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## TIPS FOR TALKING TO TEENS ABOUT PERSONAL INCOME TAX

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Helping young adults understand their tax responsibilities is an important part of supporting their financial literacy. Find opportunities to talk to them about income tax using the following discussion tips.

**1. We may not get to keep all the money that we earn. Personal income tax is usually deducted directly off our pay cheque.**

- ✓ Review their pay cheque with them. Discuss the different deductions, including personal income tax.
- ✓ Discuss different types of income you have to pay tax on, like full and part-time wages, tips, and selling goods or services online, as well as income you do not have to pay tax on, like scholarships and monetary gifts.

**2. Everyone must file an income tax and benefit return each year they earn income.**

- ✓ Discuss different options available to file an income tax and benefit return (online, paper, professional tax preparer, free Canada Revenue Agency tax clinic, etc.).
- ✓ At tax time, engage them in the tax filing process. Review resources available to help complete the tax return.

**3. Even if we do not earn income, filing a tax return before we turn 19 can result in government payments to help with living expenses.**

- ✓ If you receive the Ontario Trillium Benefit, discuss the payments and explain the application process.
- ✓ Discuss how credits and benefits apply to people at various stages of their life (e.g., students, seniors, etc.).

**4. Understanding the personal income tax system is an important part of managing financial resources responsibly.**

- ✓ Discuss how paying taxes and receiving credits and benefits may impact their budget.
- ✓ Discuss savings options like Tax-Free Savings Account (TFSA), Registered Education Savings Plan (RESP), and Registered Retirement Savings Plans (RRSP). Take them to an appointment with a banking professional to learn more.

[Learn More](#)

Visit [www.ontario.ca/taxreturn](http://www.ontario.ca/taxreturn) to watch videos, access tax credit and benefit calculators and learn more about personal income tax.