

Canadian Tax Matters for Non-Residents

Thank you for your interest in working at Muskoka Woods. We love having international staff with us at camp and hope you choose to apply. BEFORE you apply we suggest that you read the below information in regards to your compensation and the tax laws surrounding international employees. If you have any questions, please do not hesitate to email iwanttowork@muskokawoods.com. We are looking forward to seeing your application!

Information you need to know:

If 90% or more of your total income (from all sources) in the calendar year is earned in Canada, you will benefit from tax deductions that in most cases results in being exempt from tax.

However, if your income earned in Canada is less than 90% of your total world income for the calendar year, then no deductions apply. International staff in this category may be subject to up to 30-35% income tax withheld at source. Some or all of this tax may be refundable by filing a Canadian tax return in March of the following year.

If you have questions or concerns about the tax that may be withheld from your pay and whether it is refundable, Muskoka Woods recommends that you contact a tax expert in your country for advice about your personal situation.

While you may only be temporarily employed in Canada with Muskoka Woods, you will be subject to the same payroll reporting and withholding tax obligations as a full-time resident of Canada.

Following the end of the calendar year, Muskoka Woods will mail you a Canadian payroll withholding slip, Form T4, which will summarize your taxable wages for Canadian tax purposes as well as the Canadian income tax, Canada Pension Plan and Employment Insurance withheld on your behalf.

A sample T4 slip can be found here: <https://www.canada.ca/content/dam/cra-arc/migration/cra-arc/E/pbg/tf/t4/t4flat-14b.pdf>

Please retain the T4 slip issued by Muskoka Woods as it will be required in order for you to file your Canadian income tax return.

Information about filing a non-resident Canadian Tax Return

Your annual Canadian income tax return, Form T1, is filed to report the income earned for the calendar year period. The income tax return is due April 30 following the end of the calendar year of employment.

As a non-resident of Canada, you are not entitled to claim a personal exemption amount (known as the "basic personal amount") for federal or provincial income tax purposes unless your Canadian employment income represents 90% of your worldwide income. If you meet this condition, you will be exempt from Canadian tax on approximately the first CDN\$10,100 of earnings.

The various annual tax forms necessary to file a Canadian income tax return are typically posted by the Canada Revenue Agency in mid-February, around the same time that you will receive the T4 wage reporting slip from Muskoka Woods.

Sample Canadian tax forms from prior years can be found on the Canada Revenue Agency site at the following link: <https://www.canada.ca/en/revenue-agency/services/forms-publications/tax-packages-years.html>

Once you mail your completed income tax return, the Canada Revenue Agency will typically take approximately 8 to 10 weeks to review your return and issue you a formal Notice of Assessment. Any refund due to you will typically follow shortly thereafter by mail. To speed up the refund delivery, you can have your refund directly deposited to an account at a Canadian financial institution.

Special Tax Provision for USA Residents

If you are a resident of the United States for income tax purposes, you may benefit from filing a Canadian income tax return to recover your Canadian income taxes withheld.

The Canada-US Income Tax Treaty provides that a resident of the US working in Canada as a non-resident will be exempt from Canadian income tax if you earn in Canada less than CDN\$10,000 in the calendar year. In order to recover your Canadian income tax withheld, you will be required to file a Canadian income tax return.

Please note that you will not be able to recover the Canada Pension Plan (see Form T4 box 16) and Employment Insurance (see Form T4 box 18) premiums paid.

While you may be exempt from Canadian income tax, you may be subject to federal, state and/or local income tax in your home jurisdiction. Please speak to your tax advisor to confirm your US income tax filing obligations.

Questions? Please email our HR team at:
iwanttowork@muskokawoods.com