

Income Tax and Benefits Returns for Temporary Foreign Workers

This information sheet provides useful information and resources on filing income taxes and applying for benefits for Temporary Foreign Workers in Saskatchewan¹.

Introduction

Every individual who can legally work in Canada, including Temporary Foreign Workers, is required to pay both provincial and federal taxes. Your personal situation such as residency status, income level, marital status, medical expenses, and number of children will affect how much taxes you pay. It is very important that at the end of each year you report your income to the **Canada Revenue Agency (CRA)**. The amount of income tax you have to pay depends on how much money you earned in that year.

Why file taxes

Filing taxes is a legal obligation in Canada. Your tax return also allows the CRA to calculate if you are eligible to receive additional benefits or tax refund based on your income level. If you do not file your taxes, your benefits may be cancelled or delayed. See next page for information on the types of benefits you can apply.

When to file taxes

You must file your taxes before **April 30th** for taxes from the previous year's earnings. For example, April 30th, 2021 is the deadline to file your taxes for the year of 2020.

If you do not file your taxes before the April 30th deadline, you may need to pay penalty or late fees for paying your income taxes. Your benefits may also be delayed.

Who can file taxes

Your **Residency Status^{2,3}** determines the amount and type of tax you pay. It is different from your immigration status. Unless you have established significant **residential ties** in Canada, you will be considered one of the following types of residents for tax purposes:

- **Non-residents**
 - o Do **not** establish sufficient residential ties in Canada
 - o Stay in Canada for less than 183 days in the tax year
 - o Subject to Canadian income tax only on income from Canadian sources
- **Deemed residents**
 - o Have not established residential ties with Canada
 - o Stay in Canada for 183 days or more in the tax year
 - o Subject to pay Canadian income tax from income received from all sources, both inside and outside Canada
- **Deemed non-residents**
 - o Reside in a country that has a tax treaty with Canada (eg. Mexico, Barbados, Jamaica, Trinidad and Tobago)
 - o Taxed the same way as non-residents

Residential ties include:

- A home in Canada

- A spouse or common-law partner in Canada
- Social ties
- Canadian drivers' license
- Canadian bank account/credit card
- Health insurance in a Canadian province/territory

For more information on how Seasonal Agricultural Workers are taxed in Canada, visit:

<https://www.canada.ca/content/dam/cra-arc/formspubs/pub/rc4004/rc4004-19e.pdf>

How to file taxes

Ways to file your taxes^{4,5}

- **Electronically** - using NETFILE, a secure service that allows you to file your taxes using tax preparation software
 - o For more information, go to [File your taxes online: Understand NETFILE\(CRA\) - Canada.ca](#)
- **In Person** – by a volunteer tax clinic
 - o To find a free tax clinic in your area, visit Canada.ca/taxes-help
- **Paper tax return** – mail your paper return to a [Tax Centre](#)

What do you need to report as income?

- Employment and self-employment income
- Pensions and savings plan
- Investments
- Employment insurance and other benefits (including COVID-19 benefits from CRA)
- Scholarships, fellowships, bursaries, and grants
- Commissions, tips and gratuities

What are deductions, credits, and expenses?

Claiming Deductions, credits, and expenses can help reduce the amount of tax you have to pay.⁶

- Family, child care, and caregivers deductions and credits
- Education – tuition, education, and textbook amounts, tuition amount transferred from a child or spouse
- Employment – annual union dues, moving expenses, other employment expenses
- Medical expenses
- Climate action incentive⁷ – a basic amount and a 10% supplement for residents of small and rural communities. In Saskatchewan, the basic amount is \$500. Non-residents of Canada are not eligible for this payment.

For a full list of deductions, credits, and expenses you may be able to claim on your income tax, go to [All deductions, credits, and expenses - Personal income tax - Canada.ca](#)

What do you need to file your taxes?

Tax slips⁸: documents that show your income, including T4, T4A, T4E

Documents needed to file taxes

T4	Shows your employment income from the previous year. Employers must give this to their employees by February 28 th every year
T4A	Shows income you earned from pension, self-employed commissions, annuity, or other income
T4E	Shows income from any type of employment insurance (EI) if you have received it. Sent out by Service Canada.
T1248	You must fill this out stating your residency in Canada. https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t1248/t1234-t1248-fill-18e.pdf
Proof	For marital status, number of children, receipts for expenses

After filing your taxes⁹

It takes 2 weeks for the CRA to process your return when you file online, and 8 weeks when you file a paper return. However, it may take up to 16 weeks if this is your first time filing taxes or if you live outside of Canada.

You will receive a **Notice of Assessment (NOA)**, an important document that provides proof that you have filed your taxes and shows whether you will receive a refund or need to pay additional taxes to the CRA. You should keep this document safe. If you owe CRA taxes, you can choose to pay your balance in full, or over time. You can contact the CRA if you are unable to pay your debt.

Direct Deposit: A fast, convenient, and secure way to get your benefits and refund directly into your bank account. To set up direct deposit, go to [Canada.ca/cra-direct-deposit](https://www.canada.ca/cra-direct-deposit) or call **1-800-959-8281**

Benefits and Credits You Can Get

GST/HST Credit

- Up to \$451 if you're single, \$592 if you're married, and \$155 for each child under 19
- How to apply:
 - o If you don't have children - **Form RC151:** GST/HST Credit Application for Individuals who Become Residents of Canada
 - o If you have children - **Form RC66:** Canada Child Benefits Application, or online with My Account
 - o Apply **once** the year you become a resident of Canada

Canada Child Benefit

- Tax-free payment up to \$6,765 per year per child made to the eligible primary caregiver, to help with the cost of raising children

- How to apply:
 - o **Form RC66:** Canada Child Benefits Application
 - o **Schedule RC66SCH:** Status in Canada and Income Information
 - o **Proof of birth:** for children born outside of Canada

To see what child and family benefits you are eligible for and how much your payments may be, go to Canada.ca/child-family-benefits-calculator

For more information on child and family benefits and how to apply, go to Canada.ca/child-family-benefits or call **1-800-387-1193**

COVID-19 Benefits

Canada Recovery Benefit (CRB)

- o Provides \$1000 (\$900 after taxes) per 2-week period for up to 38 weeks for eligible workers who are affected by COVID-19

Canada Recover Caregiving Benefit (CRCB)

- o Provides \$500 (\$450 after taxes) for up to 38 weeks per household for workers who are unable to work because they must care for a child or family member due to COVID-19

Canada Recovery Sickness Benefit (CRSB)

- o Provides \$500 (\$450 after taxes) per week for up to four weeks for workers who are unable to work because they contracted COVID-19 or are self-isolated due to COVID-19

- For information on eligibility and how to apply for these benefits, go to Canada.ca/benefits or call **1-800-966-2099**

Keep your CRA information up-to-date

Notify the CRA if the following has changed:

- Your mailing or home address
- Your marital status or the number of dependents
- Direct deposit information

Update your information by:

- CRA My Account: Canada.ca/my-cra-account
- Phone: **1-800-959-8281**

Further Resources

- Learn more about the basics of Canada's tax system: Canada.ca/understanding-taxes
- Information on COVID-19 Benefits, eligibility, and how to apply: Canada.ca/cra-coronavirus
- For a full list of CRA phone numbers and wait times, go to: [Contact the Canada Revenue Agency - Canada.ca](https://Canada.ca/contact-the-canada-revenue-agency)

References

- 1 The information on Income Tax Return is adapted from the info sheet "Information on Filing Taxes for Migrant Workers" from the Migrant Worker Hub. It is available at: <https://migrantworkerhub.ca/migrant-resource/information-on-filing-taxes-for-migrant-workers/>
- 2 [Determining your residency status - Canada.ca](https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t1248/t1234-t1248-fill-18e.pdf)
- 3 [Personal services received from other countries - Canada.ca](https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t1248/t1234-t1248-fill-18e.pdf)
- 4 [Get ready to file your taxes - Personal income tax - Canada.ca](https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t1248/t1234-t1248-fill-18e.pdf)
- 5 [General tax credits - Canada.ca](https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t1248/t1234-t1248-fill-18e.pdf)
- 6 [Claiming deductions, credits, and expenses - Personal income tax - Canada.ca](https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t1248/t1234-t1248-fill-18e.pdf)
- 7 [Line 45110 - Climate Action Incentive - Canada.ca](https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t1248/t1234-t1248-fill-18e.pdf)
- 8 [Tax slips - Personal income tax - Canada.ca](https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t1248/t1234-t1248-fill-18e.pdf)
- 9 [After you file your tax return: After you file your tax return - Personal income tax - Canada.ca](https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t1248/t1234-t1248-fill-18e.pdf)