

Welcome to Canada

\$ MONEY AND FINANCES IN CANADA



When you arrive in Canada, there can be a lot of initial expenses as you find a place to live, pay for household items, and start planning for the future.

CURRENCY

In Canada, the official currency is the Canadian dollar. It includes paper money and coins with different nicknames: nickel (5 cents), dime (10 cents), quarter (25 cents), loonie (1 dollar), and toonie (2 dollars).

BUDGETING EXPENSES

When you start settling in Canada, your expenses may be different than what you are used to. It is important to budget to manage your income in a way that helps you live within your means and meet your financial goals.

BANKING

Once you arrive in Canada, open a bank account as soon as possible. There are 2 main types of bank accounts you can use: chequing and saving. Debit cards are for accessing your accounts and for purchases. Banks offer services specifically for newcomers, available in multiple languages, and often with discounts.

CREDIT

When you use credit, you will be charged interest by the lender (usually a bank or credit card company). The interest rate is a percentage of the total amount borrowed. The longer it takes to pay back a debt, the more interest you will pay.

Credit cards let you borrow money up to a set limit, which must be repaid. Credit cards are also important to start building a positive credit history (record of your past loans, credit and payments). However, it is important to stick to your budget (see above) and be cautious putting big expenses on credit cards if you cannot repay on time.

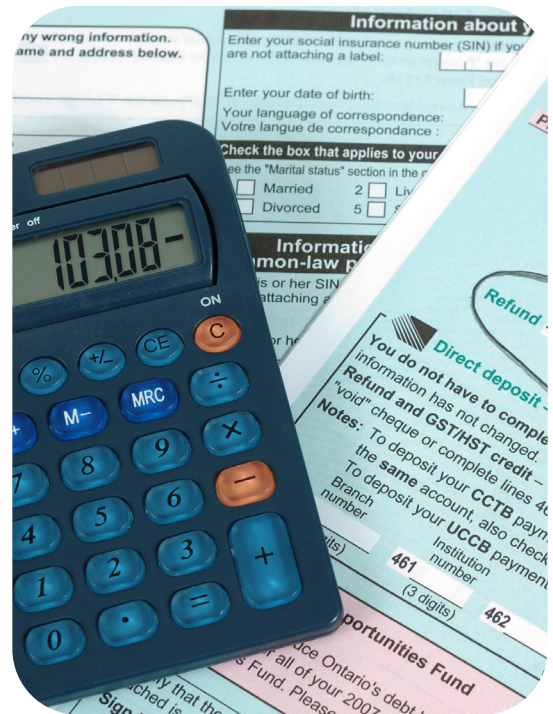


TAXES

In Canada, residents pay taxes to fund government programs and public services such as health care and education. If you are a resident of Canada, you must file an income tax return every year (usually before April 30) with the Canada Revenue Agency. **Income taxes should be filed even if you did not have income for that year in Canada or outside of Canada.** By filing your taxes, you could qualify for a number of government benefits. Self-employed individuals are also responsible for paying their taxes.

For most jobs, employers collect taxes by removing some money from your paycheque. This is called a deduction.

You can get your taxes filed for free through the Community Volunteer Income Tax Program. For more information, visit the [Canada Revenue Agency](https://www.cra.gc.ca).



SENDING MONEY

Money can be sent back to your home country electronically or by money order. You can make international money orders at a bank or a post office or use a third-party money order service. Before using these services, contact a newcomer services organization or do some research on your own to ensure you are using a secure channel to transfer money.

FRAUD AND IDENTITY THEFT

Many people can become targets of fraud and identity theft. Examples include attempts to steal credit card information and people who imitate government services by telephone and email in order to gain access to your personal and financial information. Learn more at the [Canadian Anti-Fraud Centre](https://www.antifraudcentre.ca).

FINANCIAL PLANNING

Once you get settled in Canada, you may wish to consider planning ahead for your family and investing in the future. For example, there are Registered Education Savings Plans (RESPs), Registered Retirement Savings Plans (RRSPs), and Tax-Free Savings Accounts (TFSA). Please inquire with your banking advisor for more information.

MORE INFORMATION



For more information about money and finances, including videos, visit canada.ca/newcomers-finances.



To find newcomer settlement services in your area, visit canada.ca/find-newcomer-services.

