Practice with case studies Students

Part-time student with a scholarship **Pre-test question**

Select **True** or **False**

The scholarship exemption for part-time students is equivalent to the \$500 basic scholarship exemption.

True

Sorry, that is incorrect

The scholarship exemption for part-time students is equal to the tuition paid, plus the costs of program-related materials, plus the \$500 basic scholarship exemption.

False

That is correct

The scholarship exemption for part-time students is equal to the tuition paid, plus the costs of program-related materials, plus the \$500 basic scholarship exemption.

Instructions

- 1. Open the tax software
- 2. Review the **Background information** and **Required slips** (tax slips, receipts, etc.)
- 3. Provide all required information for the appropriate sections of the tax software
- 4. Once completed, compare your results with the solution provided
- 5. Afterwards, refer to the **Takeaway points**

Background information Situation

Antoine is working full time, and pursuing a part-time degree at the University of Canada which granted him a scholarship. Antoine received a T2202 from the school. He does not wish to transfer his tuition fees.

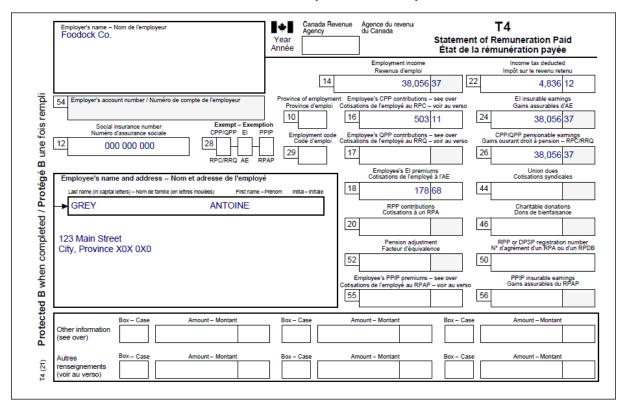
Antoine's 2022 notice of assessment (NOA) indicates that his Canada training credit limit (CTCL) for 2023 is \$250 and he wants to claim this amount. He does not have any unused tuition amounts from prior years. He also wishes to claim \$300 for program-related materials he paid for during his studies.

Identification information

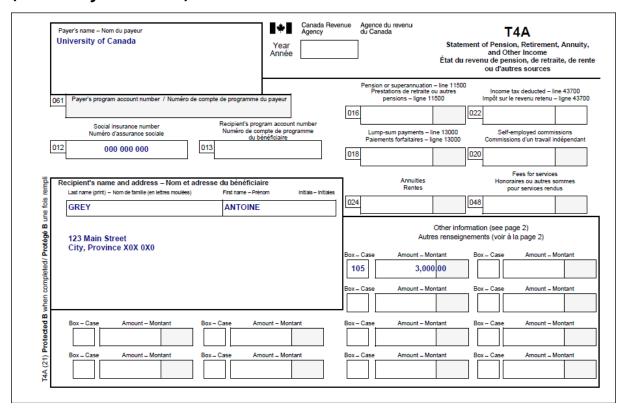
Name	Antoine Grey				
Social insurance number (SIN)	000 000 000				
Address	123 Main Street City, Province X0X 0X0				
Date of birth	August 17, 1980				
Marital status	Single				

Slips required

T4 - Statement of Remuneration Paid (Foodock Co.)



T4A – Statement of Pension, Retirement, Annuity, and Other Income (University of Canada)



T2202 - Tuition and Enrolment Certificate (University of Canada)

Canada Revenue Agence du revenu du Canada							Pro	ted B when completed otégé B une fois rempli
Tuition an Certificat pour fra					1	Fe Yea Anné	r	udent / Pour étudiant 2
Name and address of designated educational institution Nom et adresse de l'établissement d'enseignement University of Canada 1000 College Drive City, Province X0X 0X0		14 Stude Numé	orie d'école		Écol	g school or club e ou club de pilot Account Numbe éro de compte d	r	clarant
13 Name of program or course Nom du programme ou du cours University Program Student Name Nom de l'étudiant	Sessior periods Période d'étude	YY/MM	To YY/MM À AA/MM	21 Num of mo part- Nom de m temps	onths time nbre ois à	Number of months full-time Nombre de mois à temps plein		Eligible tuition fees, part-time and full-time Frais de scolarité admissibles pour études à temps partiel et à temps plein
Antoine Grey Student address Adresse de l'étudiant 123 Main Street City, Province XOX 0X0	1 2 3 4	X ₁ X 0 ₁	9 X X 1 2 1 X X 0 4 1 1 1 als / Totaux		8 2	25	26	\$1,500.00 \$1,500.00 \$3,000.00
17 Social insurance number (SIN)			У	our tuition ar	mount, co isez le v	erso du certificat	of Co	i vous désirez transférer
Numéro d'assurance sociale (NAS) 0 0 0 0 0 0 0 0 0 0 See the privacy notice on the next page. Consultez l'avis de confidentialité à la page suivante. T2202 (21)						e ou la totalité de z le verso du cerl		tais de scolarité,
12202 (21)								Cariacia

Takeaway points

Steps to follow

- 1. Review their background information and required slips
- 2. In **Interview setup**, tick the boxes next to:
 - Employment income and employment insurance benefits (T4, T4E/RL-6) in the Employment and other benefits section
 - Pension income, other income and split pension income, COVID-19 benefits (T4A, T4FHSA, T4A(OAS), T4A(P), T4A-RCA, T4RSP, T4RIF, T1032) in the Pension and other income section
 - Tuition, education, textbooks, student loans, and Canada training credit in the Student section
- 3. Click **T4 and employment income** in the left side menu and click the **+** sign next to **T4 income (earned in any province except Quebec)** to enter the information from Antoine's T4 slip
- 4. Click T4A, T4FHSA and pension income in the left side menu, then click the + sign next to T4A - Pension, retirement, annuity, and other income (COVID-19 benefits) and select [105] Scholarships, bursaries, fellowship from the OTHER INFORMATION (COVID-19 benefits) dropdown menu to enter the amount from Antoine's T4A slip in the field next to it
- Click Tuition, education, student loans in the left-side menu and click the + sign next to T2202 Tuition and enrolment certificate* (TL11A/TL11C/TL11D) (line 32300)
- 6. Under the **Current year tuition amount** heading, enter the amounts from Antoine's T2202, Tuition and Enrolment certificate
- Click Tuition, education, student loans in the left-side menu and click the + sign next to Part-time program details if you received scholarship, fellowship, and bursary income to be included at line 13010
- Calculate the total amount paid for tuition found on the T2202 plus the cost of materials and enter it in the Tuition fees and costs of part-time education program-related material paid for current year field

- Click Tuition, education, student loans in the left-side menu, then click the + sign next to Canada training credit (CTC) and enter the CTCL amount from Antoine's 2022 NOA into the Canada training credit limit (CTCL) for 2023 field
- 10. Select **Yes** from the **Do you want to claim the Canada training credit in the current year?** drop-down menu
- 11. Leave the **Enter the Canada training credit you are claiming** field blank

Since Antoine is a part-time student, his scholarship exemption is equal to the tuition fees he paid (\$3,000), plus the costs of program-related materials (\$300), plus the \$500 basic scholarship exemption, for a total of \$3,800. No amount is reported on line 13010 because the total amount is greater than the \$3,000 scholarship he received. The amount of tuition fees that Antoine may claim on line 32300 is reduced by the \$250 CTC amount he is claiming, which is reported on line 45350 of his tax return.

For more information, refer to <u>UFile instructions</u>.

Review your results

	Antoine Gre
Total income	
10100 Employment income	\$38,056.3
15000 Total income	\$38,056.3
• Net income	
22215 Deduction for CPP and QPP enhanced contributions	\$84.5
23600 Net income	\$37,971.8
• Taxable income	
26000 Taxable income	\$37,971.8
Non refundable tax credits	
30000 Basic personal amount	\$15,000.0
30800 CPP or QPP contributions through employment	\$418.5:
31200 Employment Insurance premiums through employment	\$178.60
31260 Canada employment amount	\$1,368.0
32300 Tuition, education, and textbook amounts (schedule 11)	\$2,750.0
33500 Total	\$19,715.2
	\$2,957.2
33800 Total @ 15% 35000 Non refundable tax credits	\$2,957.2
• Refund or balance owing	
42900 Basic federal tax	\$2,738.4
40500 Federal foreign tax credit (T2209)	\$0.0
40600 Federal tax	\$2,738.4
41700 Line 40600 - 41600	\$2,738.4
42000 Net federal tax	\$2,738.4
42800 Provincial or territorial tax	\$1,105.1
43500 Total payable	\$3,843.6
43700 Total income tax deducted	\$4,836.1
Payments and credits	
45350 Canada training credit (CTC)	\$250.0
48200 Total credits	\$5,086.1
48400 Refund	\$1,242.4