



International Student
CONNECT



Étudiants Internationaux
SE CONNECTENT

MONEY AND PERSONAL FINANCES

BANKS & CREDIT UNIONS

Banks and credit unions are the main types of financial institutions in Ontario. The difference between the two is that a bank belongs to a limited number of shareholders whereas a credit union belongs to all of its customers. Banks and credit unions offer many financial services including:

- Chequing and savings accounts
- Debit cards for accessing your accounts at an automated banking or teller machine (ABM or ATM) and for Interac point-of-sale purchases.
- 24-hour Internet and telephone banking
- Credit cards, lines of credit, loans, mortgages
- Investment products and financial planning

Many banks and credit unions charge a monthly fee for their services, including special fees for international bank transfers and currency exchange, however there are some banks that offer no-fee banking options. Ask about banking fees before opening any account. Some banks have services designed specifically for international students.

CREDIT, DEBIT AND CASH

Credit cards are a common method of payment in Canada. Credit card users are required to make monthly payments. Interest is charged on the balance remaining on the card each month.

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.

Your credit history is a record of your past loans and credit card payments. Most people begin to build their credit history in Canada with a credit card. Responsible use of credit shows lenders that you are a good candidate for a loan.

Talk to someone at your bank about credit card programs for international students.

Many Canadians use their debit or bank cards to pay for purchases. The Point-of-Sale system in Canada is called Interac. International banking cards may not work in this system.

Cash is also used for purchases. Most international bank cards will work in Canadian bank machines for cash withdrawals, but the fees may be very high. Some banks waive the fees for their international partners.

For information on banking, credit and other financial issues, visit the Financial Consumer Agency of Canada at www.fcac-acfc.gc.ca.

Financial information is sometimes copied or stolen and used by others without authorization. For information on fraud and identity theft, read Industry Canada's online Consumer Handbook: www.consumerhandbook.ca or findlink.at/CCHanbook.

TAXES

Governments in Canada use taxes to pay for public services and infrastructure like health care, schools and highways. For a description of the different types of taxes, visit the Ministry of Finance at www.fin.gov.on.ca or findlink.at/Finance.

Income Tax - If you are a resident of Canada, you must file an income tax return every year with the Canada Revenue Agency (CRA).

Some international students must also file income tax returns while in Canada, depending on their residency status. For information on international students' residency and tax obligations, visit the CRA at www.cra-arc.gc.ca/internationalstudents.

If you work during your stay in Canada, you must pay taxes on the income you make. Most employees have taxes automatically taken out of their paycheck.



Many people get money back from the CRA after they file their return and claim available credits and expenses. Federal tax returns also include a section for provincial income tax.

You can get free help completing your return through the Community Volunteer Income Tax Program.

For more information, visit the Canada Revenue Agency (CRA) at www.cra-arc.gc.ca or findlink.at/incometax.

Sales Tax – All consumers in Ontario pay the Harmonized Sales Tax (HST) on consumer goods and services. Necessary items such as groceries, diapers, and children’s clothes are not taxed.

Ontario’s HST is 13% of the sale price. This amount is not usually included in the price tag but will be added to the bill at the cash register.

Ontario residents with low or moderate incomes get a small portion of the HST they pay back from the CRA. You can apply for the HST credit on your annual income tax return. Payment amounts depend on your income level.

For more information on the HST credit, visit www.cra-arc.gc.ca or findlink.at/GST-HST.

IMPORTANT NOTE

Please note that the one-cent coin, or penny, is no longer used in Canada. When you pay cash, the price will be rounded out to the nearest 5 cents.