests that you contact the Canada Revenue Agency or a Certified Accountant to advise you on how you should file income under a “research grant”, if home office expenses are eligible, and how to correctly report the income from your T4A. A word of caution, there are many tax preparation software available, however, PAW has been made aware that many of the software packages do not tax PDFs correctly (either under or over tax the individual).

## **OTHER CONSIDERATIONS:**

- Do you have Canadian Indian status?
- Are you an immigrant, emigrant or non-resident taxpayers? If so how long have you been in Canada?

## **NEED HELP?**

For more information, please feel free to contact the following:

PAW, Tax Information Representative: Sophie Lalande ([slaland@uwo.ca](mailto:slaland@uwo.ca))

Canada Revenue Agency – [www.cra.gc.ca](http://www.cra.gc.ca)

Individuals: 1-800-959-8281

Self-employed: 1-800-959-5525

International: 1-800-267-5177