Important update for educational institutions

OCCUPATIONAL SKILLS COURSES AT POST-SECONDARY EDUCATIONAL INSTITUTIONS IN CANADA

For the 2017 and later years, the 2017 federal budget extended eligibility for the tuition tax credit to fees paid for occupational skills courses, which are not at a post-secondary school level, offered at a post-secondary educational institution in Canada, if the individual is:

- 16 years of age or older at the end of the year, and
- enrolled at the institution in a program to obtain skills for, or improve the skills in, an occupation

The budget also changed the definition of a **qualifying student** (see the Appendix for the new definition) and a **qualifying educational program** to extend eligibility for the scholarship and bursary exemption to students enrolled in such programs. If an individual is a qualifying student who receives a scholarship, bursary, or tuition assistance for an occupational skills course, the amount of assistance received for that course may qualify for the scholarship and bursary exemption. Therefore, **for the 2017 and later years**, post-secondary educational institutions in Canada offering such programs will have to issue tax certificates (Form T2202A or TL11B, if applicable) to qualifying students and tuition receipts to those who are not qualifying students.

UPDATE FOR EDUCATIONAL INSTITUTIONS REGARDING THE FOLLOWING FORMS:

- T2202A, *Tuition and Enrolment Certificate*
- TL11A, *Tuition and Enrolment Certificate – University Outside Canada*
- TL11B, *Tuition and Enrolment Certificate – Flying School or Club*
- TL11C, *Tuition and Enrolment Certificate – Commuter to the United States*
- TL11D, *Tuition Fees Certificate – Educational Institutions Outside Canada* for a Deemed Resident of Canada

EDUCATION AND TEXTBOOK AMOUNTS

The 2016 federal budget eliminated the education and textbook tax credits for years after 2016. Also,

- **New Brunswick** has eliminated its tuition and education tax credits for years after 2016.
- **Yukon** has eliminated its education and textbook tax credits for years after 2016.
- **Ontario** will only allow eligible tuition fees paid for periods of enrolment before September 5, 2017, and education amounts for periods of enrolment before September 2017.
- **Saskatchewan** will allow eligible tuition fees paid and education amounts only for periods of enrolment before July 2017.

For 2017 and later years, students and other claimants will still have to file a certificate with the CRA, on request, confirming the number of months of part-time and full-time enrolment within a calendar year.

Note
This information continues to be needed for federal tax purposes other than the education and textbook tax credit and for most provinces and territories. However, the above-listed forms have been renamed to refer to "Enrolment," rather than education and textbook amounts.

In completing the certificates noted above, eligible tuition fees and months of enrolment are currently reported using separate lines for each session period. However, due to the mid-2017 timing of the Ontario and Saskatchewan changes, educational institutions with **straddle sessions** (that is, sessions that straddle July 1 or September 5, 2017) will need to split those sessions into two periods, and report the tuition fees and number of months enrolled on separate lines. Since educational institutions do not necessarily know each student's province or territory of residence for tax purposes, **all** educational institutions are asked to follow the instructions noted above for straddle sessions.

Example
For 2017, an institution with winter (January to April), spring or summer (May to August) and fall (September to December) sessions would report on separate lines:

1. the portion of the tuition fees and number of months for the period enrolled from January up to the end of April
2. the portion of the tuition fees and the number of months for the period enrolled from May up to the end of June
3. the portion of the tuition fees for the period enrolled from July up to September 4, as well as the number of months enrolled for July and August
4. the portion of the tuition fees for the period enrolled from September 5 to the end of December, as well as the number of months enrolled for September up to the end of December

Educational institutions can instead provide the breakdown of eligible tuition fees and months of full-time and part-time attendance to a student in a letter or other document, if the institution:

- cannot make this change in reporting
- is not located in Ontario or Saskatchewan, and has mainly local students (in this case the institution can provide the breakdown, if needed, on request of the student)
- needs more lines than on Form T2202A (the institution can issue a second form)

Note
Many educational institutions have summer sessions that will have ended before July or September, as well as fall sessions that will start after September 4, 2017 (Labour Day). For those institutions, no changes are needed.

Appendix – Definition of a qualifying student, as changed in the 2017 federal budget and applicable to the 2017 and later tax years

qualifying student, for a month in a taxation year, means an individual who in the month, is

- enrolled in a qualifying educational program as a full-time student at a designated educational institution, or
- enrolled at a designated educational institution in a specified educational program that provides that each student in the program spend not less than 12 hours in the month on courses in the program,
- if requested by the Minister, proves the enrolment by filing with the Minister a certificate in prescribed form issued by the designated educational institution and containing prescribed information, and
- in the case of an individual who is enrolled in a program (other than a program at the post-secondary school level) at:
    - an educational institution in Canada that is a university, college or other educational institution designated

by the lieutenant governor in council of a province as a specified educational institution under the Canada Student Loans Act, designated by an appropriate authority under the Canada Student Financial Assistance Act, or designated, for the purposes of An Act respecting financial assistance for education expenses, R.S.Q, c. A-13.3, by the Minister of the Province of Quebec responsible for the administration of that Act, or

  - an educational institution in Canada that is certified by the Minister of Employment and Social Development to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person's skills in, an occupation,
  - has attained the age of 16 years before the end of the year and is enrolled in the program to obtain skills for, or improve the individual's skills in, an occupation;

- in the case of an individual who lives in Canada throughout the year and who is enrolled at a designated educational institution that is an educational institution in the United States to which the individual commuted that is a university, college or other educational institution providing courses at a post-secondary school level, is enrolled in a program that is at the post-secondary level.