

Maria and Fernando's story

Maria and her husband Fernando worked together cleaning a big office building at night. They were hired by a man who ran a large cleaning company. They each got a paycheck twice a month.

In February, it was time to do income tax for their previous year's income. They asked the man from the cleaning company for their T4 slips. They needed to show on their tax return how much money he sent to the government in income tax.

The man said, "You are not employees. You are contractors."

The man had not sent any income tax money to the government for them. He said, "You have your own business."

Maria and Fernando had created income, but they had not paid any income taxes. They did not think that they were running their own business, so they had not put any money aside to pay taxes.

Also, they had not kept any receipts for their expenses. Without receipts, they could not claim business deductions.

They had to use their savings to pay the income tax and the CPP owing to the government.

Q: Do you think Maria and Fernando are employees or self-employed contractors?

Q: What should they have been receiving from the employer if they were his employees?

Q: If they keep working as contract cleaners, what should they do to be better prepared for tax time next year?

Q: Who should Maria and Fernando speak to if they have questions?