

## **Community Volunteer Income Tax Clinic - Eligibility criteria**

To be eligible for help at a free tax clinic, individuals must have a modest income and a simple tax situation.

### **What is a modest income**

The following table provides a guideline of what is considered a modest income. In general, a modest income means the total family income is less than or equal to the amount shown in the chart below, based on the size of the family.

Community organizations can adjust the total family income for their clients based on the local economic environment, the population they serve, and their resources. Organizations may also create additional criteria for the community they serve. If a host organization chooses to modify the family income amounts for their tax clinic, they must include these details when posting their clinic information on Canada.ca.

Family size includes an individual, or a couple, and their dependents.

### **Suggested income levels**

<b>Family size</b>	<b>Total family income</b>
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1 person	\$40,000
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2 people	\$55,000
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3 people	\$60,000
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4 people	\$65,000
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5 people	\$70,000
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More than 5 people	\$70,000, plus \$5,000 for each additional person
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## A simple tax situation

What is a simple tax situation

As a participating CVITP organization, you can offer to file both current and prior year tax returns for individuals with a simple tax situation. In general, a tax situation is simple if an individual has no income or if their income comes from these sources:

- employment
- pension
- benefits, such as the Canada Pension Plan, Old Age Security, disability insurance, employment insurance, and social assistance
- Registered Retirement Savings Plans (RRSPs)
- scholarships, fellowships, bursaries, or grants
- interest (under \$1,200)

Volunteers should not complete returns with the following as they are considered complex tax situations:

- self-employment income or employment expenses  
Exception<sup>1</sup>
- business income and expenses
- rental income and expenses
- interest income over \$1,200
- capital gains or losses
- bankruptcy in the tax year (or the year before, if that return has not yet been filed)
- deceased person
- foreign property (Form T1135)
- foreign income

## Exceptions

### Exception 1

Individuals who have a T4A slip, Statement of Pension, Retirement, Annuity, and Other Income, that shows self-employed or business in box 048 may be eligible to have their tax return completed through the CVITP if all of the following conditions are met:

- the total income in box 048 is under \$1,000
- no expenses are claimed
- the individual is not registered as a GST/HST registrant and is not required to be one

### Exception 2

Individuals who receive U.S. Social Security benefits are eligible to have their tax return completed through the CVITP. Any other type of foreign income (including a foreign pension) would not be considered a simple tax situation.