



H&R BLOCK

TAX TIPS FOR CANADIANS OVER 50

- **Income split and save:** Seniors are allowed to split up to half of their eligible pension income with a spouse or common-law partner. Income splitting allows some seniors to enjoy a significant tax reduction. In the situation where the lower-income spouse has very little income, the tax savings are substantial.
- **Get your benefits:** Any senior receiving Guaranteed Income Supplement (GIS) through Old Age Security should file on time to ensure their benefits continue uninterrupted.
- **Transfer amounts:** If your spouse is unable to completely offset his or her age amount, pension income and disability amount against tax payable, he or she may transfer the unused portion to your return.
- **Caregiver amount:** If you live with your children and you are over 65, they may be able to claim a caregiver amount for you if your income is less than \$18,906.
- **Foreign pension income:** Pensions from foreign countries may be subject to special tax treatment under the terms of a tax treaty. Always check with a tax professional to find out if the pension you receive from a foreign source is taxable in Canada.
- **Split your CPP and save:** You may be able to split part of your CPP retirement benefits with your spouse depending on how long you lived together when you were contributing to the plan. This is an advantage if one senior is in a higher tax bracket than the other. However, to do so, you must apply to Human Resources & Social Development Canada using Form ISP-1002. It cannot be done at the time of tax preparation.
- **Medical expenses can add up:** If you purchase medical insurance for a trip or wintering in another country, it is considered a medical expense. Medical expenses are calculated based on income so the lower income spouse should claim them. And if you have to travel to obtain medical treatment that was not available where you live, you may be able to claim the cost of transportation, meals and accommodation.