



## Canada Revenue Agency: 2 Lesser-Known Ways to Save on Taxes in 2020

### Description

Nobody wants to pay the Canadian Government more money in taxes than they have to. Of course, you also want to make sure you have paid your dues so that the Canada Revenue Agency (CRA) does not subject you to auditing. There are some simple tips and tricks that you can follow to maximize the amount you can save on your taxes or get refunds and remain within the bounds of the law.

I am going to discuss two methods that everybody can use to save on the taxes they have to pay to the government. I will also talk about **Telus** ([TSX:T](#))([NYSE:TU](#)) stock and how you can use it to improve your overall retirement savings.

### Tax credit on medical expenses

Medical expenses are a tax credit available to all tax-paying Canadians. It is well known, but it is also the least-used tax credit. Most Canadians are aware of the fact that they can use eligible medical expenses on their tax returns. The problem is, many Canadians assume that since their medical expenses are low, they will not make a significant difference, or they fail to keep track of them.

You can claim all the eligible medical expenses on your tax returns, even if you paid them outside Canada. The CRA can audit you, so you need to make sure you keep all the receipts for all the expenses paid. If you have an insurance plan to cover medical costs, any amount your insurance company did not reimburse is eligible for you to claim.

### Expenses of moving around

Not many Canadians know this, but if you ever move because of work, you can deduct the costs related to making a move from your tax returns. Moving from one place to another is not cheap. The expenses can mount up fast, so it is vital to track all the expenses by keeping all the receipts. You can deduct the expenses from the income you're earning at the new job, bringing down your marginal tax rate.

To qualify for this, you need to be considered a resident of Canada, and you must have moved over 40 km from where you were located. If you are a full-time student, you can claim these expenses if you are moving to attend post-secondary school. If you make income through summer or part-time jobs, you can claim the moving expenses against them and reduce your marginal tax rate.

## Further boosting your retirement savings

While you make an effort to reduce the amount of taxes you pay, there is a way to create savings that can help you grow your wealth tax-free. Tax-Free Savings Accounts (TFSAs) allow you to store your investments without incurring maintenance costs or taxes on earnings. If you utilize the contribution room in your TFSA to store [dividend-paying stocks](#) like Telus, you can earn a substantial amount of money.

It is one of the [biggest telecom service providers](#) in Canada. The highly successful \$30.54 billion market capitalization company provides a host of services to customers throughout Canada. Other than the typical telecom services, the company is making significant moves in the Canadian healthcare sector by providing digital solutions for the industry. The segment is in its initial stages right now, and Telus looks poised to use it as a primary driver for its growth in the future.

## Foolish takeaway

Telus pays dividends to its shareholders every quarter with a yield of 4.61% at the price of \$50.51 per share at writing. The company's stock price has gone up by 12.59% in the past 12 months as well. Holding Telus stock in your TFSA can allow you to grow your wealth through the capital gains of the company and the additional cash you will receive from its dividends.

Utilizing the tips to save on taxes and bolstering your retirement savings through stocks like Telus can help you to create a substantial amount of wealth to retire comfortably.

### CATEGORY

1. Dividend Stocks
2. Investing

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