

based certified financial planner with national firm Money Coaches Canada. It will be entered under line 13000 as “other” income.

“The tax software has been updated, the tax returns have been updated, so it’s just now a matter of plugging and playing the numbers,” she said.

Though all the benefits will likely appear on one T4A, said partner at Campbell Lawless LLP Brian Quinlan, but you’ll enter each benefit separately under 13000 – there will be a specific box for each benefit. Meanwhile, any taxes withheld from those benefits would need to be included under line 43700, which covers the total income tax deducted in 2020.

Gray suggests checking your T4A to make sure it matches up to what you received, and what was withheld. That way, in case there are any inconsistencies, you can call the Canada Revenue Agency ahead of the March-April rush, she said.

However, H&R Block senior tax expert Lisa Gittens said in an email that for those who received CERB through Service Canada, and not the CRA, those payments will be included on box 14 of their T4E slip instead and labelled as CERB benefits.

Gittens said in addition to the taxes owed on COVID-19 benefits, for anyone who received the Canada Recovery Benefit, it will be clawed back at a rate of 50 per cent for each dollar they made (excluding the benefit itself) over \$38,000.

She also noted that there were a number of one-time-only benefits, including top-ups to the GST/HST credit payment and Canada Childcare Benefit, as well as payments for seniors and people with disabilities, which do not need to be counted as income.

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Many Canadians are likely already aware, but it bears repeating that the COVID-19 benefits are taxable, said Gittens.

“For those nine million Canadians who received the Canada Emergency Response Benefit (CERB), they’ll have to remember that no income tax was deducted at source. This means that when they file their returns, they can expect to see taxes owing,” she said.

The other emergency benefits – the Canada Recovery Benefit, Canada Recovery Sickness