

Practice with case studies

Families

Claiming child care expenses

Pre-test question

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

The individual enters the amounts paid into their own profile when claiming child care expenses using the tax software.

True

Sorry, that's incorrect

Child care expenses are entered into the profile of the child for whom the expenses were paid.

False

That's correct

Child care expenses are entered into the profile of the child for whom the expenses were paid.

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

Candice is a single parent with two children (Rose and Rhys). Both children attended daycare and Candice would like to claim those child care expenses.

Identification Information

Name	Candice Lockhart
Social insurance number (SIN)	000 000 000
Address	123 Main Street City, Province X0X 0X0
Date of birth (DOB)	May 15, 1986
Marital status	Divorced
Number of children (2)	Daughter: Rose Lockhart DOB: March 30, 2016 Son: Rhys Lockhart DOB: June 4, 2018

Required slips

T4 – Statement of Remuneration Paid

Employer's name – Nom de l'employeur 123456 Canada Ltd.		Canada Revenue Agency / Agence du revenu du Canada		T4 Statement of Remuneration Paid / État de la rémunération payée	
Year / Année: <input type="text"/>		Employment income / Revenus d'emploi: 14 <input type="text" value="42,275.00"/>		Income tax deducted / Impôt sur le revenu retenu: 22 <input type="text" value="2,807.00"/>	
54 Employer's account number / Numéro de compte de l'employeur: <input type="text"/>		Province of employment / Province d'emploi: 10 <input type="text"/>		Employee's CPP contributions – see over / Cotisations de l'employé au RPC – voir au verso: 16 <input type="text" value="827.36"/>	
Social insurance number / Numéro d'assurance sociale: 12 <input type="text" value="000 000 000"/>		Exempt – Exemption: 28 <input type="text"/> CPP/QPP, EI, PPIP, RPC/RRQ, AE, RPAP		EI insurable earnings / Gains assurables d'AE: 24 <input type="text" value="42,275.00"/>	
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres moulées): LOCKHART First name – Prénom: CANDICE Initial – Initiale:		Employment code / Code d'emploi: 29 <input type="text"/>		Employee's QPP contributions – see over / Cotisations de l'employé au RRQ – voir au verso: 17 <input type="text"/>	
123 Main Street City, Province X0X 0X0		Employee's EI premiums / Cotisations de l'employé à l'AE: 18 <input type="text" value="652.43"/>		CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ: 26 <input type="text" value="42,275.00"/>	
Other information (see over) / Autres renseignements (voir au verso)		RPP contributions / Cotisations à un RPA: 20 <input type="text" value="782.50"/>		Union dues / Cotisations syndicales: 44 <input type="text" value="165.00"/>	
Pension adjustment / Facteur d'équivalence: 52 <input type="text" value="1,605.00"/>		Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso: 55 <input type="text"/>		Charitable donations / Dons de bienfaisance: 46 <input type="text"/>	
RPP or DFSP registration number / N° d'agrément d'un RPA ou d'un RPDB: 50 <input type="text"/>		PPIP insurable earnings / Gains assurables du RPAP: 56 <input type="text"/>		RPP or DFSP registration number / N° d'agrément d'un RPA ou d'un RPDB: 50 <input type="text"/>	

T4E- Statement of Employment Insurance and Other Benefits

Canada Revenue Agency / Agence du revenu du Canada		T4E Statement of Employment Insurance and Other Benefits / État des prestations d'assurance-emploi et autres prestations			Protected B / Protégé B when completed / une fois rempli	
Year / Année: 7 <input type="text"/>	Repayment rate / Taux de remboursement: 14 <input type="text" value="30%"/>	Total benefits paid / Prestations totales versées: 15 <input type="text" value="840.00"/>	Regular and other benefits paid / Prestations régulières et autres prestations versées: 16 <input type="text" value="840.00"/>	Employment benefits and support measures paid / Prestations d'emploi et mesures de soutien versées: 17 <input type="text"/>	Taxable tuition assistance / Aide visant les frais de scolarité imposables: 20 <input type="text"/>	Non-taxable tuition assistance / Aide visant les frais de scolarité non imposables: 21 <input type="text"/>
Income tax deducted / Impôt sur le revenu retenu: 22 <input type="text" value="80.00"/>	Quebec income tax deducted / Impôt du Québec sur le revenu retenu: 23 <input type="text"/>	Social insurance number / Numéro d'assurance sociale: 12 <input type="text" value="00000000"/>	Other information (see the next page) – Autres renseignements (à la page suivante)			
Recipient's name and address – Nom et adresse du bénéficiaire CANDICE LOCKHART 123 Main Street City, Province X0X 0X0			Box / Case Amount / Montant			
			Box / Case Amount / Montant			
			Box / Case Amount / Montant			
			Box / Case Amount / Montant			
			Box / Case Amount / Montant			
			Box / Case Amount / Montant			
			Payer's name – Nom du payeur			

T4E (21)

Attach this copy to your federal return / Joignez cette copie à votre déclaration fédérale



Sunny Nursery Daycare Centre receipt

<p>Sunny Nursery Daycare Centre 100 Sunny Street City, Province X0X 0X0 Tel no.: 476-123-4567 Business no.: 1111111RT0001</p>	
To whom it may concern:]	January 25, 2024
Candice Lockhart paid the following amounts in 2023 for child care services for her children:	
Rose Lockhart (daughter) = \$1,011.00	
Rhys Lockhart (son) = \$3,160.00	
Should you have any questions please do not hesitate to contact me.	
Sincerely,	
<i>Beth Lindale</i>	
Beth Lindale Program Supervisor	

Takeaway points

Steps to follow

1. Review their background information and required slips
2. Click **T4 and employment income** in the left-side menu, then click the + signs next to **T4 income (earned in any province except Quebec)** and **T4E – Employment insurance other benefits** and enter the amounts from each tax slip
3. Click **add dependant** next to **Family Head** (Candice Lockhart) tab to add each dependant
4. In the profile of each child, click on **Dependant ID** in the left-side menu and complete the **Dependant Identification** page
5. Click **Child care** in the left-side menu of each dependant’s profile, then click the + sign next to **Daycare (includes day camp)** to enter the amount paid for that child

The amount paid per child must be entered in each child’s individual profile when claiming child care expenses in the tax software.

In this case, the amount of \$1,011 is entered under Rose’s profile and \$3,160 is entered under Rhys’ profile. UFile automatically calculates the total amount of eligible child care expenses and enters it on line 21400 of Candice’s tax return.

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

Review your results

Federal	
Candice Lockhart	
◆ Total income	
10100 Employment income	\$42,275.00
11900 Employment Insurance and other benefits	\$840.00
15000 Total income	\$43,115.00
◆ Net income	
20600 Pension adjustment	\$1,605.00
20700 Registered pension plan deduction	\$782.50
21200 Annual union, professional, or like dues	\$165.00
21400 Child care expenses (T778)	\$4,171.00
22215 Deduction for CPP and QPP enhanced contributions	\$139.05
23600 Net income	\$37,857.45
◆ Taxable income	
26000 Taxable income	\$37,857.45
◆ 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	\$688.31
31200 Employment Insurance premiums through employment	\$652.43
31260 Canada employment amount	\$1,368.00
33500 Total	\$32,708.74
33800 Total @ 15%	\$4,906.31
35000 Non refundable tax credits	\$4,906.31
◆ Refund or balance owing	
42900 Basic federal tax	\$772.31
40500 Federal foreign tax credit (T2209)	\$0.00
40600 Federal tax	\$772.31
41700 Line 40600 - 41600	\$772.31
42000 Net federal tax	\$772.31
42800 Provincial or territorial tax	\$411.45
43500 Total payable	\$1,183.76
43700 Total income tax deducted	\$2,887.00
◆ Payments and credits	
45300 Canada workers benefit (CWB) (schedule 6)	\$1,211.48
47900 Provincial or territorial credits	\$2,377.47

48200 Total credits	\$6,475.95
48400 Refund	\$5,292.19