



# KELOWNA CHRISTIAN SCHOOL

## CALCULATING THE NET AFTER-TAX COST OF TUITION

*Understanding the relationship between School Tuition, Charitable Tax Receipts & Tax Credits*

2021-2022 Tuition Schedule	2 Child Family
1 <sup>st</sup> Child – Grade 8	\$ 6,700
2 <sup>nd</sup> Child – Grade 5	\$ 3,425
<b>Total Annual Tuition Paid</b>	<b>\$10,125</b>
Average Charitable Range (70 - 80%)	x 75 %
<b>Charitable Tax Receipt</b>	<b>= \$ 7,594</b>
less Tax Credit on first \$200	- \$ 40
less Tax Credit on the balance - \$7,244	- \$ 3,386
<b>less Total Tax Credits</b>	<b>- \$ 3,427</b>
<b>Net After-Tax Cost of Tuition</b>	<b>\$ 6,698</b>
<b>Net Monthly Cost of Tuition</b>	<b>\$ 558</b>

**Important Note:** A charitable donation receipt for tax purposes will be issued on an annual basis for the portion of tuition paid that pertains to religious instruction. The amount of this receipt varies from year to year and is calculated in accordance with the Canada Revenue Agency requirements.

In recent years, on average, Kelowna Christian School families have benefited by receiving a charitable tax receipt equivalent to 70% - 80% of total tuition paid. This benefit may be used to reduce the amount of personal income tax paid, and consequently, reduce the total cost of tuition.

**For example:** A family with 2 children in grades 8 and 5 would pay \$10,125 in annual tuition, or \$844 per month, and receive an estimated charitable tax receipt of \$7,594. Based upon 2020 tax rates, the charitable receipt would generate non-refundable federal and provincial tax credits of \$3,427. Therefore, the annual net after-tax cost of tuition would be only \$6,698 or \$558 per month. This tuition cost is \$286 or 34% less than the posted monthly tuition rate.