

Money and 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 Machine (ABM) or Automated Teller Machine (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

Most banks and credit unions charge a fee each month for their services. There are also some banks that offer no-fee banking. Ask about banking fees before you open your account.

When you open an account, you need to show two pieces of identification. One must have your photo and signature. The other must show your address.

Credit

Credit cards and loans are the most common types of credit. When you use a credit card, the bank or credit card company charges interest. When you borrow money, you must pay back your loans by making regular payments. It is important to understand how much and how often you need to pay before you take out the loan or credit.

You have to pay interest. Interest is the fee for borrowing the money. The longer it takes to pay back your debt, the more interest you will pay.

Your credit history is important. It shows your past loans, credit and payments. If you are responsible with your credit, it shows banks and other lenders that they can trust you to pay back your loan. Most people get a credit

card to start building their credit history. Talk to someone at your bank about credit card programs for newcomers.

More information about different types of credit and loans at Welcome to Canada: <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/publication-welcome-canada-what-you-should-know.html>

More information at the Financial Consumer Agency of Canada: <https://www.canada.ca/en/financial-consumer-agency.html>

Learn more about financial literacy programs or how to build your assets: <http://seedwinnipeg.ca/programs>

Taxes

Everyone must pay tax. The Government of Canada uses taxes to pay for services such as health care, schools and highways.

Learn about the different types of taxes at the Ministry of Finance: www.gov.mb.ca/finance/
<https://www.gov.mb.ca/finance/taxation/>

Income Tax

Canadian residents pay income tax on income they receive from inside and outside Canada. You need to submit your tax return to show the government how much money you made and how much tax you paid each year. Here is some information about income tax:

- If you get a salary, your employer must take taxes and other amounts from it throughout the year. If you are self-employed, you may have to pay your taxes in several installments or a one-time payment.
- You need to submit your Income Tax and Benefit Return each year. If you paid too much throughout the year, you will get money back. If you paid too little, you will have to pay more.



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- File your taxes before April 30. If you miss the deadline, you need to pay a penalty and interest if you owed a tax payment to the government. (If you are self-employed, you have until June 15.) You must file your income tax based on the province or territory where you lived on December 31 of each year.
- You can get the income tax forms you need online. Between February and May, you can also get the forms from Service Canada Centre or order them by phone at 1-855-330-3305. Federal and provincial/territorial income tax forms come in the same package in most provinces (except in Quebec).
- You need a Social Insurance Number (SIN) to file your taxes. You also need a SIN to qualify for tax benefits and other programs.
- If you are leaving Canada for a long time, tell the Canada Revenue Agency. You may need to file a tax return for that year.

You can get free help with your income tax return through the Community Volunteer Income Tax program.

- More information:
<https://www.canada.ca/en/revenue-agency/services/tax/individuals/community-volunteer-income-tax-program.html>

More information about filing personal income tax at Canada Revenue Agency (CRA):

<https://www.canada.ca/en/services/taxes/income-tax/personal-income-tax.html>

Tax Credit and Benefits

There are many income supports for Manitoba residents based on their income tax return. One example of this is the GST credit.

Two important credits include:

- Working Income Tax Benefit (WITB)
- Canadian Child Benefit (CBB).

The WITB and the CBB credits are based on your income. If you have a spouse or common law partner, they must also file an income tax return every year to get some tax credits and other benefits.

Important Note: It is important to file an income tax return even if you do not have income.

- More information:
<https://www.canada.ca/en/revenue-agency.html>
<https://www.gov.mb.ca/finance/personal/pcredits.html>

Personal Income Taxes

The Canada Revenue Agency (CRA) collects federal individual income taxes. They also collect individual provincial income taxes for Manitobans.

Residents of Canada must pay Canadian income taxes on their income. A resident is someone who lives in Canada for most of the year or has a home or family in Canada. CRA may also decide you are a resident if you own personal property or have social connections in Canada. If you stay in Canada for 183 days or more in a year, CRA may consider you to be a resident of Canada. In that case, you need to pay Canadian income taxes.

- Learn more about personal income tax:
Manitoba Individual Income Tax
<https://www.gov.mb.ca/finance/personal/ptaxes.html#mb>
Federal Individual Income Tax
<https://www.gov.mb.ca/finance/personal/ptaxes.html#fed>

More information about residency for Canadian income tax purposes:

Call 1-800-267-5177

Sales Tax

There are two kinds of sales tax that you must pay on the things you buy and the services you use:

- Goods and Services Tax (GST) – You pay 5%.
- Provincial Sales Tax (PST) – You pay 7%.

In Manitoba, the total charge for GST and PST is 12% of the price.

Manitoba residents with lower incomes get some of the GST back from the CRA. You must apply for the GST credit on your annual income tax return. The amount of your payment depends on your income level.

- More information on the GST and PST:
<https://www.canada.ca/en/revenue-agency/services/child-family-benefits/goods-services-tax-harmonized-sales-tax-gst-hst-credit.html>

Property Tax

If you own property, you must pay a tax to your municipality. The municipal government decides the rate of this tax. The amount you owe is based on the value of your property. If you rent your home or business, you do not have to pay property tax, but the cost of the property influences your rental rate. In other words, you pay more rent when you rent a property with a higher value.