Meridian

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5 tax-filing tips – STUDENTS

2018 tax year (Individual filing due Tue Apr 30, 2019)

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A good education lays the foundation for your life's interests and your livelihood ahead. As parents and their student-children know though, it can be quite costly. By educating yourself on government support directly, and about how private sources and expenses are treated, you can get some relief so you can focus on your studies.

1. Textbook & education credits

The federal government eliminated the textbook and education credits in 2016, and Ontario eliminated its tuition and education amounts for years after 2017. If you have unused credits from prior years, you may be able to claim them in 2018 or carry them forward to future tax years.

2. Tuition expenses, including transfers to parents

You get a federal tax credit for tuition to a qualifying educational institution, and examination fees for a profession or trade. You must claim enough to reduce your taxes to zero, then may transfer up to $5,000 to a spouse/CLP, parent or grandparent for the current year. Remaining amounts may be carried forward for your use in a future year. Amounts reimbursed to you or a parent by an employer are ineligible.

3. Moving expenses

If you moved at least 40 km for full-time post-secondary study, you may deduct moving expenses, but only against scholarships, fellowships and grants included in your income. You may also qualify if you move for summer employment or go back to post-secondary school after a co-operative work placement.

4. RESP – Registered education saving plan

Contributions to registered education savings plans aren't deductible, but 20% matching grants up to $500 per year can provide a nice savings boost. Unused grant room may be carried forward, but can be lost if you wait too long, so look into RESPs early in your child's life.

5. Repaying student loans, with interest

If you obtained a federal or provincial government sponsored student loan, interest that you pay on that loan is deductible, but only for the borrowing student (ie., non-transferrable). This treatment is lost if the loan is combined with other loans, renegotiated or moved to another financial institution.

For more, click here or search "Guide P105 Students and income tax" on canada.ca.

For more tax tips, speak to a Meridian Wealth professional or search at meridiancu.ca-good-sense:

❒ First-time filers	❒ Parents	❒ Spouses	☑ Students	❒ Homeowners
❒ Seniors/retirees	❒ Disability needs	❒ Self-employed	❒ Investors	❒ Estates