



Students of Canada: You Could Be Eligible for a Education Tax Credit in 2021

Description

Canadian students missed out on earning money in the summer of 2020 due to the pandemic. The federal government stepped in to alleviate the financial disruption by introducing the Canada Emergency Student Benefit (CESB). Eligible students received a flat rate of \$1,250 a month for up to four months. For those with dependents or disabilities, the amount was \$2,000 per month, or \$8,000 in total.

CESB applications ended on September 30, 2020. However, the Canada Revenue Agency (CRA) has extended another support to help students save money during tax season. The tuition tax credit may [reduce tax payables](#) of those paying tuition or educations costs and spending on skills improvement courses. However, you must meet certain conditions to qualify for this much-needed tax break.

Tuition tax credit

The tuition tax credit is a [non-refundable tax credit](#) a full-time or part-time student can claim. A course taken in 2020 qualifies for the tax break provided you took it at a post-secondary education institution in Canada.

Likewise, the tax credit applies to individuals age 16 or older at year-end who are improving or developing skills in an occupation and the educational institution. The institution must be certified by the Minister of Employment and Social Development Canada.

The CRA clarifies that tuition fees include entrance fees, use of library or laboratory facilities, issuance of a certificate or diploma and related expenses charged to all students, other than payments to a student association. The amount must be more than \$100 per establishment to qualify for the 15% tax credit.

You can also be eligible for the tuition tax credit if you spend on examination fees. The purpose for such expense must be to obtain a professional status, certification, or licence before you can practice a profession or trade within Canada.

Disqualified claims

Not all tuition fees qualify for the tuition tax credit. The instances the CRA can deny a claim are the following:

- Tuition fees that were reimbursed or paid by a student's employer
- Job training program
- Federal program to help athletes

Red-hot tech stock

Canadian students are also learning to save money and invest. The stock market offers the potential to maximize a student's earnings. At the same time, it enables young investors to hone their financial management skills.

A growth stock like **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is an exciting option for millennials or newbie investors. This tech stock could also be a long-term hold given the bright business prospects. The \$13.38 billion provider of intelligent security software and services is making hay while the sun shines.

BlackBerry struck a multi-year partnership with **Amazon**. The pair will co-develop and market IVY, BlackBerry's new "cloud-connected intelligent vehicle data platform." Besides the Amazon deal, the Canadian tech firm is also expanding its strategic partnership with **Baidu**. BlackBerry will power the latter's technology for future electric vehicles in China.

Because of recent developments, the shares of the security software company are surging in 2021. BlackBerry's massive year-to-date gain is now 187%. Younger traders are lining up to acquire shares of the red-hot tech stock.

Important T2202 tax slip

Students who qualify for the tuition tax credit must obtain the T2202 tax slip from their educational institutions. The CRA requires parents and students to fill out the slip to complete their tax returns.

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