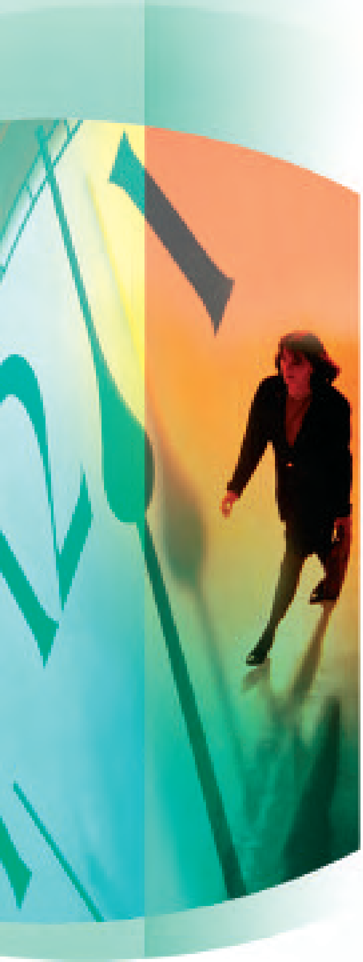
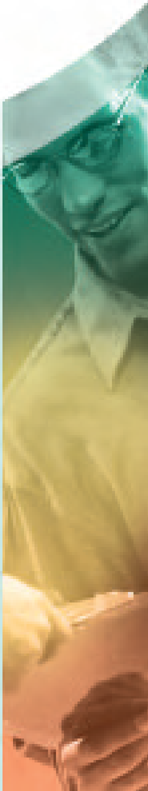
Revenu Québec www.revenu.gouv.qc.ca

Work Premium





Québec

The work premium: an incentive to remain in the labour market

Do you earn income from employment or the operation of a business?

If so, you may be entitled to a work premium, provided you meet the conditions outlined in this folder. To find out more, read what follows.

What is the work premium?

The work premium is a refundable tax credit that can be claimed in your income tax return (Schedule P). A refundable tax credit is an amount that may be granted to you even if you do not have to pay income tax. The work premium is determined on the basis of the worker's income and personal and family situation.

Under certain conditions, Revenu Québec can pay the work premium in advance.

Who is entitled to the work premium?

You may be entitled to the work premium for a given year if you meet the following requirements:

- You are a Québec resident on December 31 of the year in question.
- You are a Canadian citizen, an Indian, a permanent resident or a person who has been granted refugee protection in Canada.
- Your annual earned income is over $2,400 (person living alone or single-parent family) or over $3,600 (couple with or without children).
- The annual income of your household is lower than the income below:

Situation	Annual income
Person living alone	$14,908.60
Couple without children	$22,949.40
Single-parent family	$31,832.00
Couple with at least one child[1]	$43,437.00

1. As a rule, the child must be under 18, or, if he or she is 18 or over, have completed at least one term as a full-time student of a vocational training program at the secondary level or of a post-secondary program and be eligible to transfer an amount for his or her studies to his or her father or mother.

How much is the work premium?

The work premium is based on your earned income as well as the income of your household and takes into account your family situation. The maximum amounts of the premium are as follows:

Situation	Maximum annual work premium
Person living alone	$515.06
Couple without children	$796.74
Single-parent family	$2,207.40
Couple with at least one child[1]	$2,845.50

Beyond certain income thresholds, the premium decreases until it reaches zero.

Annual income

Your annual income is the total net income of your household for the year, that is, the total of your net income (see the amount on line 275 of your income tax return) and, where applicable, the net income of your spouse, plus part of the net income of the child[1] you designate for purposes of calculating the work premium. In the case of the designated child, Revenu Québec takes into account the amount by which the child's net income exceeds $6,650 (the amount is indexed each year on January 1).

Example

Jack and Connie's income is $34,000.

Their 16-year-old son, Steve, has an income of $8,480.

Steve's income, for purposes of calculating the premium, is $8,480 - $6,650 = $1,830.

The annual household income is $34,000 + $1,830 = $35,830.

If you have more than one child, it is to your advantage, when applying for the work premium, to designate the child who will have the lowest income during the year in question.

The amounts given in this folder are those in effect for 2007.

Can the work premium be paid in advance?

Yes. Instead of waiting until you file your income tax return, you can obtain advance payments of the work premium, in the form of instalments. **Half of the estimated work premium** for the current year can be paid in advance, by cheque or direct deposit.

To receive advance payments of the work premium during the year, you must submit an application to Revenu Québec and meet certain requirements. For example, at the time of your application, you must

- be resident in Québec;
- be the parent of a child[1] who is your dependant;
- participate actively in the labour market;
- estimate that you are entitled to an annual work premium of more than $500. (For example, to be entitled to a premium of more than $500, a single-parent family must estimate its earned income to be at least $4,067. A couple with a child must estimate its earned income to be at least $5,601).

Advance payments of the work premium are made in equal quarterly instalments, on or about January 15, April 15, July 15 and October 15.

1. As a rule, the child must be under 18, or, if he or she is 18 or over, have completed at least one term as a full-time student of a vocational training program at the secondary level or of a post-secondary program and be eligible to transfer an amount for his or her studies to his or her father or mother.

How to apply for advance payments of the work premium

To request advance payments of the work premium, you must

- complete form TPZ-1029.8.P-V, *Work Premium: Application for Advance Payments*;
- provide the documents requested; and
- mail the form and the required documents to Revenu Québec.

The amount to which you are entitled as advance payments of the work premium will be determined by Revenu Québec.

If you have a spouse, only one of you may apply for advance payments.

You may use the application form to change or cancel your application. The form is available on our website or by calling Revenu Québec.

Important

You must notify us of any change in your or your family's situation that could affect the amount of your advance payments of the work premium.

This publication is provided for information purposes only. It does not constitute a legal interpretation of the *Taxation Act* or any other legislation.

To contact us

By Internet

We invite you to visit our Web site at **www.revenu.gouv.qc.ca**.

By telephone

Hours of availability for telephone service
Monday, Tuesday, Thursday and Friday: 8:30 a.m. to 4:30 p.m.
Wednesday: 10:00 a.m. to 4:30 p.m.

Information concerning individuals and individuals in business

Québec City area	Montréal area	Elsewhere (toll-free)
418 659-6299	**514 864-6299**	**1 800 267-6299**

Information concerning businesses, employers and consumption taxes

Québec City area	Montréal area	Elsewhere (toll-free)
418 659-4692	**514 873-4692**	**1 800 567-4692**

Information service for persons with a hearing impairment

Montréal area	Elsewhere (toll-free)
514 873-4455	**1 800 361-3795**

By mail

Individuals and individuals in business

Montréal, Laval, Laurentides, Lanaudière and Montérégie

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