

Orientation to Ontario

MONEY & PERSONAL FINANCES

BANKS AND CREDIT UNIONS

Banks and credit unions offer many financial services including:

- Chequing and savings accounts.
- Debit cards for accessing your accounts at an automated banking or teller machine (ABM or ATM) and for Interac point-of-sale purchases.
- 24-hour Internet and telephone banking.
- Credit cards, lines of credit, loans, mortgages.
- Investment products and financial planning.

Many banks and credit unions charge a monthly fee for their services, however there are some banks that offer no-fee banking options. Ask about banking fees before opening any account. You will need to show two pieces of identification: one that has your photo and signature and another that shows your address.

CREDIT

Credit cards and loans are the most common types of credit. When you use credit, you will be charged interest by the lender (usually a bank or credit card company). The interest rate is a percentage of the total amount borrowed.

The longer it takes to pay back a debt, the more interest you will pay. Read the Welcome to Canada guide to find out more about different types of credit and loans: canada.ca or findlink.at/welcomecan

Your credit history is a record of your past loans, credit and payments. Most people begin to build their credit history with a credit card. Responsible use of credit shows lenders that you are a good candidate for a loan. Talk to someone at your bank about credit card programs for newcomers.

For more information, visit the Financial Consumer Agency of Canada at fcac-acfc.gc.ca

For information on fraud and identity theft, read Industry Canada's online Consumer Handbook: consumerhandbook.ca or findlink.at/CCHanbook

TAXES

Governments in Canada use taxes to pay for public services and infrastructure like health care, schools and highways. For a description of the different types of taxes, visit the Ministry of Finance at ontario.ca or findlink.at/Finance

Income Tax – If you are a resident of Canada, you must file an income tax return every year with the Canada Revenue Agency (CRA).

Most employees have taxes taken out of their paycheck—contract workers and the self-employed must pay taxes themselves.

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Many people get money back from CRA after they file their return and claim available credits and expenses. Federal tax returns also include a section for provincial income tax. You can get free help completing your return through the Community Volunteer Income Tax Program.

For more information, visit the Canada Revenue Agency (CRA) at canada.ca or findlink.at/incometax

Sales Tax – All consumers in Ontario pay the Harmonized Sales Tax (HST) on consumer goods and services.

Necessary items such as groceries, diapers and children’s clothes are not taxed. Ontario’s HST is 13% of the sale price. Ontario residents with low or moderate incomes get a small portion of the HST back from the CRA. You can apply for the HST credit on your annual income tax return. Payment amounts depend on your income level.

For more information on the HST credit, visit canada.ca or findlink.at/GST-HST

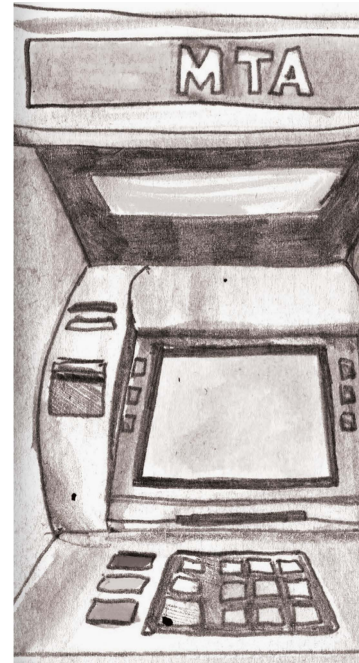
Property tax – Owners of property must pay a tax to their municipality. The municipal government decides the rate of this tax and the amount owed is based on the value of the property. If you rent your home or business, you do not have to pay property tax, but the cost of property tax is part of what determines rental rates.

TAX CREDITS AND BENEFITS

There are many income supports available to Ontario residents based on their income tax return, like the HST credit. It is important to file a tax return even if you do not have income.

Two important credits include the Working Income Tax Benefit (WITB) and the Canada Child Benefit (CCB). The WITB and CCB are based on your income. Note that your spouse or common law partner must also file a tax return every year to be eligible for tax credits and other benefits

For more information on tax credits and benefits, visit the Canada Revenue Agency at canada.ca or findlink.at/cra-bnft



IMPORTANT NOTE

Protect your identity by using an Ontario driver's license or photo card for identification.

Do not use your Social Insurance Number.

