



Money Management



Step-by-Step Guide for Newcomers

Generously funded by



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IRCC facilitates the arrival of immigrants, provides protection to refugees, and offers programming to help newcomers settle in Canada. It also grants citizenship, Permanent Residency and issues travel documents (such as passports) to Canadians.

For more information about the IRCC, visit <https://www.canada.ca/en/immigration-refugees-citizenship.html>.

The Immigrant Education Society (TIES) is grateful for the generosity of IRCC.



The Immigrant Education Society (TIES) is a not-for-profit charitable organization established in 1988 with one primary goal: to provide New and existing Calgary immigrants with a solid foothold in Canada and afford them the opportunities to grow into productive, confident and contributive Canadians.

For more information about TIES, visit <https://www.immigrant-education.ca>.

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For more information about At Work Learning, visit <http://www.atworklearning.com>.



Treaty 7 Land Acknowledgment

In the spirit of reconciliation, we acknowledge that we live, work and play on the traditional territories of the Blackfoot Confederacy: Siksika (Seeg-see-kah), Kainai (G-ai-nah), Piikani (Pee-gah-nee), as well as the Iyaxe Nakoda (ee-YETH'kah nah-COH-dah WHISK-at-tah-bay), and Tsuut'ina (Soot-tenna) Nations, the Metis Nation (Region 3), and all people who make their homes in the Treaty 7 region of Southern Alberta.

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INTRODUCTION

Welcome to Canada and Alberta! As a safe and welcoming province, Alberta offers a great quality of life and many opportunities to grow, learn and develop personally and professionally in an economically diverse environment. We hope this guide will provide useful information for you when it comes to managing your money.

Money management means having a clear and thorough understanding of how to be more **fiscally** (financially) responsible. Having money management skills is about having the knowledge and confidence to make good financial decisions and it also means knowing how to work and plan financially toward your goals.

As a newcomer to Canada and Alberta, it is important for you to understand Canada's economic system. This means learning how to interact financially with all 3 levels of government, federal (Government of Canada), provincial, (Government of Alberta), and municipal (City of Calgary or other local government). These interactions include how and when to properly file and pay your income taxes, how and where to invest, how to build positive credit history and more. Knowing the basics will help you get started and allow you to develop positive habits that will lead to ongoing financial success.

Money management also means understanding the short and long term impacts of the choices you make as a consumer. Understanding these impacts can help you keep track of your **expenses**, build your savings, and establish good credit. Being a smart consumer can help you manage your money and plan financially so that you live comfortably with the money you have while also building savings in order to achieve long term goals.

What is not included in this guide is money management information for life changing events. Life changing events include situations such as fire, flood, major education decisions, marriage, job loss, a new baby, death, pandemics or moving. The municipal, provincial and federal government web sites and multicultural centres are good resources when these kinds of life changing events happen. They can provide you with direction and support. See the list of resources in [Appendix A](#) of this guide.



About This Guide

This guide was created by community partners and money management experts to become part of The Immigrant Education Society's welcoming package for newcomers to Canada. It has been designed to help you understand key areas of money management. At the end of a few sections, you can find an activity to help you review what you have learned. This guide will help you understand the basics of money management and financial planning for your life in Alberta, and Canada. When you need to make decisions about planning and managing your money, this guide will help you identify the organizations and people to contact.

For more information and assistance about money management and financial planning, call your bank or other financial institution and/or professional financial planner for extra help and assistance.

At the end of this guide you can find a glossary of terms that explains words that are in purple.





WHAT IS A FINANCIAL INSTITUTION?

Financial institutions (the most common ones are banks), are companies that deal with financial and monetary **transactions** such as **deposits**, loans, investments, and currency exchange. Almost everyone living in a developed economy like Canada needs the services of financial institutions.

These companies can be small in size such as local community credit unions or very large operations such as international investment banks.

<https://www.investopedia.com/terms/f/financialinstitution.asp>

Big 6 Canadian banks



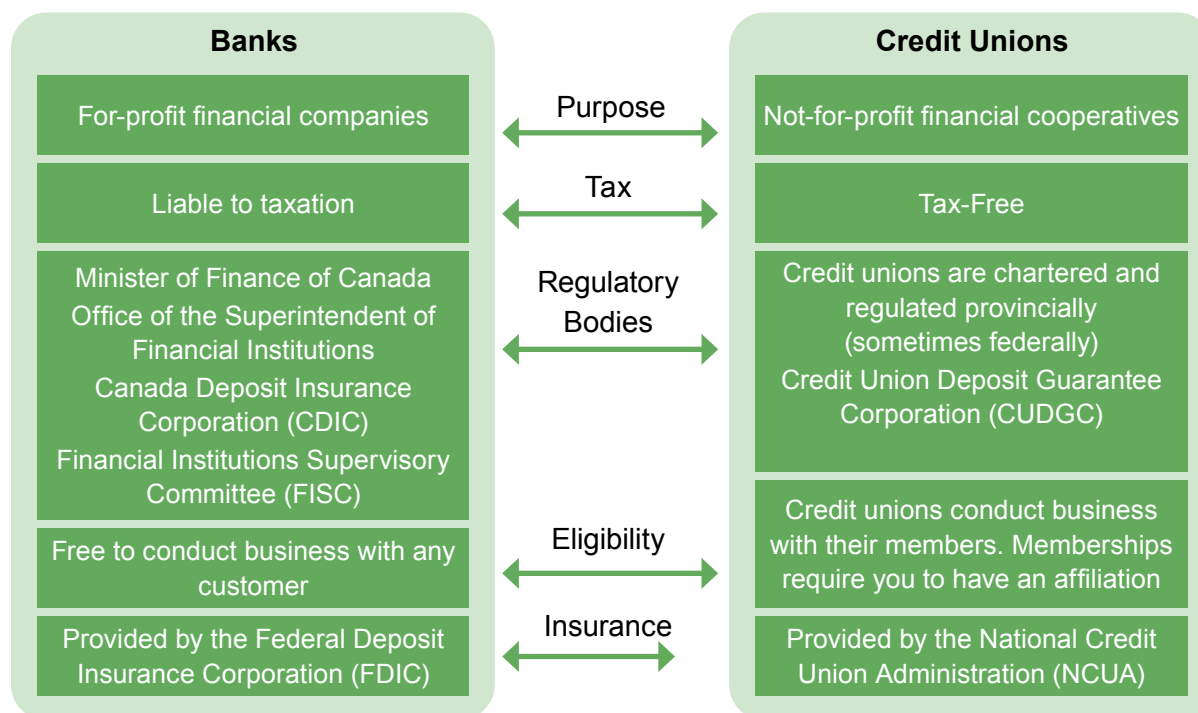
Scotiabank



Banks and Credit Unions

Banks and Credit Unions are financial institutions licensed to offer the following services:

- ▶ Chequing accounts
- ▶ Savings Accounts
- ▶ Credit cards
- ▶ Loans (Mortgage, Vehicle, Student Loans)
- ▶ Mobile Banking (Computer or Phone)
- ▶ ATM (Automatic Teller Machines)





What Type Of Account Should I Open?



Chequing accounts are used for regular day-to-day transactions. You can deposit money and withdraw money from your chequing account without paying any penalties. Money in your chequing account will not earn interest. There will almost always be a monthly **fee** charged to your chequing account by the financial institution. Sometimes this fee is waived (not charged) if you meet certain conditions. A common condition would be that you keep a minimum amount of money in your chequing account. This is called a minimum monthly balance.

There are many different transactions you can make with your chequing account, including:

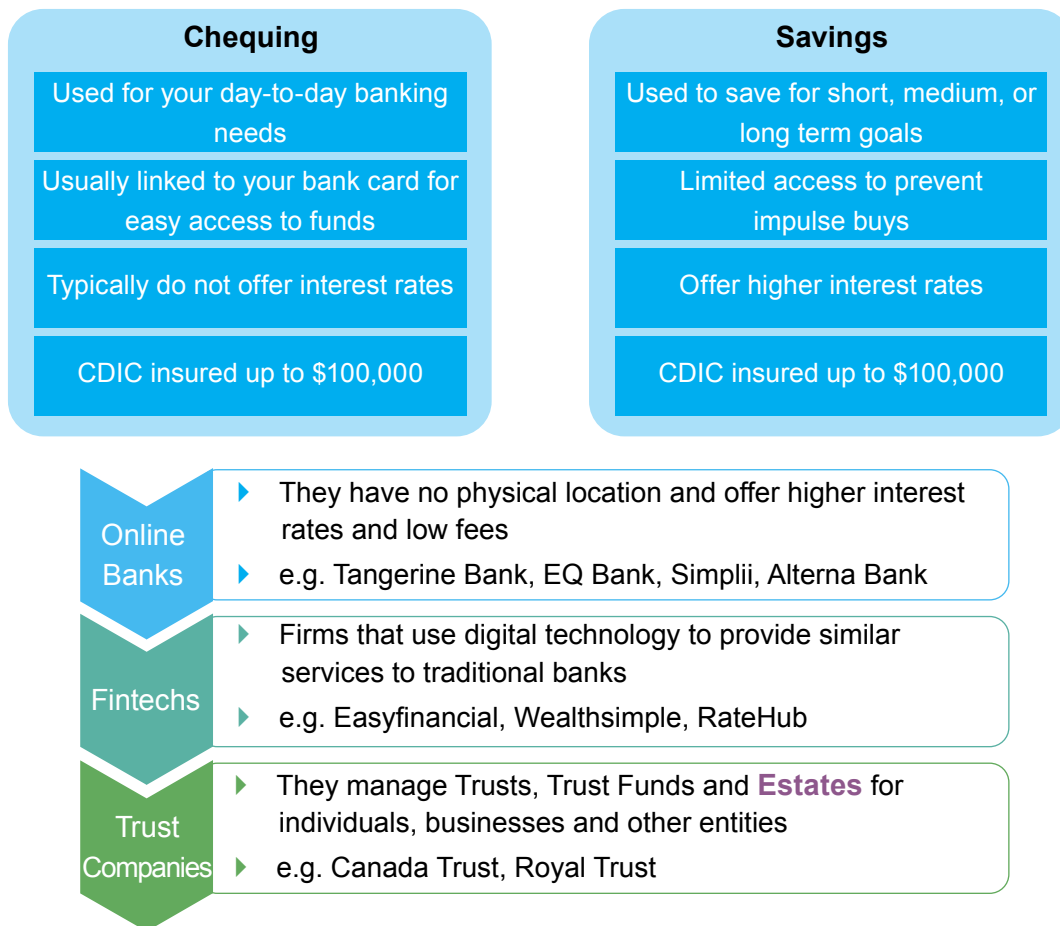
- ▶ **Deposits** (cash and cheques)
- ▶ **Withdrawals** (ATMs, bank tellers, in stores)
- ▶ One-time payments for goods and services (groceries, clothing, food)
- ▶ One-time **bill** payments
- ▶ Pre-authorized payments (insurance, mortgage, rent, utilities)
- ▶ Transfers (between two users of the same lending institution)
- ▶ E-mail money transfers (e-Transfers) between two users of different lending institutions (send and receive)



A savings account is an account that pays **interest** (money) on the money you deposit. The money you deposit is called the **principal**. A minimum deposit is almost always required to open a savings account. Many people who open a savings account also have a chequing account for their day-to-day banking.

Use these links to compare different bank account fees and Interest rates:

- ▶ <https://www.moneysense.ca/save/best-chequing-account-canada/>
- ▶ <https://www.canadacreditunions.ca/>
- ▶ <https://albertacreditunions.com/credit-union-101/what-is-a-credit-union/>



▶ What is a Debit Card used for?

A debit card is used for store purchases and online purchases.

▶ What does Online Banking allow you to do?

Online banking allows you to see your account balances, transfer money from one account to the other, make e-transfers, pay **bills** & deposit cheques.

▶ What are Direct Deposits, Pre-authorized Debits, and Pre-authorized Contributions?

- Direct deposits are automatic deposits of money into your bank account. You can arrange direct deposits with your employer or a government agency to have your pay cheques or social assistance payments automatically deposited into your bank account.
- Pre-authorized debits are automatic payments from your bank account. You can arrange these payments to automatically pay recurring bills such as phone bills, insurance (vehicle, life, home), utility bills, rent, loan and mortgage payments.
- Pre-authorized Contributions (PAC) plan transfers a pre-selected amount of money from one of your accounts and adds it to your investment or savings account on a regular basis.



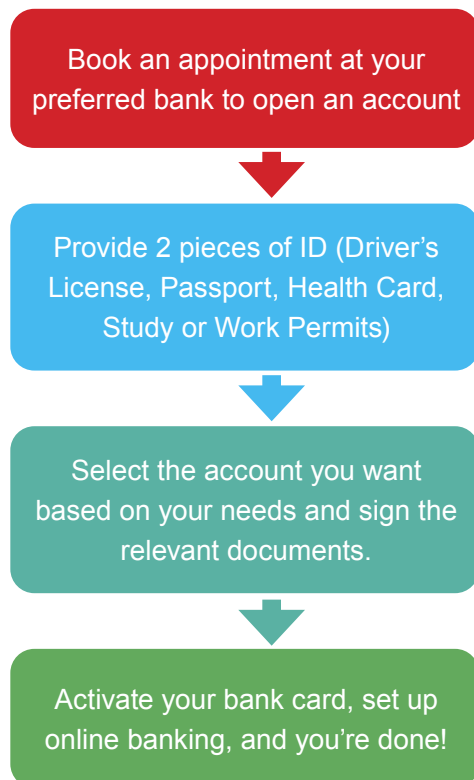
Opening an Account

When you want to use a bank or a credit union, you will need to open an account with them. When you open an account, you will need to show them two pieces of identification (ID). One of your pieces of ID must have a photo of you on it. This is called photo ID.

Examples of forms of ID:

- ▶ Driver's License
- ▶ Passport
- ▶ Permanent Residency Card or Citizenship and Immigration Canada Form
- ▶ Birth Certificate (if issued in Canada)
- ▶ **Social Insurance Number**
- ▶ Provincial Health Card
- ▶ An Employee Identity Card (with photograph) issued by a well-known employer
- ▶ Major Credit Card
- ▶ Nexus Card

The Account Opening Process



Financial Rights

If you have any concerns or complaints about your financial institution, you can contact The Financial Consumer Agency of Canada (FCAC). You can email, mail or telephone them and they will help you with your concern as quickly as possible.

Submit a question or complaint by telephone

For service in English:

1-866-461-FCAC (3222)

For service in French:

1-866-461-ACFC (2232)

For calls from outside Canada:

1-613-960-4666

"The FCAC Information Officers will listen to your concern or complaint. They are available from Monday to Friday, between 8:30 am and 5:00 pm Eastern time."



BANKING REVIEW

Review Key Concepts

1. I am new to Canada, these are the steps I should be taking to choose a financial institution:

2. When opening a bank account, I should bring the following documents:

3. List the differences between a chequing and a savings accounts:

4. Some of the benefits of online banking include:

Automated Teller Machine (ATM)

An ATM provides you with 24 hour access to simple transactions such as deposits and withdrawals. Please note that using an ATM that is not affiliated with the bank of your choosing could be costly. There are multiple fees per transaction, usually ranging from 3 to 4 dollars. When choosing the right institution for you, ask about ATM locations throughout the city.

Make a list of services you want and find out which ones meet your requirements.
The services that are important to me are:

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CREDIT

Credit Card Options

A credit card is a card that lends you a limited amount of money to pay for goods and services. You must pay the money back by a certain date.

There are **3** key differences between credit cards:

1. The **interest** rates
2. The **fees**
3. The rewards and benefits

Compare Credit Card Interest Rates

The interest rate you pay on your credit card may be important if you carry a **balance**. A balance is the amount of money you owe on your credit card. The higher the interest rate, the more interest you will pay on an **outstanding balance**. A lower interest rate card may save you money over time.

The interest rate may not be important to you when you choose a credit card if you:

- ▶ Pay your balance in full every month
- ▶ Do not take-out **cash advances** or make cash-like **transactions**

There are many credit cards available with low interest rates. Some low-rate cards charge an annual fee. Even if there is a fee, a low-rate card may be a better option.





Here is an example comparing low interest rate credit cards and standard credit cards:

Suppose you always carry a **balance** on your credit card. Your current credit card has an interest rate of 21% and no annual fee. You want to pay off your balance in one year and are thinking of changing to a low interest rate card with a 9% interest rate and a \$50 annual fee.

Table 1: Compare the total cost of your current credit card with a low-rate card over a one-year period

Type of credit card	Balance Owning	Interest Rate	Annual Fee	Interest Paid	Total cost to pay off balance (including annual fee)
Current Card	\$4,000	21%	\$0	\$472	\$4,249
Low Interest Rate Card	\$4,000	9%	\$50	\$199	\$4,026

In this example, you will pay \$223 less in interest with the low interest rate card. This is even with the \$50 annual fee. In this example, you do not use your credit card while you pay down your balance.

Compare Credit Card Fees

When you use a credit card, you may have to pay fees for services like taking out a **cash advance** or using your card in foreign countries.

Different credit cards have different fees.

Credit card companies that are federally (government) regulated financial institutions must:

- ▶ Tell you before they increase fees or introduce new fees
 - ▶ Show the credit card fees they charge in their credit card application forms
 - ▶ Give you key details about their credit card. These details include interest rates, fees and other charges and are shown in an information box when you apply for a credit card
- Carefully read the terms and conditions of the credit card on the application and agreement. Ask questions about anything you do not understand.

Source: <https://www.canada.ca>



Credit Card Options

Depending on your credit history and spending habits, a specialized credit card may be right for you. Here are examples of specialized credit cards:

▶ Student credit cards

Some credit cards are made specifically for students. These cards almost always have lower credit limits than standard credit cards. They may have benefits specifically meant for students, like discounts at certain retail stores.

Low interest rate student credit cards are also available.

▶ Retail credit cards

A retail credit card is a credit card that lets you earn rewards, such as discounts, at a specific retail store. Retail stores can offer extended interest-free periods, discounts, or reward programs with in-store credit cards. Remember that you only get these benefits when you buy things from the store that issued the credit card.

If you shop at one store a lot, you may benefit from its rewards programs. Be sure to think about and compare the benefits to any interest or fees you may pay. For example, if you have not paid your **balance** in full when the interest-free period ends, you will have to pay interest. The interest will be charged starting from the date you made the purchase. The interest rate on retail credit cards is usually high, so even the things you bought at a discount may end up costing you more than the regular price.

▶ U.S. dollar credit cards

A U.S. dollar credit card may work for you if you buy a lot of goods or services in U.S. dollars. With this type of credit card, you may avoid having to pay foreign currency conversion rates because you are paying in U.S. dollars.

▶ Secured credit cards

When you get a secured credit card you have to give a **security deposit** to the financial institution that issues the credit card.

Your credit limit is normally set as a percentage of your security deposit. The percentage amount will be equal to or higher than your security deposit. Depending on the credit limit you want, the security deposit can be between a few hundred dollars and a few thousand dollars.

If you do not make your payments, the financial institution may use your deposit to pay the money you owe.



A secured credit card might be right for you if you:

- ▶ Are a newcomer to Canada and have no credit history
- ▶ Have filed for **bankruptcy** in the past
- ▶ Have had credit problems and want to rebuild your **credit score**

To build your credit history or improve your credit score, make all your payments on time.

"Be careful when applying for a secured card from an unknown financial institution and be extra careful around companies from outside of Canada that offer secured cards. If you have problems with the company's services, it may be more difficult to resolve them."

A secured credit card from a company that is **not** a brand name (VISA, MasterCard American Express) may have limited use for you. Cards that are not brand names can only be used at a small number of stores. Or, you may only be able to buy things at certain store locations.

Getting a secured credit card

Sometimes you have to pay a one-time application or set up **fee** to get a secured credit card. This fee is not part of your **security deposit**. You may not get the set-up fee back if your application is turned down.

Sometimes there is also an annual fee for a secured credit card.

Check with your bank or other financial institution to make sure your security deposit is insured. Your bank or other financial institution usually holds your security deposit. It may also make arrangements with another financial institution to hold your security deposit.

Make sure you understand all the terms and conditions that come with a secured card before you accept it.



Cancelling your secured credit card:

To cancel a secured credit card you need to pay off the entire balance.

You will get your security deposit back when you close your account.

Source:

<https://www.canada.ca/en/financial-consumer-agency/services/credit-cards/choose-credit-card.html#toc1>



Credit Report/Scores

To get a credit card or loan you will need a **credit score**. Your credit score is a number calculated from the information in your credit report. Your credit score shows the risk you represent to a **lender** compared to other consumers. (Lenders are companies like banks and credit card issuers) When you know your credit score you can sometimes get lower interest rates for buying big things like a car or a home. A lender will use your credit score to decide if they will lend you money and how much interest they will charge you to borrow it.

Some companies will give you your credit score for free. Others may ask you to sign up for a paid service to see your score.

Make sure you research a company before giving it any of your personal information.

Carefully read the **terms of use** and **privacy policy** to know how your personal information will be used and stored. For example, find out if your information will be sold to a third party.

If your information is sold to a third party, you could get unexpected offers for products and services. Fraudsters (fake companies) might offer free credit scores to get you to give them your personal and financial information.

You usually need to pay a fee when you order your credit score online from the two credit bureaus.

How to get a free credit report:

Order a copy of your credit report from Equifax Canada and from TransUnion Canada. These two credit bureaus might have different information about how you have used credit in the past. Ordering your own credit report will not affect your credit score.

If you order your credit report by mail or fax:

- ▶ Make your request in writing using the forms from Equifax and TransUnion
- ▶ Make copies of two pieces of acceptable ID (your driver's license or passport are acceptable pieces of ID)
- ▶ You must receive your credit report by mail



Equifax Canada
Tel: 1-800-465-7166

TransUnion Canada
Tel: 1-800-663-9980 (except Quebec)
Tel: 1-877-713-3393 (Quebec residents)



If you order your credit report by phone, call each credit bureau and follow the instructions:

- ▶ You will need to confirm your identity by answering some personal and financial questions
- ▶ You may also need to give your **Social Insurance Number** and/or a credit card number to confirm your identity
- ▶ You must receive your credit report by mail

If you get your credit report online:

- ▶ If you want to see your credit report right away, you can order it online. You may have to pay a fee
- ▶ There are free applications like Credit Karma or Mogo
- ▶ TransUnion allows you to order your credit report online once a month for free



Source:

<https://www.canada.ca/en/financial-consumer-agency/services/credit-reports-score/order-credit-report.html>



IDENTITY THEFT

Identity (ID) theft is a serious crime. It happens when a scammer uses your personal information—without your knowledge or consent—to commit fraud or theft.

Take all of the steps below to avoid becoming a victim of ID theft:

- ▶ Do not give out your personal information online, by phone or by mail when you did not start the interaction. Only give out your personal information when you started the interaction or **transaction**, and you are sure you can trust the company or person to keep your personal information secure.
- ▶ When you leave home, only take the ID you need; leave important ID documents at home.
- ▶ Keep important ID documents like your birth certificate, Social Insurance Number (SIN) and passport in a safe place.
- ▶ Choose a strong personal identification number (PIN) or password. Do not include your name, telephone number, date of birth, address or SIN in your PIN.
- ▶ When you enter your PIN in a keypad, use your hand or body so no one else can see the keypad.
- ▶ Never give your PIN or password to anyone. This includes friends, family, the staff members at your bank or financial institution or even police.
- ▶ If you think someone knows your PIN, change it right away, and then inform your bank or financial institution.
- ▶ When you throw out your expired or unused credit and debit cards or anything that has your personal information on it, make sure you shred or destroy it first.
- ▶ Ask about the security of your personal information at work, with businesses and with charities.
- ▶ Review your financial statements (bank and credit card statements) as soon as you get them. If you see any mistakes, call your financial institution right away.
- ▶ Get a copy of your credit report every year, and make sure the information is correct.
- ▶ If your credit or debit cards have been lost or stolen, contact the financial institutions that issued the cards immediately.
- ▶ If you don't know why someone is asking for your personal information, ask them why they want it.

If you receive a call or email from the Canada Revenue Agency (CRA), make sure it's real! The CRA will never use aggressive or threatening language, threaten you with arrest or send police, ask you for payments using prepaid credit cards or gift cards, such as iTunes, Home Depot, Target or send payments using Interac e-transfer, use text messages to communicate with you under any circumstances, or send you emails asking for financial information.



The Personal Information Protection and Electronic Documents Act (PIPEDA) sets the rules for how governments, businesses and other types of organizations should handle the personal information they collect from you.

Your provincial or territorial consumer affairs office may also be able to tell you about similar laws that apply where you live.

For a complete list of the type of information ID thieves look for, visit the Identity Theft and Identity Fraud web page.

<https://www.antifraudcentre-centreantifraude.ca/scams-fraudes/identity-identite-eng.htm>

Protect Your Personal Information Online

The Internet makes it easy for you to complete transactions and connect with others, but it also makes it easier for criminals to get your personal information.

Online privacy tips:

- ▶ Re-enter your password every time you use an online service or go to your accounts. Avoid using automatic login features.
- ▶ Always use a secure connection when using web mail or making online transactions.
- ▶ Only do online shopping with companies you know and trust.
- ▶ Never send personal information using Wi-Fi in public places like restaurants, shopping centers or libraries.
- ▶ Keep your home and work locations private. If your cellphone, digital camera, and video camera have automatic geotagging, think about disabling this feature. Or, consider removing any geotags from photos and videos you share online.

Recognize Identity Theft and Fraud Threats

Watch for signs of ID theft and fraud. This will help you protect your personal information. In a book called the Little Black Book of Scams, you can find a list of things to watch for. This list is called Red Flags.

<https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04333.html>

Go to the Canadian Centre for Cyber Security's Alerts & Advisories web page to see the latest information on cyber threats that are happening or might be happening.

<https://cyber.gc.ca/en/>

Types of Scams

- ▶ Health and medical scams
- ▶ Romance scams
- ▶ Business scams
- ▶ **Phishing and smishing scams**
- ▶ Emergency scams
- ▶ Tax scams





LOAN OPTIONS

Lines of Credit

A line of credit is a kind of loan that lets you borrow money up to a pre-set limit. You do not have to use the money for a specific purpose. You can use as little or as much of the money as you want, up to the set maximum amount.

You can pay back the money you owe at any time. You only have to pay **interest** on the money you borrow. Ask your bank or financial institution about any fees you will have to pay with a line of credit.

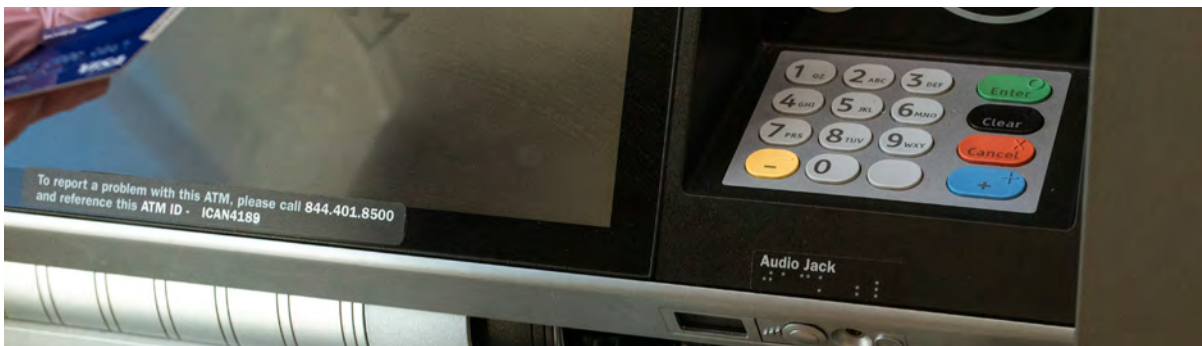
To get money from your line of credit, you can:

- ▶ Write a cheque drawn on your line of credit
- ▶ Use an automated teller machine (ATM)
- ▶ Use telephone or online banking to pay a bill
- ▶ Use telephone or online banking to transfer money to your chequing account

Lenders will ask you for proof that you have:

- ▶ A regular income
- ▶ A bank account
- ▶ A permanent address

"Your lender may offer you a line of credit loan for more than what you need. Be careful not to borrow more than you can pay back."



Personal Loans

When you get a personal loan, you borrow a fixed (set) amount of money and pay it back over a period of time. You must pay back the full amount, the interest, and any fees the **lender** charged. You pay back the loan by making regular payments, called **installments**. Personal loans are also called long-term financing plans, installment loans and consumer loans.



Payday Loans

A payday loan is a short-term loan with high **fees**. These high fees make payday loans a very expensive way to borrow money. You must pay the loan back from your next paycheck.

In the following provinces, you have up to 62 days to pay back a payday loan:

- ▶ Alberta
- ▶ British Columbia
- ▶ Manitoba
- ▶ New Brunswick
- ▶ Ontario

If you cannot pay your payday loan back on time, you will have to pay more fees and interest charges. This will increase your **debt**.

Privately-owned companies offer payday loans in stores and online.

Payday loans are used for short periods, like when you run out of money and are waiting for your next pay day. Try not to use payday loans for regular expenses such as rent, groceries or utility bills. If you do, you could end up in financial trouble.

Debt Consolidation

Debt consolidation means you put all, or most of your **bills** together so that you only have to make one monthly payment at the lowest possible interest rate. This makes it easier to pay off debt because you only have one bill to worry about. It also helps you save money by minimizing **interest** charges. Doing this should help you get out of debt faster, even though you may pay less each month than you were before. The most popular way to consolidate debt is with a loan.

Types of debt you can consolidate:

- ▶ Credit cards
- ▶ Retail store cards
- ▶ Gas cards
- ▶ Unsecured personal loans, including
- ▶ Unsecured lines of credit (LOCs)
- ▶ Public utility debts
- ▶ Child support **arrears**
- ▶ Tax debt
- ▶ Other consolidation loans

You cannot consolidate secured loans. A secured loan has **collateral**. Common secured loans are car loans or mortgages.

Source: <https://www.debt.ca/debt-consolidation>



BUDGETING

Reasons for Making a Budget

A budget is a plan that helps you manage your money. It helps you figure out how much money you get, how much you spend, and how much you save. Making a budget can help you balance your income with your savings and **expenses**. It guides your spending to help you reach your financial goals.

A budget is really helpful if you:

- ▶ Do not know where your money is going
- ▶ Do not save regularly
- ▶ Have problems paying off your debts
- ▶ Feel stressed about your finances
- ▶ Feel like you are not in control of your finances
- ▶ Want to make the most of your money
- ▶ Are planning for a big purchase or life event

Budget Example

PROJECTED MONTHLY INCOME	Income 1		
	Extra income		
	Total monthly income		
ACTUAL MONTHLY INCOME	Income 1		
	Extra income		
	Total monthly income		
PROJECTED BALANCE (Projected income minus expenses)			
ACTUAL BALANCE (Actual income minus expenses)			
DIFFERENCE (Actual minus projected)			
HOUSING	Projected Cost	Actual Cost	Difference
Mortgage or rent			
Utilities			
Maintenance or repairs			
Supplies			
Other			
Subtotals			
TRANSPORTATION	Projected Cost	Actual Cost	Difference
Vehicle payment			
Bus/taxi/Uber fare			
Insurance			
Fuel			
Maintenance			
Subtotals			
INSURANCE	Projected Cost	Actual Cost	Difference
Home			
Life			
Other			
Subtotals			
FOOD	Projected Cost	Actual Cost	Difference
Groceries			
Other			
Subtotals			
PETS	Projected Cost	Actual Cost	Difference
Food			
Other			
Subtotals			
PERSONAL CARE	Projected Cost	Actual Cost	Difference
Medical			
Hair/nails			
Clothing			
Memberships			
Other			
Subtotals			
ENTERTAINMENT	Projected Cost	Actual Cost	Difference
Movies/Concerts/Events/Dinning			
Other			
Subtotals			
LOANS	Projected Cost	Actual Cost	Difference
Personal			
Student			
Credit card			
Other			
Subtotals			
TAXES	Projected Cost	Actual Cost	Difference
Property			
Other			
Subtotals			
SAVINGS OR INVESTMENTS	Projected Cost	Actual Cost	Difference
Retirement account			
Investment account			
Other			
Subtotals			
GIFTS AND DONATIONS	Projected Cost	Actual Cost	Difference
Charity 1			
Subtotals			
LEGAL	Projected Cost	Actual Cost	Difference
Attorney			
Other			
Subtotals			
TOTAL PROJECTED COST			
TOTAL ACTUAL COST			
TOTAL DIFFERENCE			

Source: Microsoft Excel Template



Making a budget can help you:

- ▶ Set limits on how much money you spend
- ▶ Find ways to pay down your debts
- ▶ Reduce your expenses and save more
- ▶ Feel in control of your money
- ▶ Live within your means (live comfortably with the money you have)
- ▶ Reduce stress
- ▶ Have more money for things that are important to you

Think About Your Financial Goals

Think about your short-term and long-term goals. Make saving for those goals part of your budget. For example:

Short-term goals could be:

- ▶ Paying off your credit card
- ▶ Reducing your weekly expenses
- ▶ Starting to build an **emergency fund**

Long-term goals could be:

- ▶ Paying off all of your debts
- ▶ Saving to buy a home, a car or going on a trip
- ▶ Saving to start a family, to go to school, or to retire.

Evaluate Your Needs and Wants

A **need** is something you must have. A need is necessary, required or essential. For example, a place to live, clothing, food, or medication.

A **want** is something you would like to have. It is not something you need. For example, restaurant meals, a trip, a gym membership, or designer shoes.

To make a smart budget, you should know the difference between your needs and your wants. Needs and wants are not the same for everyone. One person's want may be another person's need. For example, if you live near a bus route, a car may be a want, but not a need.

If you do not live near a bus route and cannot ride a bike to work, you may need a car.

Your needs and wants can change over time. For example, you may need a big house while your kids are growing up. When your kids leave home, you may only need a condo or a smaller house.

When you know what your needs and wants are, you can start your budget.

Knowing your needs and wants will help you determine where you should focus your attention or try to reduce costs. Everyone's situation is different and while the guidelines can't apply to everybody, they provide a good starting point.

Source: <https://www.canada.ca/>



Housing Options

Buying a House

If you have never bought a house of your own, the first time you do will be exciting. Here are some questions to ask yourself before you buy a house:

- ▶ Is the price fair?
- ▶ Is the location good for my family?
- ▶ Is it a good time to buy a house or should I wait?
- ▶ Can I think of any changes coming that should make me wait?
- ▶ Will I be able to make my payments if I lose my job/income?
- ▶ What will I do if something happens that I wasn't expecting?



Mortgages

A mortgage is a kind of loan you get when you want to buy a house. Your bank will charge **interest** on the money you borrow. The money you borrow is called the **principal**. There are different kinds of mortgages for different situations. Make sure you understand all the options different banks can offer you when you shop for a mortgage. This will help you pick a mortgage that works best for you.

The two basic, most common mortgages are **open mortgages** and **closed mortgages**.

The main difference between open mortgages and closed mortgages is how the payments work.

- ▶ An **open mortgage** lets you make large payments or pay off the whole mortgage without paying any penalties to the bank. This means you can put extra money on your mortgage. These extra payments are called prepayments. Making prepayments lets you pay off your mortgage faster.
- ▶ A **closed mortgage** is a promise to pay your mortgage off over a set or pre-determined period of time. The interest rate is also set, or pre-determined. When you get a closed mortgage and then want to pay off the mortgage before the pre-determined time (the term) is up, you almost always have to pay a penalty to the bank.



Qualifying for a Mortgage

Before you start looking for a house, you should know how much you can afford to borrow to pay for it. Most banks will help you figure out what kind of mortgage is right for you. **Financial advisors** can also give you advice about how much you can afford to borrow.

Qualifying for a mortgage means making sure you can meet some conditions, like being able to make a minimum down payment of **at least 5%**.

A minimum down payment is the money you pay the bank when you first get a mortgage. This money goes toward the purchase of a home. Your bank deducts the **down payment** from the purchase price of your home. Your mortgage covers the rest of the price of your home. The minimum amount you need for your down payment depends on the purchase price of the home. If your down payment is less than 20% of the price of your home, you must purchase mortgage loan insurance.

How Much Can I Afford?

Banks use a mortgage calculator to figure out your mortgage payments. Most banks want you to plan on using up to 44% of your income to make your monthly mortgage payments.

Go to any of the Big 6 Canadian Bank websites:

BMO <https://www.bmo.com/main/personal/mortgages/calculators/>

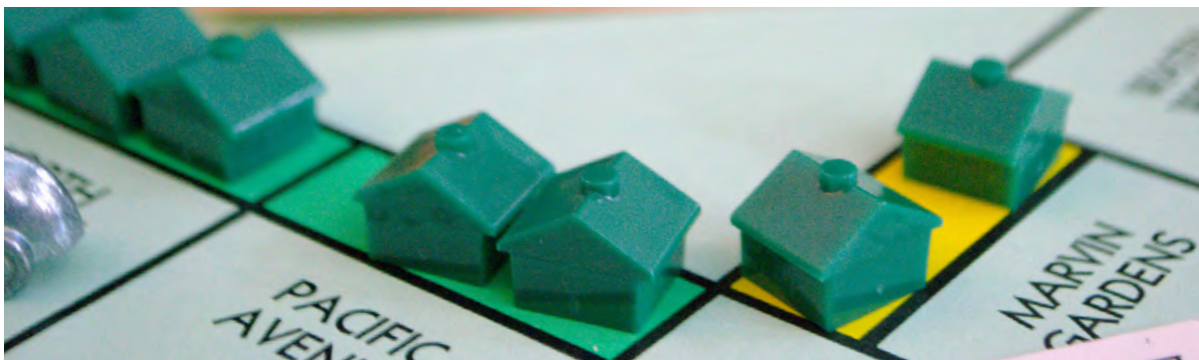
Scotiabank <https://dmts.scotiabank.com/tools/mortgagecalculator/en/>

National Bank <https://www.nbc.ca/personal/mortgages/calculators.html>

CIBC <https://www.cibc.com/en/personal-banking/mortgages/calculators/payment-calculator.html>

TD Bank <https://tools.td.com/mortgage-payment-calculator/>

RBC <https://apps.royalbank.com/apps/mortgages/mortgage-payment-calculator/>





Credit History

When you apply to a bank for a mortgage, the bank will always look at your credit history. They get your history from a credit bureau and look at your credit score called FICO (Fair Isaac and Company). This score is a summary of all the information in the credit report. It includes **bill** payment history and the number of outstanding debts you have and how they compare to your income. It is easier to get a loan or to pre-qualify for a mortgage if your credit score is high (See Credit Score report on [page 12](#)).

Pre-approval and Loan Pre-qualification (Mortgage Loan)

After the bank has looked at your credit score and made a financial statement, you can get a pre-qualification letter from them. A pre-qualification letter lets you know how much money you can borrow and how much your down payment would be. Sometimes the bank wants more information about you and the house you want to buy. The bank might want to appraise the house.

Making an Offer to Purchase

When you make an Offer to Purchase a house, your first mortgage payment will be set.

Finalizing the Offer

Once your offer is finalized, you will have some expenses to pay before your purchase can be completed:

- ▶ **Appraisal Fee:** An appraisal is an estimate of the value of a house. An appraiser will give you an estimate of the value of the home you want to buy. The price of an appraisal can be between \$250 - \$350.
- ▶ **Home Inspection Fee:** You will need to hire a professional home inspector to inspect the house you want to buy to find out the condition of the house. The inspector will give you a report that will tell you if there is anything you might need to fix and how much it would cost. A home inspection report costs around \$500, depending on the house.

How the Bank Calculates Your Mortgage

The bank uses simple ratios to figure out how much money you can borrow:

- ▶ They look at your total monthly housing costs and compare it to your total monthly income. For example, what are your household expenses and how does it compare to your household income?
- ▶ They look at your debt and compare it to your income. For example, what is the ratio of debt compared to your household income?

The Basic Mortgage Qualification Rules

- ▶ A minimum down-payment of 5%. You will need to have this amount of money in your bank account for at least 90 days before you buy a house
- ▶ Enough income to pay all your bills, including **expenses** and mortgage payments
- ▶ A good credit score, higher than 650
- ▶ A maximum mortgage term of 25 years
- ▶ The type of mortgage you choose will set the interest rate and interest costs



Preparing for Closing

Preparing for closing means you are close to finishing the process of buying your house. You will have to:

- ▶ Get property insurance. You have to get property insurance on your house because the bank requires it. The house is the security (guarantee) for your mortgage.
- ▶ Get a Real Property Report. This report is a survey that shows the location of the house you are buying, the measurements of the house, and the boundaries around the house and the whole property. The report will show if there are any **easements** and **infringements**. The report (which comes with **Survey Certificates**) costs between \$800 and \$1200. The seller of the house you are buying has to get the Real Property Report but as the buyer you have to make sure the report is right.
- ▶ Get a **Status Certificate**: If you are buying a condo, you have to get a status certificate for your unit. This document shows the legal and financial facts of the condominium corporation. Status Certificates cost around \$150.



Signing Final Documents

One week before closing day (also called possession day) you will have to sign the final documents. You will need a real estate lawyer to help you. The final documents will have the bank's mortgage instructions, the transfer of ownership documents, and papers to set up your **property tax** payments.

Closing Day

Closing day is the day when you and the seller sign all the final documents and the title to your new home is transferred into your name. This is the day the money you are paying for your house is sent from your lawyer to the seller's lawyer. Once the seller's lawyer gets the money you get the keys to the house.

Fees to be carried out on closing day include the

- ▶ **Down payment**
- ▶ Prepaid property tax and utility **bills**
- ▶ Loan insurance premium for the mortgage
- ▶ Legal Fees
- ▶ Title Insurance



For detailed information regarding purchasing a home in Calgary, you may contact:

CMHC Prairie and Territories Business Centre, Suite 200, 1000 - 7th Avenue SW, Calgary, Alberta T2P 5L5

Telephone: 403-515-3000 / Toll Free: 1-877-499-7245

Calgary Housing Company has some options for people looking for affordable housing. You will need to:

- ▶ Have a regular household income
- ▶ Be able to make payments
- ▶ Have permanent employment
- ▶ Have a good credit rating

Source: <https://calgaryhousingcompany.org/>

Affordable Home Ownership

Attainable Homes

Gives families help with the down payment they need to buy their first home.

<https://attainyourhome.com/>

Owen Hart Homeowners Program

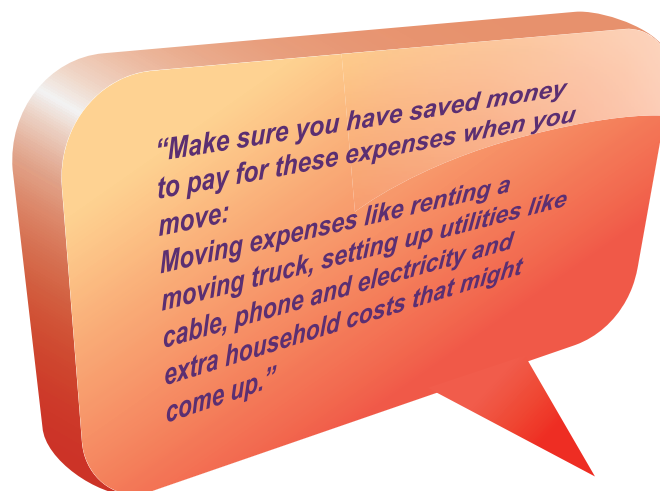
Gives people living on a low-income the opportunity to save for a down payment for a home.

<https://momentum.org/programs-services/manage-your-money/matched-savings-programs-for-adults/owen-hart-home-owners-program/>

Habitat for Humanity of Southern Alberta

Affordable home ownership for lower income Calgarians.

<https://www.habitatsouthernab.ca/own-a-home>





Subsidized Housing

Things to Know about Subsidized Housing:

- ▶ The rent is low – the amount of your rent can be set as a percentage of your income or it can be a fixed amount
- ▶ The size of the home you get will be based on the size of your family
- ▶ High demand – you might be put on a wait list to get a subsidized home. This list is not first come, first serve. It is based on a priority score.
- ▶ There are strict income limits

Other Housing Options

Private Landlord Rent Supplement

This is a great option when CHC does not have any homes that fit your needs (size of home, location, accessibility requirements, pets).

Things to Know About Private **Landlord** Rent Supplement

- ▶ Your landlord gets the money from this program
- ▶ You can apply for this program for existing private rental homes
- ▶ The amount of money in this program is limited

AIRBnB

Things to Know About Monthly Stays on AirBnB:

- ▶ You can rent a furnished home with a kitchen and wifi, so you can settle in and live comfortably for a month or longer
- ▶ You can pick your exact move-in and move-out dates and book online, without any extra commitment or paperwork (there are special rental rates for monthly stays and a single monthly payment without extra charges)
- ▶ The monthly prices are simple
- ▶ You can book a home with confidence
- ▶ You will have 24/7 support from AirBnB during your extended stay
- ▶ You can read reviews about their homes
<https://www.airbnb.ca>

Near Market Rentals

Things to Know About Near Market Rentals:

- ▶ The cost of rent is approximately 10% below the rest of the rentals in the market
- ▶ There is no wait list – when homes are available they are rented out on a first-come, first-served rule
- ▶ The income limit is higher than subsidized housing and there are less qualifications you have to meet
- ▶ The size of your family does not matter. You can rent a large home if one is available



Senior's Housing

▶ **Silvera for Seniors**

This organization has safe, affordable housing for lower-income Calgary seniors. The rent is based on your income, and are less than the market rates. To get more information, you can call the Silvera placement team at 403-567-5301 or email them at: placement@silvera.ca.

▶ **Trinity Place Foundation of Alberta**

This organization has seniors housing throughout the City of Calgary.
<https://tpfa.ca/>

▶ **Bethany Care Society**

This organization has caring communities for seniors. They also have continuing care programs and services.
<https://bethanyseiors.com/>

▶ **Bishop O'Byrne Housing Association**

This organization has 7 self-contained seniors complexes around Calgary.
<https://forwardhousing.ca/>

▶ **Calgary Heritage Housing**

This organization offers housing for seniors in 9 properties throughout the city.
<https://calgaryheritagehousing.ca/>

Emergency/Supportive Housing

- ▶ **Alberta Community and Social Services 211** is a helpline and online database of Alberta's community and social services. Dial 2-1-1 from your phone or visit their website.
Confidential and available 24 hours a day, 7 days a week.

▶ **Safe Communities Opportunity and Resource Centre (SORCe)**

This organization is for people who are homeless or think they are going to become homeless. They will connect you to programs and services that can help you get a home.
316 7th Ave SE | open Monday through Friday from 8:30 am to 4:30 pm.
<https://www.sorce.ca/>

▶ **The Calgary Distress Centre**

If you are in trouble or crisis and need someone to talk to.
(403) 266-HELP (4357)
<https://www.distresscentre.com/>



Transportation Options

Calgary is a big city so you might need a car to make life easier.

Choosing a Car

Cars are the second biggest **expense** (housing is the biggest), so you should think about a few things before you buy or lease a car:

- ▶ The price
- ▶ The quality of the engine
- ▶ The transmission and the horse power
- ▶ The mileage
- ▶ The safety features
- ▶ The comfort zone
- ▶ The environmental factors
- ▶ The cargo carrying capacity

"Most of the time, you will get a better price if you buy your car from a private seller rather than going to a car dealership. But, there are good and bad things about both options."

New versus Used Cars

You might like to have a new car, and the list above can help you decide. Most newcomers buy a used car until they get settled and can begin to save for a newer one. If you buy a new car or a used one, it is still a **long-term investment**.

Here are some advantages and disadvantages of new (bought from a dealership) and used (bought from a private seller) cars:

New Cars		Used Cars	
Advantages	Disadvantages	Advantages	Disadvantages
<ul style="list-style-type: none">▶ Warranty▶ No mechanical or body damage▶ Many choices of latest features▶ Easy financing, low interest rate on financing	<ul style="list-style-type: none">▶ High prices▶ Registration fee/sales tax▶ High insurance▶ High depreciation cost	<ul style="list-style-type: none">▶ Lower price▶ Low insurance premium▶ Less depreciation	<ul style="list-style-type: none">▶ Difficult to get financed▶ Limited or no warranty▶ Likely some maintenance issues▶ Limited or no after sales service▶ High interest rate on money financing

"If you buy a used car you will have to get a mechanical inspection done on it to make sure that the car is in good condition."



Buying a Vehicle

Many newcomers bring some money from their home country to pay their **expenses**, but it may not be enough to buy a new or used car. When you buy a car you can pay for it by **Cash** or **Financing**.

Cash

Paying cash for your car is the easiest way but you have to save a large amount of money for a one-time expense like this.

Financing

If you cannot buy your car with cash, you should set up a loan before you start shopping for your car. Many banks and credit unions will finance your car if you have a good credit history. Car dealerships can also give you financing.



The interest rate and the monthly payments you will have to pay will depend upon:

- ▶ Your credit history
- ▶ Your employment and income
- ▶ The type of vehicle you want to buy

If you decide to borrow money to buy your car, you should go to a bank or dealership to find out everything you need to know.

When you have your financing set up, the seller of your car will give you a contract to sign. Before you sign the contract, make sure you understand:

- ▶ The total amount of money you are borrowing
- ▶ The interest rate you are paying
- ▶ The monthly payment you will have to make
- ▶ Any hidden charges (charges you were not expecting)
- ▶ Any potential penalties (any extra costs that might come in the future)
- ▶ The time you will need to pay off your loan





If you can, make your car loan shorter so you will pay less interest. This means you will not pay as much for borrowing and you will save money. The bank or the dealership will figure out the whole cost and tell you the amount of money you will have to pay monthly or **bi-weekly**.

Things to Think About When You Buy a Car

- ▶ How much you use the car does not change the price
- ▶ A **down payment** is almost always required when you buy a car
- ▶ Interest rates are set by your bank based on your credit history
- ▶ Your first payment is due a month after you sign the contract
- ▶ You can sell or trade your car at a depreciated resale value later on if you want

Leasing a Vehicle

Advantages and disadvantages of financing and leasing a car:

Buying		Leasing	
Advantages	Disadvantages	Advantages	Disadvantages
<ul style="list-style-type: none">▶ Retains a physical asset▶ Flexibility in choosing make/model/year▶ Higher negotiation power	<ul style="list-style-type: none">▶ Requires a down payment	<ul style="list-style-type: none">▶ Option of choosing a new car every year or two▶ No risk of major repair▶ No depreciation costs▶ No down payment	<ul style="list-style-type: none">▶ Don't retain the asset▶ Fixed mileage contracts▶ Possibility of fees to end contract

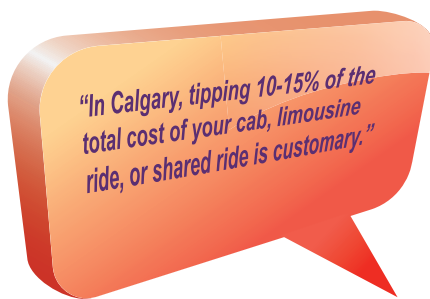


Other Transportation Options

Car Rentals and Car Sharing

In Calgary you can rent any kind of car for as long as you want. There are car rental companies all around Calgary. There are many at YYC Calgary International Airport and throughout downtown Calgary.

In Canada there is a minimum driving age to rent a vehicle. The most common minimum age is 18 or 24 years old. Most of the time, drivers under the age of 25 are not allowed to rent luxury cars, SUVs, or minivans. You should check with the rental car company to find out their rules.



Taxi, Limousine, and Ride Sharing

In Calgary taxis charge a base rate of \$3.80 and an extra surcharge at the airport. Most companies have online and mobile booking apps. Most cabs accept credit, debit, and cash.

Limousines and luxury sedans can be a fun way to begin your stay in Calgary. Rides from YYC Calgary International Airport to downtown cost a fixed rate of \$46.60. You can rent traditional limousines for general transportation and special occasions from several different companies in the city.

Ride sharing is another convenient option. There are several companies in Calgary that have a digital service. Download the Uber or TappCar (a regional ride share program) mobile applications to book a ride from a local driver. Memberships from other cities are usually valid for these services in Calgary.

Transit and Bus Service

Calgary has a public transit network of buses and two Light Rail Transit (LRT) lines called the C-Train. You can buy tickets and passes with cash or credit card at all C-Train stations, with cash on the bus (change is not given), or at different drug stores, grocery stores, and convenience stores across Calgary. Fares are valid for 90 minutes; passes are valid for one day.

Getting Around by Bike

Calgary has more kilometres of urban pathway and cycle paths than any other city in North America. There are approximately 850 kilometres of regional pathways and 95 kilometres of trails. Bike lanes run against many major streets in Calgary, including 12 Avenue SW, 8 Avenue SW, and 5 Street SW in the city centre. The popular dock-less bike sharing program Lime Bike is available in Calgary. You can download the mobile application, locate, and rent bikes starting at \$1.00.

You can start exploring Calgary by bike with these great resources from the City of Calgary:

- ▶ Downtown Cycle Track Network
- ▶ Pathways, Bikeways and Walkways

Source: <https://www.visitcalgary.com/getting-around>



	Cash Fares	Tickets
	One time use, valid for 90 min	Cash fares bought in books of 10
Adult Ages 18 and older	\$3.50	\$ 35.00
Youth Ages 6 - 17 *	\$2.40	\$ 24.00
Children Ages 5 and under	Free	Free

* Or students 18 to 21 attending high school full time. (School ID required)

Senior Regular

Ages 65 and older

Learn more about our Regular Senior Yearly Passes.

\$145.00

Senior Low Income

Age 65 and older

Learn more about our Low Income Yearly Prices

\$ 25.00

*Low income monthly passes also available

Fares are subject to change.

You can ride both lines of the C-Train for free in the downtown core between City Hall Station and West/Kerby Station. This is called the 7th Avenue Free Fare Zone. After the train leaves this zone you have to have a ticket. You must carry proof of purchase (your ticket or pass) with you on the C-Train. If you are going to transfer from a bus to the C-Train make sure you ask the bus driver for a transfer.

Calgary Transit routes schedules are different around the city. For information and to plan a trip, visit Calgary Transit, or use Google Maps, which is completely integrated with Calgary's transit system.





BUDGETING REVIEW

Key Concepts

1. Budgeting is important for me because (think of your goals!)

2. The primary steps to prepare my budget are:

3. I review my budget regularly because:

4. Tips to manage my budget include:

5. Things I will consider when deciding on whether or not to buy a home or rent:

6. Things I will consider when deciding on whether or not to buy or lease a car:

7. Besides a vehicle, other transportation options include (check all that apply).

Biking _____ LRT _____ Bus _____ Uber _____



INSURANCE

Alberta Automobile Insurance

In Canada, each province's government makes their own auto insurance rules, so the auto insurance rules are different in each province. Auto insurance rules change a lot, and so you must always pay attention to learn about these changes.

You can search online to learn about the Standard Automobile Policy (SPF #1). The SPF #1 is a set of rules about insurance agreements, insurance coverage, special provisions, definitions, exclusions, and **statutory conditions** of automobile insurance in Alberta.

Here is some basic information about auto insurance and how to buy it.

What Automobile Insurance Is:

The Government of Alberta has a law that says everyone that owns and operates (drives) a vehicle must have a certain minimum amount of third-party **liability** auto insurance.

This insurance protects other people in case you cause any damage to their property or injure them while you are driving or operating your vehicle. Most people buy more than the minimum amount they need.

You can also buy auto insurance for other kinds of problems (losses). This extra kind of insurance you might buy will depend on things like how old your vehicle is and how much insurance you can afford.

You should go online and read the SPF #1 so you can start getting familiar with auto insurance rules and definitions for all the different kinds of insurance you can buy.

<https://open.alberta.ca/publications/standard-owners-automobile-insurance-policy>

You can purchase 3 main types of auto insurance coverage:

1. Third Party Liability
2. Accident Benefits
3. Loss of or Damage to Insured Automobile

Refer to the SPF #1 for full details on these coverages

There are also other things called standard policy **endorsements** that you can add or remove to your auto insurance policy. These things can be learned about on the standard endorsement forms on the Alberta Government website. They are in the same area of the website as the SPF #1.

Talk to a licensed insurance agent or **broker** to get advice about the kind of insurance that is best for you.



Purchasing an Auto Insurance Policy

- ▶ Licensed insurance agents or **brokers** sell auto insurance. The price of the insurance policy is called the premiums. Premiums are based on things like your age, your driving record, and the vehicle you want to insure. When you talk to an agent or broker, they will ask you a lot of questions and these questions can change from year to year as rules change
- ▶ Many people will call several agents or brokers to get a quote for the price of insurance. Getting a full quote can take at least 30 minutes. Insurance policies are sold as annual (yearly term) contracts (agreement) but you or the insurance company can cancel the agreement in the middle of the term
- ▶ Some insurance companies will let you make monthly payments for your annual policy
- ▶ When you buy your auto insurance policy, make sure you ask your agent or broker what to do if you have an accident. They will guide you on the steps you will need to take

Sample Canadian Auto- Insurance Slip

	Government of Canada	Gouvernement du Canada
Motor Vehicle Liability Insurance Card		
Year Make Model	1922 CHEVROLET ROADSTER DELUXE	
Identification Number VIN	123456789ABCDEFGH	
Licence Plate Number	XXXX YYYY	
<p>This card constitutes proof that this vehicle is covered by the Government of Canada and that the Government of Canada takes to compensate for any loss resulting from liability. Any enquiries concerning liability relating to this vehicle should be addressed to:</p>		
<p>John Doe, Fleet Manager Name of Branch, Sector or Directorate Name of Department (613) 999-9999 ext 9999999</p>		
		Canada 

Source: Treasury Board of Canada

https://www.tbs-sct.gc.ca/mm-gm/publi/doc/insurcard_carteassur/insurcard_carteassur-eng.asp



Life Insurance

What Life Insurance Is:

Life insurance protects the people who depend on you for their financial stability. These people will suffer financially if you pass away (die). Life insurance pays a death benefit, which is a sum of money, directly to your designated **beneficiary**, or beneficiaries, when you pass away. The death benefit can also be paid directly to your **estate**.

The Main Types of Life Insurance

- ▶ Term insurance covers short term needs like mortgages and debt that should decrease over time. When you are young and healthy it is less expensive to buy term insurance. It gets more expensive as you get older.

Most of the time term insurance is sold as 10, 20, or 30 year term policies. The term means the number of years the premiums stay the same. Sometimes you can have a contract that is guaranteed **renewable** and/or **convertible**.


- ▶ Permanent insurance is for long-term needs that you think you will always have. These are needs like funeral costs, taxes, and income replacement.

When you first buy permanent insurance it costs more than term insurance but in later years of the policy it gets cheaper than term insurance. Most of the time the premiums for permanent insurance are the same for the life of the policy. Some permanent insurance policies might build up a cash value within the policy.

Buying Life insurance

You can buy life insurance from licensed life insurance agents or brokers. Lots of life insurance brokers sell life insurance policies for different insurance companies. Most life insurance policies will need some medical underwriting. This means the insurance company will ask medical questions about your current and previous medical history. You might have to do some medical tests like blood tests. Life insurance premiums are based on many things, but the 3 main ones are:

1. Your health
2. Your age
3. The amount of insurance you want to buy



"You should talk to a licensed life insurance agent or broker about the right amount and kind of life insurance that is the best for you."



AUTO INSURANCE REVIEW

The following categories can affect the cost of your auto insurance premium. Consider each category and what factors might affect the amount you will need to pay.

Premium Category	Factors to Consider	Notes
Make and Model of Vehicle	How old is the vehicle?	
Claimant History	Has there been a history of collisions?	
Driving Record	Do you have a history of accidents or claims?	
Time Spent on the Road	How long have you had your license?	
Personal Use	How often do you drive for personal use?	
Business Use	How often do you drive for business use?	
Driver Age	Different ages and driving history may generate a higher or lower rate.	

Here is some information you will need to provide to the insurance company to purchase an automobile insurance policy.

Information Required	Your Information
Policy Holder Name	
Policy Holder Date of Birth	
Policy Holder Address and Telephone	
Time Period Insurance is Required	
Estimated Yearly Driving Mileage/Km.	
Purpose of the Vehicle (Personal/Business)	
No. of Drivers of the Vehicle	
VIN#	
Identification (Government Issued)	
Previous Collisions/Conviction Records	



LIFE INSURANCE REVIEW

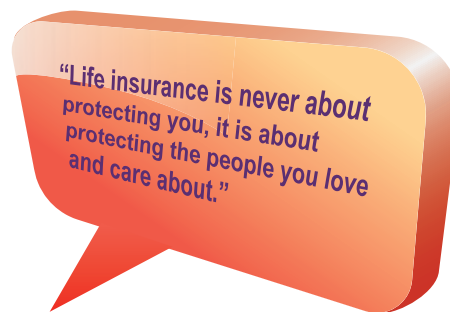
Some things to think about when you are contemplating purchase life insurance include:

1. If I died tomorrow, I would want my spouse/family to have \$ _____ per month for _____ years to replace the income loss to the household.

2. I want to protect my loved ones financially so that:

3. Three questions I would like to ask my insurance broker are:

4. Three questions I would like to ask my financial advisor are:





INCOME SOURCES

One of your primary concerns regarding money management will be the type of employment you choose.

Types of Employment

- ▶ **Full or part time** work gives you security, a predictable income, and benefits (fewer benefits for part-time workers). It also gives you a feeling of belonging. You might not have as much control and flexibility in this kind of work.
 - Full time means working for more than 30 hours a week for the same employer.
 - Part time means working for less than 30 hours a week, for the same employer.
- ▶ **Multi-tracking** means working in two or more jobs at the same time. This could be working part time for two different employers. Or, it could mean working at a job and running your own online sales business at the same time. Multi-tracking lets you work at variety of interests. It gives you the security that comes from having more than one source of income and increases your flexibility. But you might have more pressure on leisure time and you will need strong time management skills.
- ▶ **Temporary work** means working in a full-time or part-time job that is for a set period of time. Sometimes the job might not match your training and education but it will give you working experience in a Canadian workplace.
- ▶ **Job sharing** means sharing the responsibilities of one job for one employer with one or more people. Job sharing has the same advantages and disadvantages as full and part-time work. You will have the support of your job partner but it also means you have to communicate all the time with your partner.

Paystub Example

Joseph Mayer	Employee #: 0032344589	Employer #: 11-36	Pay from: 2018/11/12	To: 2018/11/25	Date: 2018/12/03	
STATEMENT OF EARNINGS			DEDUCTIONS			
EARNINGS	HOURS	RATE	CURRENT AMOUNT	WITHOLDINGS	CURRENT AMOUNT	YEAR-TO-DATE
001 BASIC PAY	75.00	16.00/hr	1,200.00	EI CPP/QPP INCOME TAX	22.56 52.74 156.61	564.00 1,318.50 3,915.25
SUMMARY		GROSS PAY	DEDUCTIONS	NET PAY	CHEQUE #	
CURRENT		1,200.00	231.91	968.09	0044853	
YEAR-TO-DATE		30,000.00	5,797.75	24,202.25		



- ▶ **Contracting** means working for a specific employer for a set length of time. Contracting gives you variety, a feeling of independence and flexibility. But you might have an unpredictable income because of long gaps between contracts (jobs). You might not have any benefits or very much job security.
- ▶ **Self-employment** means a one-person business, like a home based business when you do all the marketing and delivering of services or products. Self-employment gives you flexibility around the kind of work you do, and where and when you do it. But there are challenges like: the need to constantly find customers for your products or services; long working hours; no benefits; a financial investment and unreliable income. It also means you have to do all the administrative tasks like tax preparation and bookkeeping.
- ▶ **Entrepreneurship** means working as self-employed person but also hiring other people. (An example is owning a franchise business.) Entrepreneurship has the same advantages and disadvantages as self-employment. Entrepreneurship can mean more income potential for you, but it also means greater financial risk and being responsible for other people's livelihoods (jobs and income).
- ▶ **Talent pooling** means offering services or products as part of a group of self-employed people who all have common interests and different talents. Talent pool members share opportunities and provide services for each other's customers. For example, a wedding planner might be part of a talent pool with a caterer, a photographer, and a floral artist. Talent pooling allows you to specialize, saves you some time searching for work and creates opportunities. But talent pooling has the same disadvantages as self-employment and you will need good teamwork skills.
- ▶ **Consulting** means doing certain jobs in a certain amount of time for a number of different projects and customers. Consulting offers variety, flexibility and independence. But there are disadvantages like constantly having to find more projects, long working hours, more administrative tasks and an unpredictable income.



Income Deductions

When thinking about managing your money, it is important to understand that not all of the money you earn is yours to keep.

There are two kinds of deductions employers can take from your earnings (pay).

Deductions that are required by law:

- ▶ Federal and provincial tax
- ▶ Canada Pension Plan contributions
- ▶ A **garnishee** of the Court

Employers do not need written authorization from the you, their employee, for these kinds of deductions.

Employers do not need written authorization from you for union fees because these fees are authorized by a collective agreement.

Deductions for benefits:

- ▶ Company pension plans
- ▶ Dental plans
- ▶ Social funds
- ▶ **Registered retirement savings plans**
- ▶ Supplementary health
- ▶ Disability insurance
- ▶ Group insurance coverage

Some Things to Know About Different Benefits

Supplementary health benefits are for medical expenses that are not covered by Alberta Health Care.

Dental benefits coverage could pay for:

- ▶ Basic dental services such as dental exams, cleanings and fillings
- ▶ Major restorative work such as crowns and root canals
- ▶ Orthodontics, usually for children

Group insurance coverage could give you:

- ▶ Typical life insurance that is equal to one or two times your annual salary
- ▶ Optional life insurance for you and/or your **dependents**
- ▶ Accidental death and disability insurance for you and possibly your dependents
- ▶ Disability insurance coverage gives you income replacement if you become ill or disabled and cannot continue work

"The costs (premiums) for these benefits might be paid by your employer, or by you, or shared by your employer and you."

Also, emergency events like fires, floods, and pandemics can happen and can affect your benefits and your work leave. An example of this (at the time of this writing) is COVID 19.



Workers Compensation In Alberta

If you have an accident and get injured on the job that causes you to miss work, you might be eligible for benefits through the Alberta Workers' Compensation Board. Your employer pays for the cost of these benefits.

Alberta Employment Standards

Employment standards are the minimum rules of law about employment that employers and employees must follow in the workplace. There are minimum standards for:

- ▶ Hours of work and rest periods
- ▶ Overtime and overtime pay
- ▶ Vacations and vacation time
- ▶ General holidays
- ▶ Leaves of absence
- ▶ Payment of earnings
- ▶ Termination of employments

Some Things to Know About These Alberta Employment Standards:

General (Statutory) Holidays

- ▶ You are entitled to general holiday pay if you have worked for the same employer for at least 30 workdays in the 12 months prior to the holiday
- ▶ Most of the time, you would be entitled to general holidays and to receive general holiday pay if one of the following conditions apply to you:
 - A general holiday is a regular day of work, or
 - You have worked on a general holiday that is not a regular day of work

General Holidays in Alberta are listed on [page 42](#).

You are not entitled to general holiday pay when you:

- ▶ Do not work on a general holiday but are required or scheduled to do so
- ▶ Are absent from your job without the consent of your employer on the employee's last regular working day before, or first regular working day after, the general holiday.



General Holiday	Definition of Holiday	2021	2022
New Years Day	January 1	January 1	January 1
Alberta Family Day	Third Monday in February	February 15	February 21
Good Friday	Friday before Easter	April 2	April 15
Victoria Day	Monday before May 25	May 24	May 23
Canada Day	July 1, Except when it falls on a Sunday, it's July 2	July 1	July 1
Labour Day	First Monday in September	September 6	September 5
Thanksgiving Day	Second Monday in October	October 11	October 10
Remembrance Day	November 11	November 11	November 11
Christmas Day	December 25	December 25	December 25



Leaves

In Alberta there are several unpaid job-protected leaves for employees. As an employee, if you have been on the job at least 90 days with the same employer, you are eligible for the following leaves:

Long-Term Illness and Injury Leave

- ▶ You can take up to 16 weeks of unpaid long-term illness and injury leave each calendar year.
- ▶ You must give a medical certificate to your employer that states the estimated time you will be off work (on leave). You can apply for Employment Insurance Sickness Benefits.
- ▶ You will get one extra week of leave over the Employment Insurance benefit because of the waiting period.
- ▶ Some employers also provide:
 - Paid sick time which means if you cannot work because you are sick you will still be paid your full or partial pay for the day;
 - Short and/or long-term disability plans that cover a portion of your pay.

Maternity and Parental Leave

- ▶ You can (if you are eligible) take time off work without pay for maternity or parental leave without risk of losing your job. Employers must give you maternity or parental leave (if you are eligible) and give you your same, or equivalent, job back when you return to work.
- ▶ The length of maternity leave is 16 weeks and the maximum length of parental leave is 62 weeks.

Personal and Family Responsibility Leave

- ▶ Eligible employees can take up to 5 days of leave for health issues or family needs.

Critical Illness Leave

- ▶ If you are eligible you can take unpaid, job-protected leave to provide care and support to a child or family member.

Death or Disappearance of Child Leave

- ▶ You are eligible for death or disappearance of a child leave if the death or disappearance of your child occurs as a result of a probable Criminal Code offence.
- ▶ If you are eligible, you can take leave for up to 52 weeks if the child has disappeared, and up to 104 weeks if the child has died as a probable result of a crime.

Domestic Violence Leave

- ▶ If you are eligible, you can take up to 10 days of unpaid, job-protected leave due to the effect of violence in the home.



Vacation

You may be, if you are a full or part-time employee, entitled to vacation time and vacation pay.

Employers must give you an annual vacation based on length of your service. This is to make sure you can rest from work without losing any income.

Employers must give you vacation time, and you must take the vacation to which you are entitled.

You must work for one year before you are entitled to vacation time. You are entitled to these minimum paid vacations:

- ▶ 2 weeks with pay after each of the first 4 years of employment
- ▶ 3 weeks with pay after 5 consecutive (in a row) years of employment

Some employees who work in certain industries and professions are not eligible for annual vacations and vacation pay.

Alberta Health Care

The Alberta Health Care Insurance Plan (AHCIP) gives eligible Alberta residents full coverage for medically necessary physician (doctor) services, and some dental and oral surgical health services.

Your doctor decides what insured services are considered medically necessary.

You must be registered with the AHCIP to receive insured hospital and physician services.

You are eligible for Alberta Health Care Insurance Plan (AHCIP) coverage if you are:

- ▶ Legally entitled to be or to remain in Canada and your permanent home is in Alberta
- ▶ Committed to being physically present (living) in Alberta for at least 183 days in a 12-month period
- ▶ Not claiming residency or obtaining benefits under a claim of residency in another province, territory or country
- ▶ Any other person deemed by the regulations to be a resident or temporary resident, not including a tourist, transient or visitor to Alberta

When you move to Alberta from another province or country, you might have to wait before you can get Alberta Health Care coverage; this is called a waiting period. If you move to Alberta from another country and have an immigration document from Immigration, Refugee and Citizenship Canada, you might be eligible.



SOCIAL ASSISTANCE PROGRAMS

Social assistance programs in Canada are government programs that provide kinds of assistance to citizens that the market does not. The Canadian social safety net covers many social assistance programs. Many of these programs are run by the provinces. The Department of Community and Social Services runs Social Assistance programs in the province of Alberta.

Alberta Supports Income and Employment Services (ASIES)

Alberta Supports can help you get assistance from programs and services for seniors, people with disabilities, job seekers, parents and families, homelessness, financial assistance, abuse and family violence prevention.

This program can help you in the following areas:

- ▶ Employment and Training Services
- ▶ Income Support
- ▶ Child Support Services
- ▶ Health Benefits

Employment and Education/Training Services

Community and Social Services works with different kinds of community organizations to deliver training resources and financial support to help Albertans find jobs. Here are some of their services:

- ▶ Helping you with questions about career planning, education, training and job search
- ▶ Help with the cost of training and living while participating in approved programs
- ▶ Computer, printer, telephone and fax machines for use (free of charge) to apply for jobs or as part of the career planning program

If you are eligible for help from Employment and Education Training Services, you will be expected to use the resources you are given in order to get a job and improve your financial situation.



Children's Services

Children's Services helps low income and single parents with child support. These services are meant to help you with the needs of your children. Some of the help you can get from Children's Services are:

- ▶ Advancing Futures Bursary
- ▶ Alberta Child and Family Benefit
- ▶ Child care locating and subsidies
- ▶ Child intervention (help for child abuse, neglect and sexual exploitation).
- ▶ Indigenous caregivers
- ▶ Provincial Family Resource Networks (prevention and early intervention services and supports for children aged 0 to 18).

To request information on employment services and other supports, contact the Alberta Supports Contact Centre at 1-877-644-9992, or visit your local Alberta Supports office: <https://www.alberta.ca/alberta-supports.aspx>.



Income Support

Income Support gives financial assistance to eligible persons who cannot meet their basic needs. Income support might be available to Albertans with low or no income.

Income support may be available to you if you:

- ▶ Cannot work because of chronic health problems or other barriers
- ▶ Are unemployed, or working but not earning enough money, or temporarily unable to work
- ▶ Need training or education so you can get a job
- ▶ Have an unexpected, one-time emergency that's not your fault, like a sudden eviction from your home because of a fire

The amount of Income Support a family or person can get depends on things like family size, existing income, ability to work and special or other needs you may have.



Available benefits include:

- ▶ Basic expenses like food, clothing and shelter
- ▶ Childcare
- ▶ Special diets
- ▶ Utility connection fees
- ▶ Work-related expenses
- ▶ Unexpected emergencies
- ▶ Costs to leave family violence
- ▶ School expenses for children

Health Benefits

If you are a low-income Albertan, you might be eligible for health benefits. Alberta Supports provides health benefits through these 2 programs:

1. Alberta Adult Health Benefit

The Alberta Adult Health Benefit program will give you health benefits if you are a low-income household or have regular high prescription drug needs. This health plan includes children who are 18 or 19 years old if they are living at home and attending high school.

2. Alberta Child Health Benefit

If you are a low-income family you can apply to the Alberta Child Health Benefit program for limited support for the needs of your children who are less than 18 years of age.

If you qualify, you will get an Alberta Supports Income Support Health Benefit Card.

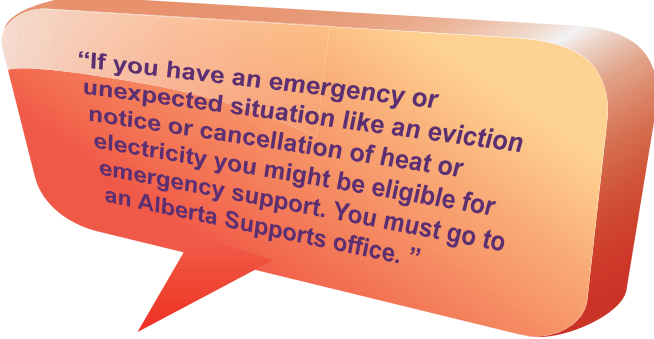
Alberta Supports will look at your income threshold to figure out how much support you are eligible for. They figure this out by looking at your family's income tax assessment. Your eligibility is reviewed every year. Your benefit can be renewed if your family still meets the low income criteria.

Maximum Qualifying Income Levels

The Qualifying Income Levels Ministerial Order sets out the rules for eligibility for Health Benefits and Income Support when you apply and when you want to renew your application.

Your total combined household net income plus non-taxable child support income received must be equal to or less than the applicable qualifying income level.

See <https://www.alberta.ca/alberta-supports.aspx>.



"If you have an emergency or unexpected situation like an eviction notice or cancellation of heat or electricity you might be eligible for emergency support. You must go to an Alberta Supports office."



Other Social Support Services

The Alberta government also has these social assistance services:

Family and social supports

- ▶ Children and families
- ▶ Childcare
 - Family supports (Child and Youth Support Program, Children Services, Children's Mental Health)
 - Parenting support (Provincial Family Resource Networks, Parenting after separation)
- ▶ Crisis supports (abuse and bullying, shelters)
- ▶ Affordable housing
- ▶ Subsidized housing Seniors and Veterans Services)
- ▶ Homelessness
- ▶ Addiction and mental health helplines
- ▶ Emergency financial assistance

Assured Income for the Severely Handicapped (AISH)

If you are an Albertan that has a permanent medical condition that stops you from earning a living, you might be eligible for Assured Income for the Severely Handicapped financial and health benefits.

Some of these benefits are:

- ▶ Living allowance
- ▶ Standard living allowance

This monthly benefit is provided for those who rent or own a home, apartment or condo; live with family or friends; live in a private group home; or are homeless.

The amount of money you get might depend on other income you, or your spouse or partner, may have.

If you are getting AISH, you will get an AISH Health Benefits Card to show to pharmacists, dentists and other health-service providers to get things like:

- ▶ Prescription drugs
- ▶ Some over-the-counter items and nutritional products
- ▶ Some dental services
- ▶ Some optical services
- ▶ Diabetic supplies
- ▶ Personal benefits (cover specific needs over and above your monthly living allowance)
- ▶ Health-related personal benefits
- ▶ Personal benefits for children
- ▶ Dealing with an emergency situation beyond your control that puts you or your dependents at immediate risk
- ▶ Leaving an abusive home
- ▶ Employment and training expenses
- ▶ Funeral arrangements
- ▶ Maintaining your home in a remote community
- ▶ Moving to set up a new home
- ▶ Traveling for health-related services, court attendance and training



Alberta Aids to Daily Living (AADL)

If you have a long-term disability, chronic or terminal illness, AADL can help pay for basic medical equipment and supplies.

Emergency Health Benefits

The Health Benefits this program offers are for things like:

- ▶ Replacement clothes
- ▶ Food
- ▶ Accommodations
- ▶ Unpaid rent that is not owing to extended family
- ▶ A damage deposit
- ▶ Unpaid utility bills
- ▶ Essential repairs to your home and major appliances that are required to address a serious health or safety risk
- ▶ Prescription medication, diabetic supplies, dental and optical corrections and ambulance services

You might be able to get an emergency payment for:

- ▶ Situations beyond the control of your household
- ▶ A serious health or safety risk to a member of your household unit is present

To find more information please visit

<https://www.alberta.ca/community-and-social-services.aspx>

or call 1-877-644-9992 toll-free province wide.





SOCIAL ASSISTANCE REVIEW

How long is an Income Support Health Benefits Card valid for?

- | | |
|----------------------------------|-----------------------------------|
| <input type="checkbox"/> 1 week | <input type="checkbox"/> 3 months |
| <input type="checkbox"/> 1 month | <input type="checkbox"/> 1 year |

Financial support is based on the income your household brings in and the number of people in your family. What criteria is used to determine the amount of financial support you can receive? (Check all that apply.)

- _____ Whether or not you are single
- _____ Whether or not you are a single parent
- _____ Whether or not you are a married
- _____ Whether or not you are a married with children
- _____ Other sources of income or financial support you receive
- _____ All of the above

The Government of Alberta provides social assistance in which areas?

- _____ Employment services
- _____ Purchasing a home
- _____ Training services
- _____ Purchasing a vehicle
- _____ Health benefits

To receive Emergency Health Benefits, I need to get approval from Alberta Supports first?

- ☐ Yes
- ☐ No
- ☐ Depends on what the health benefit is

ANSWERS

1 year
All of the above
Employment services, Training services, Health Benefits
Depend on what the health benefit is



FINANCIAL PLANNING

Investments

An investment is an **asset** or something you get for creating income or appreciation. Appreciation means an increase in the value of an asset over time. The Canadian government and Canadian financial institutions created these program to help people like you invest your money.



Tax-Free Savings Account (TFSA)

If you are over 18 years of age and have a valid SIN, you can use The Tax-Free Savings Account (TFSA) program to save money tax-free during your lifetime.

Contribution room (money) you put in a TFSA are not deductible for income tax purposes. Any money you put in a TFSA and any income earned in it (for example, interest dividend and capital gains) is almost always tax-free, even when you withdraw it. Administrative or other fees related to your TFSA, and any interest or money you borrowed to put in a TFSA, are not tax deductible. If you put money in a TFSA for tax purposes while you are a non-resident, you will have to pay 1% tax for every month the money is in the TFSA. Maximum yearly contributions can vary.

e.g. in 2020 the maximum contribution (amount of money you are allowed to put into a TFSA) was \$69,500. In 2021 this increased to \$75,500.

You can find your own contribution room on your Canada Revenue Agency login.

<https://www.canada.ca/en/revenue-agency.html>




Registered Retirement Savings Plan (RRSP)

An RRSP is a retirement savings plan that you set up and register with the Canada Revenue Agency. You, your spouse or common-law partner might be able to contribute (put money in) to an RRSP. Your Notice of Assessment will show you how much money you are allowed to put into an RRSP each year. Deductible RRSP contributions can be used to reduce your tax.

Any income you earn in the RRSP is almost always exempt (free) from tax as long as the money stays in the plan. When you take money out of your RRSP, the full amount is considered income in the year you took it out and taxed according to your total income.

There are some exceptions and special programs where you may be able to take money out of your RRSP without having to include the money in your income for the year. These include:

- ▶ First-time home buyer program
- ▶ Lifelong learning plan program



"You can find out more about these programs on the Canada Revenue Agency Website or by calling your bank."

Some Things to Know About Your Notice of Assessment

Your Notice Of Assessment (NOA) is an evaluation of your tax return that the Canada Revenue Agency (CRA) sends you every year after you file your tax return.


Your NOA includes the date CRA checked your tax return, and the details about how much you may owe, or get as a refund or credit.

The NOA also gives your Registered Retirement Savings Plan (RRSP) deduction limit for that year.

Your NOA is an important document. Keep it with your tax records.

Your notice contains your:

- ▶ Account summary
- ▶ Tax assessment summary
- ▶ Explanation of changes
- ▶ RRSP deduction limit statement



"Your notice may also contain your Home Buyers' Plan statement and/or your Lifelong Learning Plan statement"

Source: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/notice-assessment-understand.html>



Registered Disability Savings Plan (RDSP)

An RDSP (Registered Disability Savings Plan) is a savings plan that can help parents and others save for the long-term financial security of a person who is eligible for the disability tax credit (DTC).

Who is eligible for a DTC?

To be eligible for a DTC, you must have at least one of the following conditions:

- ▶ Be blind
- ▶ Be markedly restricted in at least one of the basic activities of daily living
- ▶ Be significantly restricted in two or more of the basic activities of daily living (can include a vision impairment)
- ▶ In need of life-sustaining therapy

Also, your impairment must meet all of the following conditions:

- ▶ Be prolonged, which means the impairment has lasted, or is expected to last for a continuous period of at least 12 months
- ▶ Be present in Canada all or substantially all the time (at least 90% of the time)

Source: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/segments/tax-credits-deductions-persons-disabilities/information-medical-practitioners/eligibility-criteria-disability-tax-credit.html>

Registered Education Savings Plan

If you have children, you might want to invest in a Registered Education Savings Plan (RESP). This is a special savings account for parents who want to save for their child's education after high school. Your contributions to an RESP are not tax deductible, but the investment will grow on a tax deferred basis.

Over your life you can put a maximum of \$50,000 in a RESP. This is called the maximum contribution limit. Your contributions might also qualify for the Canada Education Saving Grant Contributions up to a maximum of \$7,200.

There is a long list of rules around RESPs. You should call your bank to get more details.





More Investment Options

Cash and cash equivalents

- ▶ Interest savings accounts
- ▶ Guaranteed Investment Certificates (GICs)

Bonds

- ▶ Treasury bills (T-bills),
- ▶ Corporate bonds
- ▶ Government bonds
- ▶ Banker's acceptances (BAs)

Equity Securities

Equity securities can be bought and sold easily in the market. Some examples are:

- ▶ Common and preferred shares
- ▶ Income trusts and royalty trusts
- ▶ Real estate investment trusts (REITs)

Mutual funds

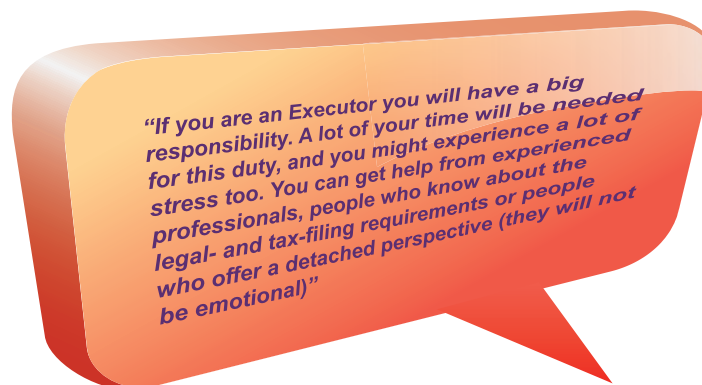
Investors pool their money into a fund managed by a professional portfolio manager.

In turn, the fund issues units to the investor.

- ▶ Diversification is built in across asset classes and sectors and is scalable regardless of how much is invested
- ▶ The value of the fund unit is based on the pooled assets (less any manager fees)
- ▶ They are easy to buy and sell in the market
- ▶ Require very little investment to start

Creating Your Financial Plan

A great way to start figuring out your financial plan is to look at your whole financial situation by having a complete written financial plan prepared for you and your family. This type of plan will look at every part of your finances like cash and **debt** management, education planning, tax and investment planning, risk management, and retirement and **estate** planning. A plan can make sure you think in detail about your finances and give you ideas and potential strategies to increase your financial stability.





STARTING A BUSINESS

If you have an idea for a business, Alberta is a great place to start it because of our low corporate tax and no sales tax.

Types of Businesses

Sole proprietorship

A sole proprietorship is when you do business under a name other than your own personal name or a corporation does business under a name other than its legal name (trade name).

Limited Partnership

A limited partnership has one or more general partner(s), and one or more limited partner(s). Each type of partner has different rights and responsibilities. For example, a general partner is usually liable for the debts of the business, while a limited partner is usually liable only for the amount they have contributed to the business.



Limited Liability Partnership

A limited liability partnership is a business of partners in one or more eligible professions, such as accounting or law. This type of partnership is almost the same as a regular partnership, except there is liability protection. A partner in a limited liability partnership is not generally liable for the negligence, wrongdoing, or misconduct of a partner, employee or agent. Partners in a limited liability partnership may be individual practitioners or professional corporations.

Partnership

A partnership is created when 2 or more people, or 2 or more companies, do business together as partners. All partners share in the profits and the risks or debts of the business.

Steps to Starting a Business

Business Link is also a great source of support. Have you done the work to flush out your business idea and develop a solid business plan? All your hard work, research, and planning will be well worth it as you take your next step to launch your business. They can help you navigate the steps to setting up your business, including connecting you with professionals like accountants, lawyers, and other business consultants.

Source: <https://businesslink.ca/starting-a-business/>



There are 4 key steps to starting a business.

Step 1. Choose a business name

Although there are few restrictions on a business name, you should choose your name carefully.

Step 2. Get a Business Name Report

This step is recommended, but not mandatory. The report contains registered business, corporation and trademark names that are similar to your proposed business name.

The report is provided by authorized NUANS Canada members.

Find a NUANS service provider

<https://www.nuans.com/intro-en-fr.html>

Step 3. Fill out the forms

Government forms required vary depending on the type of business.

▶ **Trade name/sole proprietorship**

If you are registering a trade name or sole proprietorship, use the Declaration of Trade Name.

▶ **Other partnership types**

If you are registering other partnership types, you can use one of the sample forms available at this website.

<https://www.alberta.ca/starting-business.aspx>

▶ **Partnership**

If you are registering a partnership, use the Declaration of Partnership (PDF, 155 KB) and, if needed, the Special Authority to Execute a Declaration.

▶ **Limited partnership (LP)**

- Application for Alberta/Extra-Provincial Limited Partnership
- Special Authority to Execute a Registration

Step 4. Take your Alberta registration information (forms) to a service provider

Go to an authorized Corporate Registry service provider with:

- ▶ Your business name information
- ▶ Valid ID
- ▶ Business Name Report (if used)
- ▶ Fee payment

Contact Hours: 8:15 am to 4:30 pm (open Monday to Friday, closed statutory holidays)

Phone: 780-427-7013

Source: <https://www.alberta.ca/register-business-name.aspx>

Once you have completed Step 1-Step 4, you may need to access financing or advice about running a better and more profitable business. The Business Development Bank of Canada is such a service.



Office locations and contact information follows:

Calgary

The Edison, #1310,150 - 9
Avenue SW
Calgary, Alberta T2P 3H9
F 403-292-6616
T 1-888-463-6232

Calgary North

#100, 7136 11 Street NE
Calgary, Alberta T2E 4Y9
F 403-292-6651
T 1-888-463-6232

Calgary Quarry Park

#250, 28 Quarry Park Blvd
SE
Calgary, Alberta T2C 5P9
F 403-292-4116
T 1-888-463-6232



Not sure if your business idea is feasible?

Momentum, a local non-profit agency, can help, beginning with their Business Feasibility Study program. The Business Feasibility Study helps you decide if your idea can become a successful business. You will understand how much money you will need to start the business, research companies who provide the same product/service, and determine who your target customer would be. The feasibility study will help you decide if you want to start the business, and if you want to apply for one of Momentum's longer business programs such as the Self Employment Program, and the Design Your Business Program. If you decide to take one of the longer programs you will be eligible to apply for the Micro Loans for Businesses program.

Source: <https://momentum.org/programs-services/business-development/>





STARTING A BUSINESS REVIEW

When starting a business, some steps need to be done before others. Put the following steps in order.

Fill out your business declaration form	Take your Alberta registration information to a service provider	Get a business name report	Choose a business name
---	--	----------------------------	------------------------

Write step 1, step 2, step 3 and step 4 in the appropriate gray box.

Step ____	Step ____	Step ____	Step ____
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Matching

There are 4 different business types. Draw a line from the 4 different business types on the left to the matching description on the right.

Sole Proprietorship	A business that consists of one or more general partners, and one or more limited partners.
Partnership	A business that consists of partners in one or more eligible professions, such as accounting or law.
Limited Partnership	A business 2 or more people operate or when 2 or more corporations do business together.
Limited Liability Partnership	A business you operate under your own name.

Step 1: Choose a business name, Step 2: Get a business name report, Step 3: Fill out your business declaration form, Step 4: Take your Alberta Registration information to a service provider.

ANSWERS



TAXATION IN CANADA

Canada's Tax System

Canada's tax system is like many other countries. Employers must provide an annual T4 to you which summarizes tax and other deductions (see T4 slip example on [page 62](#)). Many of the benefits people enjoy in Canada are possible because of taxes. Canada's tax system pays for roads, schools, health care, social security, and public safety.

Each year, you figure out what you owe in taxes by filling out an income tax return, which you send to the Canada Revenue Agency (CRA). On this form, you report your income and claim your deductions, calculate your federal and provincial or territorial tax, and figure out if you have to pay more tax for the year, or if you are entitled to a refund of some or all of the tax that was deducted from your income during the year.

Under Canada's tax system, you have the right and the responsibility to determine your income tax status and make sure you pay your required amount of tax for each year, according to the law. For more information, go to canada.ca/taxpayer-rights.

Compliance

Each year, the CRA promotes compliance and taxpayer education. They do this by running many review programs.

The CRA reviews (checks) deductions and credits on your individual income tax and benefit return to make sure the numbers are right. The CRA also checks benefits and credits like the Canada child benefit (CCB) and the goods and services tax/harmonized sales tax (GST/HST) credit.

Keep all your receipts and documents for at least six years after you file your income tax return. If the CRA wants to review your return, you will need to show your receipts to support and prove your claims.

Goods and Services Tax (GST):

a federally imposed consumer tax of 5% applied to most goods and services in all provinces and territories of Canada.

Harmonized Sales Tax (HST):

a combined consumer tax of GST and PST (Provincial Sales Tax). The amount of HST varies by province and territory.

Social Insurance Number (SIN)

As a newcomer to Canada, you will need a social insurance number (SIN). The SIN is a nine-digit identification number that is unique, personal, and confidential. The CRA use it to identify you for income tax and benefit purposes.



You have to give your SIN to anyone who prepares tax information slips (such as a T4 slip, see [page 62](#)). If Service Canada gave you a temporary SIN (starting with the number 9) or if the CRA gave you a temporary tax number (TTN) or an individual tax number (ITN), and you decide to become a permanent resident of Canada, you have to apply for a SIN with Service Canada. Once you have this new SIN, do not use any other SIN, TTN, or ITN.

If you do not already have a SIN, you can apply for one at the nearest Service Canada office. For more information on how to apply for a SIN or to find a Service Canada location near you, visit [Canada.ca](https://canada.ca) or call 1-866-274-6627.

Some questions to think about:

Do you have to file a tax return?

Even if you lived in Canada for only part of the year, you may have to file a tax return.

For example, you have to file a tax return if:

- ▶ You have to pay tax
- ▶ You want to claim a refund
- ▶ If you want to get benefit credit payments

If you do not have any income in the year, you can still file a tax return so that the CRA can decide if you are eligible for tax credits or benefits.

What date is your tax return due?

Most of the time your tax return has to be filed (sent to the CRA) on or before April 30. If you owe tax and do not file your tax return by the April 30, the CRA will charge you a late-filing penalty and interest on any unpaid amounts owing.

When the filing date is on a Saturday, Sunday, or public holiday recognized by the CRA, the CRA considers your payment to be on time if it is received on the next business day. Your return is considered on time if the CRA receives it or if it is postmarked on or before the next business day.

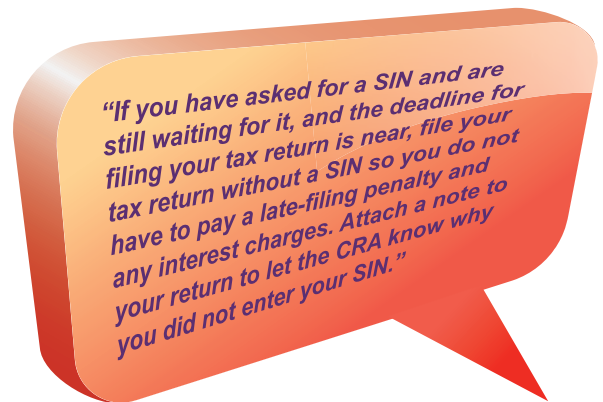
Where can you get the tax package you need?

You can get the tax package at canada.ca/cra-forms or by contacting the CRA.

Getting Help with your Taxes

Sometimes doing your taxes can be simple, but sometimes it can be very complicated. Thankfully there are many assistance programs to help you with your tax returns. For information regarding such programs visit

<https://www.canada.ca/en/revenue-agency/news/newsroom/tax-tips/tax-filing-season-media-kit/tfsmk21.html> or call 1-800-959-8281.





TAXATION REVIEW

Fill in the Blank

All information related to your tax filings (receipts and documents) should be kept for _____ years as the government could request a review of your information.

In Canada, there are 3 different types of sales taxes:

1. _____ is a provincially imposed sales tax that applies to goods and services sold in that province. This tax rate is different in each province.
2. _____ is a federally imposed 5% sales tax applied to most goods and services in Canada.
3. _____ is the term for combined federal and provincial sales tax.
4. The deadline to file your taxes each year is _____.

ANSWERS
1. 6 years
2. PST
3. GST
4. HST
5. April 30



T4 Slip Example

Protected B when completed / Protégé B une fois rempli

T4
Statement of Remuneration Paid
État de la rémunération payée

Employer's name – Nom de l'employeur
Canada Revenue Agency / Agence du revenu du Canada
Year / Année

54 Employer's account number / Numéro de compte de l'employeur

12 Social insurance number / Numéro d'assurance sociale

Exempt – Exemption
CPP/QPP EI PPIP
RPC/RRQ AE RPAP

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

14 Employment income – line 10100 / Revenus d'emploi – ligne 10100

22 Income tax deducted – line 43700 / Impôt sur le revenu retenu – ligne 43700

10 Province of employment / Province d'emploi

16 Employee's CPP contributions – see over / Cotisations de l'employé au RPC – voir au verso

24 EI insurable earnings / Gains assurables d'AE

28 Employee's QPP contributions – see over / Cotisations de l'employé au RRPQ – voir au verso

26 CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ

29 Employment code / Code d'emploi

18 Employee's EI premiums – line 31200 / Cotisations de l'employé à l'AE – ligne 31200

44 Union dues – line 21200 / Cotisations syndicales – ligne 21200

20 RPP contributions – line 20700 / Cotisations à un RPA – ligne 20700

46 Charitable donations – line 34900 / Dons de bienfaisance – ligne 34900

52 Pension adjustment – line 20600 / Facteur d'équivalence – ligne 20600

50 RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB

55 Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso

56 PPIP insurable earnings / Gains assurables du RPAP

Other information (see over) / Autres renseignements (voir au verso)

Box – Case Amount – Montant

Protected B when completed / Protégé B une fois rempli

T4
Statement of Remuneration Paid
État de la rémunération payée

Employer's name – Nom de l'employeur
Canada Revenue Agency / Agence du revenu du Canada
Year / Année

54 Employer's account number / Numéro de compte de l'employeur

12 Social insurance number / Numéro d'assurance sociale

Exempt – Exemption
CPP/QPP EI PPIP
RPC/RRQ AE RPAP

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

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22 Income tax deducted – line 43700 / Impôt sur le revenu retenu – ligne 43700

10 Province of employment / Province d'emploi

16 Employee's CPP contributions – see over / Cotisations de l'employé au RPC – voir au verso

24 EI insurable earnings / Gains assurables d'AE

28 Employee's QPP contributions – see over / Cotisations de l'employé au RRPQ – voir au verso

26 CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ

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18 Employee's EI premiums – line 31200 / Cotisations de l'employé à l'AE – ligne 31200

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46 Charitable donations – line 34900 / Dons de bienfaisance – ligne 34900

52 Pension adjustment – line 20600 / Facteur d'équivalence – ligne 20600

50 RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB

55 Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso

56 PPIP insurable earnings / Gains assurables du RPAP

Other information (see over) / Autres renseignements (voir au verso)

Box – Case Amount – Montant

APPENDIX A: OTHER RESOURCES

Multicultural Centres and Resources

Canadian Centre for Diversity and Inclusion:

<https://ccdi.ca/>

Calgary Multicultural Centre:

www.calgarymulti.com/

Southern Alberta Ethnic Association:

<https://saea.ca/>

Southern Alberta Heritage Language Association: <http://www.sahla.ca/>

YMCA Calgary:

http://www.ymcacalgary.org/index.php?page=language_instruction

This organization offers the Language Instruction for Newcomers to Canada (LINC) program for adults and English as a Second Language day camp for children.

Specific Cultural Centres

Alliance Française:

<http://www.afcalgary.ca/>

Chinese Cultural Centre:

<http://www.culturalcentre.ca/>

Calgary Ethiopian Community Association:

<https://www.calgaryethiopiancommunity.ca/>

German Canadian Club of Calgary:

<http://www.germancanadianclub.ca/>

Hellenic Society of Calgary:

<http://www.calgaryhellenic.com/>

Igbo Cultural Association:

<http://www.igbocalgary.ca/>

Irish Cultural Society:

<http://www.calgaryics.org/>

Calgary Italian Cultural Centre:

<https://www.calgaryitalianculturalcentre.com/>

Calgary Japanese Language School:

www.calgaryjls.com

Calgary Lithuanian Cultural Society:

<https://www.lietuviiai-kalgaryje.com/>

Muslims of Calgary:

<http://www.muslimsincalgary.ca/data.php?s=4>

Philippine Cultural Centre Foundation:

<http://www.pccfcalgary.org/>

Calgary Scandinavian Centre:

<http://scancentre.ca/>

Tibetan Association of Alberta:

<http://www.albertatibetan.org/>

Ukrainian Canadian Congress:

<https://uccab.ca/about-us/>

Centres for Immigrants

Calgary Catholic Immigration Society:

www.ccis-calgary.ab.ca/

A non-profit volunteer organization what provides settlement and integration services to immigrants.

Immigrant Services Calgary:

<https://www.immigrantservicescalgary.ca/>

Immigrant Services Calgary offers a wide range of programs and services to help newcomers enhance their life in Canada. The Society offers programs and services in more than 70 languages.

Calgary Immigrant Women's Association:

www.ciwa-online.com/

A non-profit organization for immigrant women, funded by Citizenship and Immigration Canada.

Calgary Centre for Newcomers:

<https://www.centrefornewcomers.ca/>

The Centre for Newcomers works in partnership with newcomer communities to provide opportunities for individuals to adjust, succeed and contribute as citizens in Canada and with Calgary communities to affirm and value diversity.

Council of Sikh Organization:

<http://www.cosocalgary.com/>

Calgary Immigrant Educational Society:

<http://www.immigrant-education.ca/>

Francophone Newcomers' Centre:

<http://www.canaf-calgary.ca/>

For other multi-cultural associations that may not be listed here, please explore this resource:

http://calcna.ab.ca/calgary/noprofit/np_artcult.html

APPENDIX B: GLOSSARY OF TERMS

A

Arrears — The state of being behind in the discharge of obligations. (They were in arrears with the rent.)

Asset — An item of value owned. (Their home is their biggest asset.)

B

Balance — An amount due on an account. (They still owed a balance of \$1000 on their credit card.)

Bankruptcy — The act of declaring financial ruin. (Their expenses were consistently more than their income so they had to declare bankruptcy.)

Beneficiary — The person designated to receive the income of an estate that is subject to a trust. (Their eldest child was named beneficiary of their estate.)

Bi-Weekly — Occurring every two weeks. (The company's payroll was administered bi-weekly.)

Bill — An itemized account of the separate cost of goods sold, services performed, or work done. (They received their monthly utility bill by email.)

Broker — An agent who negotiates contracts of purchase and sale (as of real estate, insurance, or securities). (They hired a mortgage broker to assist with their home purchase.)

C

Cash Advance — A cash advance is a short-term loan offered by your credit card issuer. (They took out a cash advance on their VISA to cover the expenses of a family emergency.)

Collateral — Property (such as securities) pledged by a borrower to protect the interests of the lender. (They used the equity in their home as collateral to purchase a new car.)

Convertible — Convertible means you might have the option to convert all or some of the insurance coverage to a permanent insurance contract offered by the same insurance company. (They decided to take advantage of the convertible option and converted some of their coverage to a permanent contract.)

Credit Score — A credit score is a numerical expression based on an analysis of a person's credit files, to represent the creditworthiness of an individual. (Their credit score of 705 was in the range of 670 to 739 which is considered good.)

D

Debt — A state of being under obligation to pay or repay someone or something in return for something received. (The only debt they had was the balance on their mortgage.)

Dependent — Relying on another for support. (The only dependent they had was their 10 year old daughter.)

Deposit — Money given as a pledge or down payment. (They put a \$2000 deposit on their new car.)

Depreciation — To lower a price or estimated value. (A new car's depreciation is about 10% when you drive it off the lot.)

Down Payment — A part of the full price paid at the time of purchase or delivery with the balance to be paid later. (They were required to put a 10% down payment on their new home.)

E

Easement — An interest in land owned by another that entitles its holder to a specific limited use or enjoyment. (The resort's land is preserved through a conservation easement.)

Emergency Fund — Money saved in case of an emergency (e.g., fire, flood, pandemic). (They set aside 10% of their income in an emergency fund.)

Endorsement — A provision added to an insurance contract altering its scope or application. (They agreed to an insurance endorsement to add coverage for their wedding rings.)

Estate — The assets and liabilities left by a person at death. (Their 10 year old son was the only beneficiary of their estate.)

Expense — Financial burden or outlay. (Their biggest monthly expense was their rent.)

F

Fee — A fixed charge. (The chequing account had a monthly fee of \$15.00.)

Financial Advisor — A financial advisor can provide many different services such as investment management, tax planning, and estate planning. (They hired a financial advisor to help them develop an investment strategy.)

Fiscally — Of or relating to financial matters. (They were fiscally aware of the municipal, provincial and federal obligations they held.)

G

Garnishee — To take something, (such as a debtor's wages) by legal authority. (There was a garnishee against his wages by the Canada Revenue Agency as a means to repay taxes owed.)

I

Infringement — An encroachment or trespass on a right or privilege. (The neighbour's fence was an infringement on the property line of their house.)

Installment — One of the parts into which a debt is divided when payment is made at intervals. (They made a monthly installment on the new washer and dryer they purchased.)

Interest — A charge for borrowed money generally a percentage of the amount borrowed. (The interest on their credit card was 19%.)



L

Landlord — The owner of property (such as land, houses, or apartments) that is leased or rented to another. (The landlord of the house they rented was very kind and responsive.)

Lender — To let out (money) for temporary use on condition of repayment with interest. (The bank was the lender for the money for home improvements.)

Liability — Something for which one is liable (has obligation to). (Their second liability was their new car.)

Long-Term Investment — Long-term investments are those investments that you intend to hold for more than one year, usually for several years. (Their most important long-term investment is their house with a mortgage of 25 years.)

O

Outstanding Balance — An outstanding balance is the amount you owe on any debt that charges interest, like a credit card. (They put together a plan to pay off their credit card outstanding balance.)

P

Phishing and Smishing Scam — A scam by which an internet or mobile phone user is duped (as by a deceptive email message or text) into revealing personal or confidential information. (A phishing warning popped up when they responded to an email).

Principal — A capital sum earning interest, due as a debt. (The principal owing on their mortgage was \$200,000).

Privacy Policy — An internal statement that governs an organization or entity's handling practices of personal information. (It is important to review any organization's privacy policy before signing agreements.)

Property Tax — A tax levied on real or personal property. (Everyone receives an annual property tax assessment from the city.)

R

Registered Retirement Savings Plan

(RRSP) — A retirement savings and investing vehicle for employees and the self-employed in Canada. (Everyone can contribute to an RRSP in Canada.)

Renewable — Renewable means you might have the option to renew the policy at the end of the term by paying an increased (higher) premium. This higher price will be based on your age at the time of the renewal. (They liked the fact that their insurance was renewable as opposed to having to re-apply.)



S

Security Deposit —

- ▶ **Secured Credit Card** — A secured credit card is a type of credit card that is backed by a cash deposit from the cardholder. (They decided to pay a security deposit to obtain one secured credit card.)
- ▶ **Housing Rental** — A security deposit is a one-time only payment and cannot be more than one month's rent. (When deciding to buy a home or rent, they decided to apply their money to a down payment as opposed to a one month security deposit.)

Social Insurance Number — A 9-digit form of identification that every individual residing and/or working in Canada must have in order to access government benefits, file income taxes and, most importantly, get paid. (If you want to live and work in Canada, you must apply for a Social Insurance Number.)

Status Certificate — A status certificate is a document provided by the condominium corporation to buyers of resale condos that provides a snapshot of the unit as at the date that the certificate is issued. (They contacted the Property Management company of the condominium to obtain the status certificate, a legal requirement for the purchase of a condominium.)

Statutory Condition — Every insurance policy for perils against property contains some common elements referred to as “statutory conditions.” Statutory means that they are required by a government act or statute. They cannot falsely describe the property to be insured. (The home they were purchasing had a statutory condition concerning flooding.)

Survey Certificate — Shows not only the written boundaries and legal description of the property, but also an actual drawing. (To meet the legal requirements of their home purchase, they paid to receive a survey certificate of the property.)

T

Terms of Use — The terms which indicate when payment is due for sales made on account (or credit). (The terms of use of their credit card was minimum payment due on the 15th of the month, and 19% interest on all unpaid balances.)

Transaction — An exchange or transfer of goods, services, or funds. (They carefully reviewed each transaction on their credit card bill.)

W

Warranty — A written guarantee, issued to the purchaser of an article by its manufacturer, promising to repair or replace it if necessary within a specified period of time. (Their new car came with a 12 month warranty for all parts and labour.)

Withdrawal — Removal from a place of deposit or investment. (She made a withdrawal from her chequing account.)

Source: Webster's Dictionary, <https://www.merriam-webster.com/>