

Practice with case studies

CRA and COVID-19

Reporting COVID-19 benefit repayments

Pre-test question

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

If an individual repaid COVID-19 benefits during the year, they may claim a deduction on their tax return.

True

That's correct

If an individual repaid COVID-19 benefits during the year, they can claim a deduction to ensure they do not pay tax on any amounts they repaid.

False

Sorry, that is incorrect

If an individual repaid COVID-19 benefits during the year, they can claim a deduction to ensure they do not pay tax on any amounts they repaid.

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

Amy worked part time at Madame Chic Ltd.

In 2020, she had applied for and received the Canada Emergency Response Benefit (CERB). However, in 2023 Amy received notice that she was not eligible for \$2,000 of the CERB received so she made a repayment for this amount to the CRA.

Identification information

Name	Amy Martin
Social insurance number (SIN)	000 000 000
Address	123 Main Street City, Province X0X 0X0
Date of birth (DOB)	October 9, 1990
Marital status	Single
Dependant	Son: Tyler Martin DOB: January 1, 2014

Required slips

T4A – Statement of Pension, Retirement, Annuity, and Other Income slip (Canada Revenue Agency)

Payer's name – Nom du payeur Canada Revenue Agency		Canada Revenue Agency / Agence du revenu du Canada	T4A Statement of Pension, Retirement, Annuity, and Other Income État du revenu de pension, de retraite, de rente ou d'autres sources																								
Year / Année: <input style="width: 50px;" type="text"/>		Pension or superannuation – line 11500 / Prestations de retraite ou autres pensions – ligne 11500: <input style="width: 100px;" type="text"/>																									
Payer's program account number / Numéro de compte de programme du payeur: <input style="width: 150px;" type="text"/>		Income tax deducted – line 43700 / Impôt sur le revenu retenu – ligne 43700: <input style="width: 100px;" type="text"/>																									
Social insurance number / Numéro d'assurance sociale: <input style="width: 100px;" type="text" value="000 000 000"/>	Recipient's program account number / Numéro de compte de programme du bénéficiaire: <input style="width: 100px;" type="text"/>	Lump-sum payments – line 13000 / Paiements forfaitaires – ligne 13000: <input style="width: 100px;" type="text"/>	Self-employed commissions / Commissions d'un travail indépendant: <input style="width: 100px;" type="text"/>																								
Recipient's name and address – Nom et adresse du bénéficiaire Last name (print) – Nom de famille (en lettres moulées): <input style="width: 150px;" type="text" value="MARTIN"/>		Annuities / Rentes: <input style="width: 100px;" type="text"/>																									
First name – Prénom: <input style="width: 100px;" type="text" value="AMY"/>		Fees for services / Honoraires ou autres sommes pour services rendus: <input style="width: 100px;" type="text"/>																									
Initials – Initiales: <input style="width: 100px;" type="text"/>		Other information (see page 2) / Autres renseignements (voir à la page 2)																									
123 Main Street City, Province X0X 0X0		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Box – Case</th> <th style="width: 40%;">Amount – Montant</th> <th style="width: 10%;">Box – Case</th> <th style="width: 40%;">Amount – Montant</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">201</td> <td style="text-align: right;">2,000.00</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Box – Case	Amount – Montant	Box – Case	Amount – Montant	201	2,000.00																		
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T4A (21) Protected B when completed / Protégé B une fois rempli

T4 – Statement of Remuneration Paid (Madame Chic Ltd.)

Employer's name – Nom de l'employeur Madame Chic Ltd.		Canada Revenue Agency Agence du revenu du Canada	T4 Statement of Remuneration Paid Etat de la rémunération payée		
Year Année		14	Employment income Revenus d'emploi 20,000.00	22	Income tax deducted Impôt sur le revenu retenu
54	Employer's account number / Numéro de compte de l'employeur	10	Province of employment Province d'emploi	16	Employee's CPP contributions – see over Cotisations de l'employé au RPC – voir au verso 888.94
12	Social insurance number Numéro d'assurance sociale 000 000 000	28	Exempt – Exemption COP/RRQ AE RPAP	24	EI insurable earnings Gains assurables d'AE 20,000.00
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres moulées) First name – Prénom Initial – Initiale MARTIN AMY 123 Main Street City, Province X0X 0X0		29	Employment code Code d'emploi	17	Employee's QPP contributions – see over Cotisations de l'employé au RRQ – voir au verso
		18	Employee's EI premiums Cotisations de l'employé à l'AE 315.90	26	CPP/QPP pensionable earnings Gains ouvrant droit à pension – RPC/RRQ 20,000.00
		20	RPP contributions Cotisations à un RPA	44	Union dues Cotisations syndicales
		52	Pension adjustment Facteur d'équivalence	46	Charitable donations Dons de bienfaisance
		55	Employee's PPIP premiums – see over Cotisations de l'employé au RPAP – voir au verso	50	RPP or DPSP registration number N° d'agrément d'un RPA ou d'un RPDB
		56	PPIP insurable earnings Gains assurables du RPAP		
Other information (see over)		Box – Case	Amount – Montant	Box – Case	Amount – Montant
Autres renseignements (voir au verso)		Box – Case	Amount – Montant	Box – Case	Amount – Montant

Takeaway points

Steps to follow

1. Review their background information and required slips
2. In **Interview setup**, tick the box next to **Pension income, other income and split pension income, COVID-19 benefits (T4A, T4A(OAS), T4A(P), T4A-RCA, T4RSP, T4RIF, T1032)** in the **Pension** section
3. Click **T4 and employment income** in the left-side menu, then click the + sign next to **T4 income (earned in any province except Quebec)** and enter the required information
4. Click **T4A and pension income** in the left-side menu, then click the + sign next to **T4A – Pension, retirement, annuity, and other income (COVID-19 benefits)** in the **Pension income** section

5. Select **[201] Repayments of a federal COVID-19 financial assistance** from the **OTHER INFORMATION (COVID-19 benefits)** drop-down menu to enter the amount from the individual's T4A slip

The individual who makes a federal COVID-19 benefits repayment for amounts they received in a prior year may claim the repayment as a deduction. As of 2023, they must claim the amount on line 23210 of their tax return for the year the repayment was made. They can no longer claim an amount on the tax return for the year the benefit was received. The repayment is found in box 201 of their T4A slip.

If the individual received their CERB from Service Canada, the repayment amount is reported in box 30 of their T4E slip, along with any other EI repayment amounts.

In this case, Amy's deduction for the \$2,000 repayment is claimed on line 23210 of her 2023 tax return.

For more information, refer to [UFile instructions](#).

Review your results

Federal	
	Amy Martin
◆ Total income	
10100 Employment income	\$20,000.00
15000 Total income	\$20,000.00
◆ Net income	
22215 Deduction for CPP and QPP enhanced contributions	\$149.40
23200 Other deductions	\$2,000.00
23600 Net income	\$17,850.60
◆ Taxable income	
26000 Taxable income	\$17,850.60
◆ Non refundable tax credits	
30000 Basic personal amount	\$15,000.00
30400 Amount for an eligible dependant	\$15,000.00
30800 CPP or QPP contributions through employment	\$739.54
31200 Employment Insurance premiums through employment	\$315.90
31260 Canada employment amount	\$1,368.00
33500 Total	\$32,423.44
33800 Total @ 15%	\$4,863.52
35000 Non refundable tax credits	\$4,863.52
◆ Refund or balance owing	
42900 Basic federal tax	\$0.00
40500 Federal foreign tax credit (T2209)	\$0.00
40600 Federal tax	\$0.00
42000 Net federal tax	\$0.00
42800 Provincial or territorial tax	\$0.00
43500 Total payable	\$0.00
◆ Payments and credits	
45300 Canada workers benefit (CWB) (schedule 6)	\$2,616.00
48200 Total credits	\$2,616.00
48400 Refund	\$2,616.00