



Guide to Filing Income Taxes for People Receiving PWD/PPMB

2017 Tax Year

This Help Sheet is funded by the Health Sciences Association of BC and the Law Foundation of BC.

This Help Sheet will show how people receiving the Persons with Disabilities (PWD) or Persons with Persistent Multiple Barriers (PPMB) benefit can prepare and submit a 2017 income tax return for free over the internet. If you are comfortable using a computer and have the necessary information on hand, this process can take you as little as 30-60 minutes. Tax AID DABC advocates are available to help walk you through this process or provide direct support in preparing your income taxes, if you have the PWD or PPMB designation. Please call 604-872-1278 or toll-free at 1-800-663-1278 for assistance.

The complexity of a tax return may vary greatly depending on your particular circumstances. This Help Sheet will look at the situation of a single person who:

- Receives Persons with Disabilities or Persons with Persistent Multiple Barriers to Employment benefits
- Has no other sources of income, or who has a job for which a T4 Employment Income slip was issued
- Does not have children, and
- Does not otherwise have a complicated tax return.

Step-by-step instructions for filing your taxes begin at the section entitled “Getting Started.”

IS THIS GUIDE FOR YOU? Even if your circumstances are not exactly the same as the ones outlined in this Help Sheet, there’s a very good chance you can still prepare your taxes for free online. You may still find this guide useful to help you get started, but be aware that the process might be a bit different if you had other sources of income, dependent children, owned your own business or had other complicating circumstances.



Disability Alliance BC

Information in this Help Sheet is based on the legislation that was current at the time of writing.

The legislation and policy may be subject to change. Please check the date on this Help Sheet.



Good Reasons to File Your Return

If you receive PWD or PPMB benefits, there's a very good chance you will get a few hundred dollars back when you file your taxes. The government uses your income tax return to determine whether you qualify for a range of benefits available to individuals and families living on low or modest incomes. People on PWD or PPMB benefits usually meet the criteria for the:

- GST Credit
- BC Low Income Climate Action Tax Credit
- BC Sales Tax Credit (refund).

If you qualify for these benefits, you will generally get money back from the government. The specific amount will vary depending on the person, but is in the range of \$300 to \$500 for many people receiving PWD or PPMB benefits. And, if you are filing for a number of years, it will likely be even more money. Income taxes are also used to assess eligibility for the Working Income Tax Benefit, Child Tax Credit, MSP Premium Assistance and other programs.

Filing your income taxes is also important to establish eligibility for the Registered Disability Savings Plan (RDSP) grants and bonds, worth up to \$90,000. The RDSP is an excellent way for people with disabilities to save money—even people living on low incomes. More information is available in our **Help Sheet 15: The Registered Disability Savings Plan**, or you can ask us for details.

IF YOU OWE MONEY If you owe money to the Canada Revenue Agency (CRA), the amount you are eligible to receive from filing your taxes may be offset in part or in whole to pay down your outstanding balance. In some circumstances, it may be possible to request a waiver of interest or penalties owing to the CRA.

Filing Your Return Online

There are many good reasons to file your taxes online. If you have some experience using a computer, this may be a good choice for you. Also, you'll get the results of your tax return faster.

According to the CRA, most taxpayers can file their tax return online using a system called NETFILE. However, in some circumstances, such as if you declared bankruptcy in 2017/2018 or you are a non-resident of Canada, you may not be able to file online. Consult the CRA website to find out more about these restrictions. See the NETFILE Eligibility Criteria at <https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/netfile-overview/eligibility.html>.



REPORTING INCOME You need to report your income completely and accurately to the best of your ability on your tax return. Keeping detailed records of your income and reporting information as it appears on your tax slips is a good way to ensure accuracy on your return. In some situations, the CRA may accept estimated amounts on your tax return, such as if you received occasional income for casual work, or tips. Keep in mind that the CRA does conduct periodic audits and that you should be prepared to provide reasonable justification for any estimates you make on your tax return. Contact the CRA if you need advice about how to report on a tax return.

Tax Preparation Programs

There are a range of free and paid programs for you to choose from. A list of approved programs is available on the Government of Canada website at <https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/netfile-overview/certified-software-netfile-program.html>.

This Help Sheet will look at a program called SimpleTax. SimpleTax is appealing because it is free, straightforward, secure and even adds a bit of humour to the process of tax preparation. Another reason we like SimpleTax is that it operates over the internet and does not require you to download a separate program onto your computer. SimpleTax uses a pay-what-you-want pricing model and encourages users to pay whatever the service is worth to them. Whether you contribute or not is up to you.

PAPER RETURNS You do have the option of filing a paper return if you do not wish to file online. You can contact the CRA for more information about paper returns. Paper returns typically take longer to be assessed by the CRA.

Getting Started

Before you begin, you will need:

- A computer with an internet connection
- A compatible web browser such as Mozilla Firefox, Google Chrome or Internet Explorer
- Your Social Insurance Number
- Some personal information including your name, date of birth, and current address
- The information from your 2017 tax slips, including your T5007 social assistance benefits slip, any T4 Employment Income Slips, and tax slips for other money you may have received in 2017, such as pension income or Child Tax Benefit payments.

INCOME TAX SLIPS: If you don't have all of your 2017 tax slips (or you need tax slips to file earlier income tax returns), there are several ways to get them. One option is to call the CRA at 1-800-959-8281. There are a series of articles on this topic on the Tax AID DABC blog which you can access at www.taxaiddabc.org/blog.



Registering for a SimpleTax account

1. Open your web browser and go to www.simpletax.ca
2. At the top-right hand of the page, click “Start or continue your tax return”
3. If you are new to SimpleTax, you will need to provide some basic information about yourself and your situation in 2017. SimpleTax separates the questions into short sections beginning with “About You” and ending at “My Account.” Skip to step 4 if you do not require additional explanation about these sections.

- **About You** – This section asks for your name, social insurance number, date of birth, and preferred language of correspondence. You also have to say whether this will be the first year you have ever submitted a tax return to the CRA.

Your 2017 Tax Return

About You

Name *

First name Middle name Last name

Social Insurance number *

Date of birth *

YYYY-MM-DD

If this return is for a deceased person, date of death

YYYY-MM-DD

Preferred language *

- **Mailing Address** – Provide your current address and phone number. Note that you need to contact CRA directly to formally request a change of address.
- **About your Residence** – Indicate the province where you lived on the last day of 2017 and whether you were living outside of the province at all during 2017. Indicate: 1) Whether your home address is the same as your mailing address. If not, indicate the address where you live in the Current Residence box. 2) Whether you lived on Nisga’a lands 3) Whether you immigrated to Canada in 2017.
- **You and Your Family** – Indicate your marital status on the last day of 2017 and whether it changed at any point during 2017. Indicate whether you have any minor children.
- **Elections Canada** – Indicate your citizenship status. If you are a Canadian citizen, you can authorize the CRA to provide information to Elections Canada. It’s up to you whether you wish to share this information.



Misc:

- Foreign property – Indicate whether you owned foreign property worth over \$100,000 in 2017. Most PWD and PPMB recipients will answer “No” to this question.
- Disposal of Residence – Indicate if you disposed of your main residence in 2017.
- Filing First Time – Indicate whether you are filing an income tax return with CRA for the first time.
- Filing for Someone Else - Indicate whether you are filing another person’s tax return.
- Canadian Citizen - Indicate whether you are a Canadian citizen.
- Registered Under the Indian Act - Indicate if you are a person registered under the Indian Act.
- Confined to Prison – Indicate if you were confined to a prison for 90 days or more during the year.
- **My Account:**
 - Indicate whether you are registered for CRA’s My Account.
 - Online Mail: Indicate whether you want to register for online mail through My Account, and if yes, provide your e-mail address.

4. Click the “Sign up to save your data” button. You will need to provide a valid email address, password and password hint to be able to store and retrieve your information. Make sure to store this log-in information in a secure place. You should receive a registration confirmation by email after you submit this information.

NOTE: If you have not filed your taxes for earlier years, you should file your earlier returns first, using www.simpletax.ca. This will ensure that any amounts that should be carried forward on earlier returns is carried forward, and that your 2017 income tax return results are more accurate.

Entering Your Income Information

Continue on to the Your Taxes section, found lower down on the same page where you registered for your account.

A) If you used Simple Tax in 2016, you can click the Jump Start button to add the sections you used in your 2016 return.

B) If you are new to Simple Tax, you can click “Add something to your return” in the Search box and a list of tax slips you may need will appear. Click on an item you need, such as “Employment Income (T4)”. That form will appear for you to fill out.



To add another tax slip, repeat this step as often as you need to. If you do not know which slips to choose, click the “Answer a few questions” button and answer the questions asked. Simple Tax will then generate the items you need, based on your answers.

Q T5007

Statement Of Benefits — T5007
You received workers' compensation and/or social assistance payments

Each item you select will create a new field. The following options may apply:

1. **Statement of Benefits – T5007:** This is where you can indicate the PWD or PPMB benefits you received
2. **Employment Income – T4:** This is where you can report any income from employment reported on a 2017 T4 slip
3. **Other Income or Deductions –** If you had any other sources of income or wish to claim additional deductions for 2017, review the list of options in the dropdown box to see if there is an option that applies to your situation. If you're not sure how to report some income, you should contact the CRA for assistance. If you accidentally select an option that does not apply to you, you can remove it by clicking the “X” at the upper-right corner of the relevant box.

After you have selected the items that apply to you, begin adding your tax slip information to your return. You need to match the box numbers from your tax slips to those on your SimpleTax 2017 return.

Statement of Benefits – T5007

The T5007 tax slip indicates the amount of PWD, PPMB or other social assistance benefits you received. You may have another T5007 slip, if you also received Workers' Compensation.



Boxes on Your T5007 Slip

Payer’s Name: Enter the payer’s name you see on your T5007 slip (it will be “Government of the Province of British Columbia,” if you’re reporting PWD or PPMB benefits).

Statement Of Benefits

If you lived with your partner when you received payments reported in box 11, the person with the **higher net income** must report the amount in box 11 on their return regardless of who received the payments. If your income was exactly equal, report only slips on which you are the payee.

T5007: Statement of Benefits

Payer's name

10 11

+ Add another T5007

Box 10: Should not apply to a T5007 slip for PWD or PPMB benefits. You will generally leave this field blank (If you received Workers’ Compensation, you will have a separate T5007, that you will enter separately by adding another T5007. Enter the amount listed on your T5007 in Box 10).

Box 11: If you received PWD or PPMB, enter the amount listed on your T5007 slip in box 11. This indicates the amount of benefits you received during 2017.

Employment Income – T4 (skip this step if you did not work in 2017)

Enter all the information from your T4 slip into each box on the newly created SimpleTax T4 form. There will probably be some boxes from SimpleTax that are not listed on your T4 slip. For example, Box 44 “Union Dues” should be blank if you were not represented by a labour union at your job. In this case, you would leave Box 44 blank.

T4: Statement of Remuneration Paid

Employer's name 10 28 CPP EI PPIP

14	<input type="text"/>	16	<input type="text"/>	17	<input type="text"/>	18	<input type="text"/>	20	<input type="text"/>
22	<input type="text"/>	24	<input type="text"/>	26	<input type="text"/>	44	<input type="text"/>	46	<input type="text"/>
50	<input type="text"/>	52	<input type="text"/>	55	<input type="text"/>	56	<input type="text"/>	29	<input type="text"/>

Other boxes on your T4 ?

Box



Common Boxes to Look For on Your T4 Slip

Employer's Name: List your Employer's Name as it appears on your tax slip.

Box 10: The province where the slip came from.

Box 28: Check the boxes if your work was exempt from CPP, EI, or PPIP. Most work is not exempt and you should only check these boxes if the income is listed as exempt on your T4 slip.

Box 14: Indicates your employment income from your work at that job in 2017.

Box 16: Enter your CPP contributions.

Box 18: Enter any EI premiums you paid.

Box 22: Enter income tax that was deducted from your earnings.

Box 24: Enter your EI insurable earnings.

Box 26: Enter your CPP/QPP pensionable earnings.

Other Boxes: Enter the box number and amount. You'll see another blank box with a blank space for box number pop up beside the one you filled in. Keep doing this until all boxes on your T4 have been entered in Simple Tax.

Claiming the Disability Amount

You can also claim the Disability Amount on your tax return by locating "Disability Amount" in the "Add something to your tax return" field. You can only claim this if you completed the T2201 tax certificate and the CRA has told you that you can claim it for a period that includes 2017.

Check your Return

After you have provided all of your tax slip information and information about other sources of income from 2017 to SimpleTax, it's a good idea to take a moment to double-check that the numbers you've entered are correct. Once you're done, continue down the page to the section entitled "Review." Click the button "check and optimize." SimpleTax will look at the information you've provided. If you've entered a number that does not look right, or if SimpleTax thinks you may qualify for some other tax benefits, you will get a notification. Click the button on the nearby box, where SimpleTax suggests you review a list of items you may want to add to your income tax return. If you are unsure whether an item applies to you, contact the CRA for guidance.



If everything looks okay, you should see the amount of money SimpleTax expects you will get back or owe when you file your return. You should also see some other information about your return that SimpleTax includes in its section entitled “Summary.” In a section called “Your optimized results,” you will see any unused tax credits that can be carried forward to future years. You are now ready to file!

Below your summary, you will see a section entitled “Documents.” SimpleTax generates these documents automatically, based on the previous information you have provided. You should not need to review these forms in detail to be able to file your taxes, but you can do so “if you’re just the kind of person that finds beauty in complex government forms” as the SimpleTax website suggests.

Submit your Return

Continue on to the heading entitled “Submit” to file your tax return to the CRA. You should get a message telling you whether or not your tax return was successfully submitted, along with a confirmation number that you should write down for future reference. You can also download or print a PDF copy of your return for your records.

If your tax return is not accepted, there may be some information you have provided that the CRA is having difficulty processing, or there could be an outstanding issue on your file that is preventing you from filing. In this case, you may not be able to file your return online.

Error Messages

You can contact the SimpleTax helpdesk if you get an error message. They can often help you identify and fix problems with your return. If you received a specific error message or code, make sure to copy it into your email. Email: help@simpletax.ca.

Tax Return Results

According to the CRA, the average time to process a return filed online is two weeks, whereas a paper return takes an average of four to six weeks. Once your return has been processed, you should receive a notification from the CRA with the results of your tax return, called a Notice of Assessment. It will show you your refund or balance owing but not other credits. You will get a separate notice about GST and other tax benefits.

Frequently Asked Questions

Q: Will filing my taxes affect my disability benefits?

A: Many tax benefits, including the GST credit, BC Low Income Climate Action Tax Credit, BC Sales Tax credit, and income tax refunds do not affect PWD or PPMB benefits because they are either considered exempt as income and assets, or not considered to be income or assets at all. Contact an advocate if you need advice about whether or not to report tax benefits on your monthly cheque stub.



Most people who receive PWD or PPMB will not experience any problems with their benefits when they file taxes. In some rare cases, problems could arise, such as if a person reports different information to the CRA from what the Ministry has on file. This could happen, for example, if a single person receiving PWD gets married or begins a common-law relationship, files taxes with her partner and forgets to notify the Ministry of the change in relationship status. You can minimize these risks by reporting income and changes to your family unit status to the Ministry. It's a good idea to contact an advocate if you have questions about how a change in your circumstances could affect your disability benefits.

Q: How do I get my tax slips?

A: You can request your tax slips from whoever issued them to you, whether it was the Ministry of Social Development and Poverty Reduction, an employer or another party. You can also request many tax slips from the CRA itself. You can make a request by phone or mail. Consult the Tax AID DABC blog for hints and tips on getting your income tax slips.

Note: If the Ministry has already mailed your T5007 slip, they will not mail it again. Instead, you can request it by calling 1-877-815-2363, or if you prefer, you can request copies of your T5007 slips from the CRA. Staff will tell you the amount on the slip and you need to write it down.

Q: What should I do with my tax slips after I file?

A: When you file your taxes online, CRA does not generally ask you to send in copies of your tax slips. However, you should keep copies of all your tax slips and other supporting documents for at least six years. CRA conducts periodic audits of individual income tax returns and may ask to see copies of your tax slips at a later date.

Q: What if I owe money to the CRA?

A: If you owe money, the CRA may withhold some or all of the tax benefits you receive to offset the amount owing. As a rule, the CRA cannot waive taxes owing on your account. However, in some cases, they can forgive penalties, interest or other fees on your file. You need to complete and send form “RC4288 – Request for Taxpayer Relief” to the CRA to make a request.

Q: Should I file my taxes if I owe money to the CRA?

A: As the saying goes, the only inevitabilities are death and taxes. We strongly encourage you to file your taxes, even if you owe money to the CRA. Staying up-to-date on your taxes is an important step on the road to maintaining or taking control of your overall financial situation.



Q: What if I need to file a return for another year?

A: Right now, the CRA allows you to submit income tax returns online for the previous four years. As of 2018, that means it's possible to file 2014, 2015, 2016 and 2017 returns online. The CRA can accept paper returns going back as many as 10 years. The CRA will not accept returns going more than 10 years back. You should prepare tax returns in order, in case there are any amounts that can be carried forward to the next tax year.

Q: Should I apply for the Disability Tax Credit?

A: Many, but not all, recipients of PWD or PPMB can qualify for the DTC. To qualify, you need to complete and submit form "T2201 – Disability Tax Credit Certificate," with the help of your doctor. There are a few benefits to qualifying for the DTC. A key reason is that it is required to open an RDSP, one of the best long-term savings options for people with disabilities. If you are interested in opening an RDSP but have not applied for the Disability Tax Credit yet, contact Disability Alliance BC to request an advocate's help to apply. Do not claim the Disability amount for yourself on your tax return, unless you have been approved for the DTC up to and including 2017. Please also see **Help Sheet 14: The Disability Tax Credit**.

Q: What if my address has changed?

A: If your address changes, you should notify the CRA as soon as possible. You can do so by completing and submitting form "RC325 - Address Change Request" or a signed letter that includes your SIN, new address and moving date. You can also change your address over the phone, provided you can answer a CRA security question. Note that CRA will not automatically change your address when you NETFILE your return with SimpleTax.

Q: What if I want to know the status of my income tax return or refund?

A: If you have filed your return, you should generally allow up to six weeks to hear back from the CRA about the status of your return. If you do not hear back, you can try calling the CRA at 1-800-959-8281 for an update. Note that you will have to answer a security question to do so. If you want to find out the status of your Child Tax Benefit, GST/HST, BC Low Income Climate Action Tax Credit and other tax benefits, call the Income Tax Benefits line at 1-800-387-1193.

Q: What if I'm unable to file my tax return myself?

A: If you're having difficulty filing your return and you receive PWD or PPMB benefits, you can contact Tax AID DABC or another income tax preparation service to request assistance. The CRA offers a registry of organizations that may be able to provide free tax preparation help for certain people with low or modest incomes. Look for information about the Community Volunteer Income Tax Preparation (CVITP) program or visit: <http://www.cra-arc.gc.ca/volunteer/> for information.



Contact Tax AID DABC

Phone: 604-872-1278

Toll Free: 1-800-663-1278

Email: taxaid@disabilityalliancebc.org

Office Hours: Monday-Friday, 8:30 am–4:30 pm. **Meetings by appointment only.**

Address: Disability Alliance BC, #204-456 West Broadway, Vancouver, V5Y 1R3

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