



Volunteer Firefighter Tax Credit Important Information for Fire Chiefs

With the implementation of the federal Volunteer Firefighter Tax Credit (VFTC) for the 2011 taxation year, Fire Chiefs should be aware of how the Canada Revenue Agency determines eligibility for the Volunteer Firefighter Tax Credit. Please be sure to consult the Revenue Canada website: <http://www.cra-arc.gc.ca/gncy/bdgt/2011/qa03-eng.html>

According to the Canada Revenue Agency:

You can claim an amount of \$3,000 if you meet the following conditions:

- you were a volunteer firefighter during the year; and
- you completed at least 200 hours of eligible volunteer firefighting services with one or more fire departments in 2011.

Written certification from a Fire Chief or delegated official within the fire department may be requested to verify the number of hours of eligible volunteer firefighter services performed for the department. The certification should contain the following:

- The volunteer firefighter's full name;
- The number of hours of eligible volunteer firefighting services performed by the volunteer in 2011;
- The year when the services were performed;
- The fire chief's or delegated official's full name, title, work address, and phone number.

The Canadian Association of Fire Chiefs recommends:

Fire Chiefs develop Departmental policies/operational guidelines for each of the following expectations:

- When should their firefighters carry their pagers;
- Services that the Fire Chief expects their firefighter to attend (emergency responses, practices, training, public education programs, maintenance of fire equipment, etc).
- Identify and implement procedures when not to respond (under the influence, driving restriction, etc.);
- Identify and implement procedures when a volunteer is not available (i.e. vacation, sickness, cannot leave workplace).

Fire Chiefs are also encouraged to develop, implement, and maintain a record keeping system for their volunteer firefighters to assist in the certification of a volunteer's eligibility for the tax credit, if requested by the Canada Revenue Agency.

The CAFC has received a number of inquiries regarding the Volunteer Firefighter Tax Credit. Below are a few key points that should help Fire Chiefs respond to questions from their volunteers:

1. A volunteer firefighter may be eligible for an income exemption of up to \$1,000 if they received a payment from a government, municipality, or other public authority for carrying out volunteer firefighter duties. If a volunteer firefighter chooses to claim this income exemption, they will **not** be eligible for the Volunteer Firefighter Tax Credit.
2. The CAFC does not recommend that Fire Chiefs provide advice to their firefighters as to whether the \$3,000 tax credit or the \$1,000 exemption is right for them or not. This is an individual decision that should only be made after consulting with a tax professional.
3. Revenue Canada has confirmed that all hours during which a Fire Department identifies a volunteer as providing an eligible service, including being on call, will count towards a volunteer firefighters' eligible hours.
4. Revenue Canada has also confirmed that a volunteer who receives an honorarium or stipend from their Fire Department is still eligible for the tax credit if they meet the criteria.

The Canadian Association of Fire Chiefs strongly encourages Fire Chiefs to consult the Canada Revenue Agency website for updates and clarifications.

<http://www.cra-arc.gc.ca/gncy/bdgt/2011/qa03-eng.html>

You can also contact Canada Revenue Agency by phone with any specific questions using the number provided below from the CRA website:

Individual income tax enquiries – Extended hours of service

From February 20 to April 30, 2012, [Individual income tax enquiries](#) telephone agents are available **Monday to Friday** (except holidays) from **8:15 a.m. to 9:00 p.m.** (local time) and from **9:00 a.m. to 5:00 p.m.** on **Saturdays** (except Easter weekend) by calling **1-800-959-8281**. Our automated service is available 24 hours a day, 7 days a week.

For other inquiries, please contact the CAFC at 1-800-775-5189 or email info@cafc.ca.

Sincerely,



Fire Chief Rob Simonds, CFO

President

Canadian Association of Fire Chiefs