

Did you know?

Revised
July 2013

TAXATION OF CHILD SUPPORT

Agreements and Orders Made Before May 1, 1997

Recipients whose child support orders were made before May 1, 1997, have to declare the child support they receive as income for tax purposes. Payors whose child support order was made before May 1, 1997, can deduct child support they pay from their income for tax purposes. If neither party seeks a change to a child support order or agreement made before May 1, 1997, then the child support award remains taxable to the person receiving it, and deductible to the person paying it.

Agreements and Orders Made After May 1, 1997

Recipients whose child support orders were made on or after May 1, 1997, don't have to declare the child support they receive as income for tax purposes, and payors whose child support orders were made on or after May 1, 1997, can't deduct the child support they pay from their income for tax purposes.

Changing to the New System

There are several ways an existing agreement or court order can be brought under the new rules:

1. You can change your existing (made prior to May 1, 1997) written agreement for child support.
2. A court order made after April 30, 1997 changes an existing support award.
3. A court order or written agreement for child support that was made before April 30, 1997 can provide that the new tax rules apply. Parents will have to both sign and file Canada Revenue Agency Form T1157, Election for Child Support Payments, with the Canada Revenue Agency.

For More Information

Form T1157 is available online at <http://www.cra-arc.gc.ca/E/pbg/tf/t1157/>

Further information about taxation of child support is available at: <http://www.cra-arc.gc.ca/supportpayments/>