

CERB & TAXATION INFORMATION

(February 22, 2021)

This information is solely for informational purposes. We urge you to consult with us at info@connectingottawa.com if you have any specific legal questions about a client's situation.

<p>T4A OR T4E SLIP for 2020 TAX YEAR</p>	<p>The CRA has not extended the tax filing deadline. The T1 filing deadline for individuals is April 30, 2021 and June 15, 2021 for self-employed individuals.</p> <p>You will get a T4A slip from the CRA if you received any of the COVID-19 emergency or recovery benefits from the CRA before December 31, 2020:</p> <ul style="list-style-type: none"> • Canada Emergency Response Benefit (CERB) with the CRA • Canada Emergency Student Benefit (CESB) • Canada Recovery Benefit (CRB) • Canada Recovery Caregiving Benefit (CRCB) • Canada Recovery Sickness Benefit (CRSB) <p>Quebec residents will get both a T4A and RL-1 slip.</p> <p>You will get a T4E slip if you applied for the CERB with Service Canada or if you received Employment Insurance (EI) benefits. If you are a Quebec resident as of December 31, you will get a T4E(Q) slip.</p> <p>If your employer received the Canada Emergency Wage Subsidy (CEWS) to cover part of your wages, the income you earned will appear on your regular T4 slip.</p> <p>You should receive your T4A slip before March 10, 2021. You may also get your T4A information from CRA MY ACCOUNT.</p> <p>If you chose to receive your T4E by mail, or if you did not select any delivery option on your EI application, your T4E will be mailed by February 28, 2021. Your T4E is available online on February 1, 2021, through MY SERVICE CANADA ACCOUNT (MSCA). To access your T4E online, you need to login or register for MSCA.</p>
<p>WHERE DO I REPORT THE AMOUNTS ON MY T4A SLIP?</p>	<p>The COVID-19 benefit payment amounts on your T4A slip are taxable and must be reported as income on line 13000 of your 2020 income tax and benefit return.</p> <p>You will need to enter all COVID-19 benefit amounts you received (Box 197 to 204) from your T4A slip and provide the total amount on line 13000 - Other income of your 2020 income tax and benefit return.</p> <p>If you received a CRB, CRCB or CRSB, the CRA withheld a 10% tax at source on each payment. In addition to reporting the amounts on line 13000, you need to report the income tax deducted.</p> <p>You can find the income tax deducted at source in Box 022 of your T4A slip. Enter this amount on line 43700 - Total income tax deducted on your 2020 income tax and benefit return.</p>
<p>WHERE DO I REPORT THE AMOUNTS ON MY T4E SLIP?</p>	<p>Any EI benefit payments and CERB payments received through Service Canada are included in Box 14 of your T4E. CERB is taxable. Taxes on CERB will be assessed by the CRA when you file your income tax return.</p> <p>Enter on line 11900 of your return the amount shown in box 14 minus any amount shown in box 18 (if applicable).</p> <p>These benefits may include benefits earned in the previous year but paid in the year shown on this slip.</p>
<p>WHAT IF I RETURN CERB PAYMENTS BEFORE OR AFTER DEC. 31, 2020?</p>	<p>If you returned payments before December 31, 2020, the repaid amounts should be subtracted from the benefit amount on your T4A slip. This means you will not have to pay tax on those repaid amounts on your 2020 tax return.</p> <p>If you return 2020 CERB payments AFTER December 31, 2020, you may need to pay tax on the full CERB amount you received in 2020. However, this will be adjusted after you file your 2021 taxes next year.</p>

FOR MORE INFORMATION ON REPAYING CERB:
[Return or repay a payment: CERB with CRA - Canada.ca](https://www.cra.gc.ca/cerb)

<p>AM I ELIGIBLE FOR INTEREST RELIEF ON OUTSTANDING INCOME TAX DEBT?</p>	<p>Once you file your 2020 income tax and benefit return, you will not be required to pay interest on any outstanding income tax debt for the 2020 tax year until April 30, 2022. To qualify for targeted interest relief, you must have had a total taxable income of \$75,000 or less in 2020 and have received income support in 2020 through one or more of the following COVID-19 measures:</p> <ul style="list-style-type: none"> • Canada Emergency Response Benefit (CERB) • Canada Emergency Student Benefit (CESB) • Canada Recovery Benefit (CRB) • Canada Recovery Caregiving Benefit (CRCB) • Canada Recovery Sickness Benefit (CRSB) • Employment Insurance benefits • Similar provincial emergency benefits <p>The CRA will automatically apply the interest relief measure if meet these criteria.</p> <p>Additionally, any CRA-administered credits and benefits normally paid monthly or quarterly, such as the Canada Child Benefit and the goods and services tax/harmonized sales tax credit will <u>not</u> be applied to reduce your tax debt owing for the 2020 tax year.</p>
<p>WHAT DO I DO IF I HAVE ISSUES WITH MY T4A OR T4E SLIPS?</p>	<p>If you received more than one benefit with the CRA in 2020, check that each amount you received or repaid is correct. To confirm the COVID-19 benefit amounts you received, you can review “COVID-19 Support Payment Application Details” in CRA MY ACOUNT.</p> <p>Call the CRA right away if:</p> <ul style="list-style-type: none"> • Your T4A slip shows incorrect amounts • You repaid benefit amounts before December 31, 2020, but the repayments are not reflected • Your T4A slip shows incorrect personal information • You did not apply for a COVID-19 benefit, but received a T4A slip <p>Telephone number: 1-800-959-8281</p> <p>Contact Service Canada right away if:</p> <ul style="list-style-type: none"> • You received a T4E slip from Service Canada and the gross payments issued do not match the amount on your T4E slip. You can verify the information using MSCA. If there is a difference, see if you received a message stating that your claim is being reviewed. Once the review is complete, an amended T4E may be issued if it is determined that your T4E was not correct. • You receive a T4E from Service Canada, but didn't receive any EI benefits or CERB payments. <p>Telephone number: 1-800-206-7218. Services are available from 8:30 am to 4:30 pm.</p> <p>You can also complete an online Service Canada - Service Request form to reach a Service Canada rep.</p>
<p>HOW LONG DOES IT TAKE TO GET THROUGH TO A CRA REP?</p>	<p>New service enhancements for the 2021 tax season include:</p> <ul style="list-style-type: none"> • Hiring additional call agents to help with increased call volumes. • Contracting with a third-party service provider to assist with client service capacity issues. However, these agents will not be able to access taxpayers' personal information – their role is to answer general enquiries about emergency benefits. • Expanding payment arrangement parameters to give Canadians more time and flexibility to repay a tax debt – those who are in difficult financial situations who owe money can call a CRA agent for help, toll-free at 1-888-863-8657 between 7:00 am and 8:00 pm, Eastern time, Monday to Friday (except holidays). • Implementing automated callback to callers ask for a call-back instead of waiting on hold. • Extending call centre hours from January 25 to April 30, 2021: Individual enquiries line open Monday-Friday from 9 am-9 pm local time, and extended Saturday hours will be 9 am-5 pm as of February 27, 2021. CRA telephone numbers, fax numbers and addresses are available at canada.ca/cra-contact. • Offering a Liaison Officer service that provides free personalized virtual visits by phone or videoconference to small business owners and self-employed individuals. <p>The CRA encourages filing online, as it is the fastest and most secure way to do your taxes. Due to COVID-19, the CRA may take 10 to 12 weeks to process paper returns this year. For this reason, paper filers should file their returns as soon as they get their tax package.</p>

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