

Northern Tax & Financial Services

“ Financial Literacy for All “

www.northerntaxandfinancial.ca

705 474 4829

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“WE CAN ALL DO OUR
PART”

A sobering thought !

As I recently ventured into the downtown core in a small town in northern Ontario, I felt overwhelmed. Homelessness, poverty and the hopeless empty stare of those who endure this standard of living each and every day seemed to create a veil of sadness over the once busy and thriving main street.

How do we define poverty and why should we all be concerned ?

Some interesting statistics !

Over 1.7 million people in **Ontario** live on incomes below the **poverty line**—\$20,676 for a **single** person, or \$41,351 for a household of four, according to 2011 data compiled by Statistics Canada. Feb 20 2017

The latest Statistics Canada data show that in 2016, the percentage of Ontarians living on low-income exceeded the national average for the fifth straight year

If we look at the statistics for children, the numbers are even worse for Ontario. From 2003 to 2016, the proportion of Ontarians under the age of 18 living on low-income rose from 13.3 per cent to 16.2 per cent. Meanwhile children elsewhere in Canada fared much better, with the low-income incidence rate nationwide falling from 16.1 per cent to 14.0 per cent over the same period.

SENIORS – LIVNG LONGER – RETURNING TO THE WORKFORCE AND MANY LIVING IN POVERTY RELYING HEAVILY ON GOVERNMENT SUPPORT

By 2041 it is estimated that 25% of Canadians will be seniors , with those over 85 leading the way . More and more seniors are headed into retirement with very little in savings and relying heavily on government support.

According to Stats Can 12.5% of Canadian seniors now live in poverty and between 2014 and 2015, 75,000 more seniors became low income . Seniors are also becoming low income at a much faster rate than the rest of the province according to the Broadbent institute. So seniors return to the workforce to make ends meet, if they are well enough!!

Poverty among seniors also has economic implications which will be felt as this demographic grows And so seniors lacking adequate income and representing such a large demographic will have an impact on our economy in so many ways

Seniors venture into retirement for the most part with a good understanding of their household budget but sometimes fail as the cost of home ownership becomes increasingly more expensive . Many end up selling their homes to survive.

In conclusion , poverty is a serious concern and should not be taken lightly . Retirement planning should be a serious consideration long before the golden years !!

Financial Literacy is a powerful tool and should be taught at an early age. Simple goals and saving techniques can be taught with the very first part time job. Even before this, age appropriate conversations and communication between parents and children will go a long way to guard against financial failure.

There is hope

November 6, 2018

Today, the Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development, tabled legislation as part of *Opportunity for All – Canada's First Poverty Reduction Strategy* which was launched in August.

The Bill proposes to entrench into legislation ambitious and concrete poverty reduction targets; a 20 % reduction in poverty by 2020 and a 50 % reduction in poverty by 2030, relative to 2015 levels. These targets will lead to the lowest poverty rate in Canada's history

“Opportunity for All - Canada's First Poverty Reduction Strategy aims to cut poverty in Canada in half. By tabling legislation with real and measurable poverty reduction targets, Canada's Official Poverty Line, and a National Advisory Council on Poverty, we are taking concrete action to reduce poverty in Canada. Our government is committed to making sure that, wherever you live or wherever you come from, you have a real and fair chance at success.”

– The Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development

Tax Tips Did you know ??

IF you are 18 years of age on Dec 31 2018, and even if you did not have any income , you should file to qualify for the Gst , Trillium and the New Climate Action incentive payment .

Management Fees - Fees paid to manage your non-registered investments – for the most part tax deductible - **In most cases these are missed as they are found on year end statements not always submitted at tax time.**

Medical Travel – Don't forget to mention to your tax preparer if you had to travel out of town for medical treatment. Even if you

received a travel grant, you may still be able to claim meals, accommodation and transportation costs

For more information on these tax tips and answers to other questions, contact us at 705 474 4829 or send your questions to northerntax@cogeco.net

The 2018 Income tax return

Climate Action Incentive payment

New this year is the **climate action incentive payment**, a refundable tax credit which is available to eligible residents of Saskatchewan, Manitoba, Ontario, and New Brunswick. Eligible individuals can claim the payment when they file their 2018 income tax and benefit return in early 2019. A 10% supplement is available for residents of small and rural communities in recognition of their increased energy needs and reduced access to clean transportation options. ...

Medical expenses – You can now claim expenses related to service animals specially trained to perform specific tasks for a patient

Canada Caregiver credit

Do you support a spouse or common-law partner, or a dependant with a **physical or mental impairment**? The Canada caregiver credit (CCC) is a non-refundable tax credit that may be available to you.

You may also be able to claim the CCC for one or more of the following individuals if they depend on you for support because of a **physical or mental impairment**:

Your or your spouse's or common-law partner's parent, grandparent, brother, sister, uncle, aunt, niece, or nephew (if resident in Canada at any time in the year)

An individual is considered to depend on you for support if they rely on you to regularly and consistently **provide them with some or all** of the basic necessities of life, such as food, shelter and clothing.

Are you maximizing your tax refund ?

Have you missed any deductions or credits?

Do you have a tax question ?

Call or email Northern Tax and Financial

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