



HARPER GOVERNMENT PENALIZING HOLDERS OF TAX-FREE SAVINGS ACCOUNTS

The Harper government failed to properly explain the rules around the Tax-Free Savings Account – and as a result, thousands of Canadians are being unfairly hit with unexpected tax bills.

UNFAIR TAX BILLS

Members of Parliament offices have been inundated with calls from people who are getting huge tax bills in the mail because they inadvertently over-contributed to their TFSA.

In 2009, it was announced that Canadians could put up to \$5,000 into their TFSA.

However, many did not realize that if you take money out of the account during the year, any money you put back can put you over the \$5,000 yearly limit.

Many people who went over the annual limit as a result are now being forced to pay taxes on it.

Even though Canadians never had more than \$5,000 in their account, they are still being hit with a tax bill. The terrible irony is that these bills are bigger than the tax bill they would have paid if they had held their money outside a tax-sheltered account.

POOR GOVERNMENT COMMUNICATION

The government should have done a better job of explaining the details of this brand new savings vehicle. If the Conservatives had spent only a tiny fraction of the millions of dollars they spent on advertising for the Economic Action Plan explaining TFSAs, this would not be an issue right now.

LIBERALS CALL FOR TAX FORGIVENESS

The Liberals called on the Government to forgive the tax bills until the Conservative government explains the rules clearly.

Specifically, we called on the Conservative government to wave over-contribution penalties for anyone who's TFSA never held more than \$5,000 of deposits at any given time last year.

Liberals are asking for one-time forgiveness – and in the meantime the government needs to better communicate with Canadians about how TFSAs work. People

thought they were playing by the rules, but now they are angry that the government did not bother to tell them they were not.

GOVERNMENT ACTION

Thanks to our intervention, the government has agreed to review each situation on a case-by-case basis and, where appropriate, waive taxes on excess contributions for this year.

If you received a TFSA return letter you are encouraged to call the Canada Revenue Agency for additional information:

**1-800-959-1956 or visit
www.cra-arc.gc.ca**



NAME _____
ADDRESS _____
EMAIL _____

no
postage
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*I would like your
feedback*

1. Do you agree with Stephen Harper's decision to spend \$1.2 billion on the G8/20? Yes No
2. Do you agree that Stephen Harper showed poor judgment in managing the G8/20? Yes No
3. Whom do you trust to provide you with an effective responsible and progressive government?
 Joe Volpe and the Liberals
 Stephen Harper and the Conservatives
 Jack Layton and the NDP
 Elizabeth May and the Green Party

Mail To:
The Hon. Joe Volpe, P.C., M.P.
Room 174 Confederation Bldg.
House of Commons
Ottawa, ON K1A 0A6