



PROPERTY TAX DEFERMENT PROGRAM

A Tax Deferment Program was established in the province of British Columbia in 1974 which allows an individual to apply to defer payment of annual property taxes on their home if they are 55 years of age or older, widowed or a disabled person as defined by regulation and a Canadian Citizen or a landed immigrant and has lived in BC for at least 1 year. The applicant must have a minimum equity in their home of 25% of the current assessed value determined by BC Assessment.

Many seniors believed they had retired in good financial shape with a satisfactory fixed income, only to discover that increases in auto insurance, the cost of home maintenance and repairs, steadily increasing municipal property taxes and the development of holes in the health care system, have started to erode their retirement savings.

The Alberta Government should assist Municipalities and provide a modern, innovative loan program to assist senior homeowners and other pre-qualified persons to remain living longer in their principal residence next to life long neighbors who indirectly provide them with a measure of safety, security and friendship.

This ability to defer payment of municipal taxes would in effect provide those qualified with an additional amount of disposable income to significantly supplement their annual pension/income and would allow them to enjoy the benefits and rights of home ownership along with peace of mind that comes from not having to worry about property taxes. The deferral of taxes will allow homeowners to improve their standard of living today, while using their home equity to pay property taxes tomorrow.

While a tax deferral program may not be right for everybody, it does allow each qualified person to make a decision for themselves. Many seniors would appreciate knowing that a financial assistance plan has been designed should unforeseen changes in their income or finances occur. If older homeowners see the advantage of deferring their property tax in order to stay in their homes, these plans have a role to play.

An individual can apply for tax deferment upon receipt of their property tax notice. The current taxes must be fully paid. They complete an Application for Deferment of Property Taxes, all eligible registered owners of the residence must sign the agreement and the completed application is returned to their municipal office for processing before the property tax due date.

All applications are forwarded to a centralized provincial property tax deferment office which will confirm receipt and determine your eligibility. All administration of the program takes place from one location.

If the application is approved a certified copy of the signed agreement will be registered as a lien in the Land Title Office. This lien will secure all administration fees and charges, deferred taxes and interest accrued under the agreement. The agreement will remain in effect until the above amounts are paid.

An individual may repay all or part of the deferred taxes and interest at any time without penalty.

BC also charges an administration fees and interest on the tax deferred amounts. A onetime administration fee of \$60.00 on new deferment agreements and a \$10.00 annual renewal fee is added to accounts with renewal applications. Simple interest (currently .05%) is charged on their deferment account at a rate set every 6 months tied to the rate at which the province borrows money.

If a senior decided against a Property Tax Deferment Plan only because they do not want to leave their property to their heirs with taxes owing, they should consult with their children to see how they feel. Most families would prefer to see their parents live as comfortably as possible. A financial gift from a parent on their death will not compensate the child(ren) if they feel that they have gained something at the expense of their parents' health, happiness or peace of mind.

It is with these thoughts in mind we request your consideration to introduce required legislation to provide a Property Tax Deferment Plan for Alberta.

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United to Ensure Seniors can live in Dignity in the Province of Alberta

