

Filing Taxes has Many Benefits for Low-Income Earners

March 29th, 2010 – It is estimated that thousands of Calgarians do not file their taxes every year, but filing taxes can save individuals and families, especially those who are low-income earners, thousands of dollars each year. United Way’s Benefits Navigator is an online tool designed to help Calgarians navigate their way through the system, so they can see how many government benefits they are eligible for.

Depending on a person’s income and status they could be eligible for more than 20 different benefits that could help cut costs, or put money back in their pockets. Unfortunately, the average Calgarian only knows around 2 or 3 of the government tax benefits available.

“There many different tax breaks that Calgarians can take advantage of, but the majority have no idea that they exist or that they qualify for them,” says Loreen Gilmour, Director of the Poverty Reduction Coalition at United Way of Calgary and Area.

“And it’s not just about a bigger tax return, there are also benefits that help reduce year round costs; for example, they could qualify for a low-income bus pass,” she says.

Sherry Baxter, a single mom of two, has relied on the Boys and Girls Clubs for help with her taxes. “I used to not file my taxes, it wasn’t a priority, but once I realized how much more I could get back, I knew I had to start. As a single mom there are tax incentives for me, and that extra money is what helps keep food on the table,” she says.

Below is a chart that outlines four different incomes before and after tax; it also outlines the number of benefits indicated by the Benefits Navigator that an individual may be eligible for.

Income	After Tax Income**	With Child Tax Benefit (before tax)	# of Benefits identified by Navigator
\$16,016***	\$15,162	\$19,905.92	26
\$17,500	\$16,351	\$21,497.92	26
\$25,000	\$21,976	\$28,986.88	22
\$30,000	\$25,726	\$33,376.92	20

*Based on Single mother with 1 child under 7 years of age, using the Canada Revenue Agency calculator found here, <http://www.cra-arc.gc.ca/ebci/icbc/simnet/SimnController>

**Based on the Canadian Income Tax Calculator found here, <http://sminsurance.ca/calculators/canada/income-tax/2009>

***This represents full time (35 hours per week, 52 weeks per year) minimum wage (\$8.80 per hr) annual income

United Way is focused on moving people out of poverty. Helping Calgarians understand government tax benefits is just one way we are helping improve lives.

To log onto the Benefits Navigator, or to learn more about United Way’s work in the community, check out www.calgaryunitedway.org

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