



# CHA-CHING 101

#moneytalks

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"The ABCs of dolla-dolla bills"



## Registered Retirement Savings Plan

A special type of account for holding savings and investment assets. RRSPs have various tax advantages[1] compared to investing outside of tax-preferred accounts. Save early; your money will grow and grow!



## Registered Education Savings Plan

An investment used by parents to save for university or college. The government contributes 20% up to \$2,000 annually of your contribution till you turn 18.



## Tax Free Savings Account

It is a way for individuals who are 18 and older and who have a valid social insurance number to set money aside tax-free throughout their lifetime. In 2017, you can put up to \$5,500 each year, and up to \$52,000 as a cumulative amount.



## Registered Pension Plan

Sometimes employers have their own pension plans and help you contribute to your retirement fund. The employer contribution is likely based on your contribution. Find out what your employer has.



## Canadian Revenue Agency

CRA is responsible for collecting taxes on behalf of the government and making sure we all pay our fair share. Taxes go to support the various social services, health care services and infrastructure.



## Tax Deductions Form

This form tells the employer how much money to tax from your paycheck and remit to the government on your behalf.



## Tax Earnings Slip

This is a record of your earnings and the deductions you made through your employer. It gets sent to Canada Revenue Agency at the end of the year. You need it to complete your tax return.



## Tax Income Slip

This is a record of income that you may have received that was not earned through employment such as pension income, scholarships and bursaries. Even though it might not be taxable you still have to put it on your taxes.



## Tuition Deduction Slip

This form comes from your university or college and shows how much of your tuition can be deducted for tax purposes. Super important for students! Don't let your credits get away! These are worth money back at the rate of 15%.



## Employment Insurance

This deduction is made from your earned employment income. By contributing to this insurance you can collect on it in times of unemployment. This is a mandatory deduction.



## Canada Pension Plan

This deduction is made for earned employment income. By contributing to CPP you can collect pension income as soon as age 60 if you like. This is a mandatory deduction that makes all Canadians save for their retirement.



## With Holding Tax

This is what they term when tax is withheld from your paycheck, RRSP withdrawals, pension income or other income withdrawals. It goes to the government. You square up when you do your income taxes.

## Ontario Student Assistance Plan

This is a financial aid program that helps students finance their education. The amounts you get are in the form of loans and grants, and are interest free during the time you are in school. You have to apply to see how much you get.



## Principal + Interest

Whenever you borrow money you have to pay back the original amount borrowed and interest to the financial institution. The interest is usually based on Prime Rate plus an additional amount. The faster you can pay it off the less interest you will pay.



## Student Line Of Credit

These are loans that are provided by financial institutions to help students pay for their education. They usually require a cosigner and the amounts given out are determined by credit reports and income of the co-signer and the student's potential income. Interest needs to be paid monthly on the amount that you use.



## Chartered Professional Accountants

These are professionals that can help you do your taxes and figure out complicated income tax situations. They can help you develop business plans and analyse your financial situation.



## Accredited Financial Counsellor

These are professionals that can help you develop a plan to deal with your finances and debt situation.



## University Health Insurance Premium

If you are an international student you must pay an insurance premium to cover your visits to the doctors and the hospital. Canadian students are already covered through OHIP (Ontario Health Insurance Premium) that is funded through taxes by the government and don't pay this.



## Ontario Health Insurance Premium

If you are a Canadian citizen or permanent resident, residing in Ontario, you are covered through OHIP for health purposes. This is funded through taxes by the government and you don't pay this.