

Seniors Property Tax Deferral

PROGRAM INFORMATION GUIDE, APPLICATION AND AGREEMENT

The Seniors Property Tax Deferral (SPTD) program allows eligible senior homeowners to defer all or part of their annual residential property taxes through a low interest home equity loan with the government.

SPTD PROGRAM INFORMATION

You may apply for a property tax deferral loan to defer payment of residential property taxes on your primary residence if you are:

- age 65 or over (only one spouse/partner needs to be 65);
- a Canadian citizen or permanent resident of Canada; and
- an Alberta resident.

PROPERTY QUALIFICATIONS

- Your property may qualify for the SPTD program if:
 - it is the primary residence of the owner, where the owner ordinarily resides. Second homes, such as summer homes and rental properties, and commercial property do not qualify;
 - it is covered by home insurance; and
 - it has sufficient equity (see equity calculator).
- Only residential properties may qualify
- Mobile homes and manufactured homes on residential property owned by the senior will be considered

- Residential portion of farmland will be considered
- Any charges registered against your primary residence that may hinder you from being able to repay your property tax deferral loan must be removed before you can qualify for the SPTD program.

REGISTERED OWNERS

You can apply to defer the residential property taxes on your primary residence if:

- it is registered with a Land Titles Office as a:
 - fee simple (typical homeowner);
 - life estate; or
 - leasehold.

All registered owners of the property are required to sign the application form.

MINIMUM EQUITY

To qualify, you must have a minimum of 25% equity in your primary residence. This means that all charges registered against the primary residence in a Land Titles Office cannot exceed 75% of your primary residence's assessed value, as shown on the assessment roll prepared by your municipality. All charges registered against your primary residence such as the registered value of your mortgage, line of credit, and any other registered encumbrance that has a monetary value will be used in the initial calculation to determine your equity. If this calculation indicates there is undetermined equity, you will be sent a letter from our office requesting more information.

EQUITY CALCULATOR

Use this calculator to determine if you have the minimum equity to qualify for the program.

| | | |
|---|------------------------------|---|
| Assessment value of your home | \$ | |
| Assessment value × 0.75 = | \$ | A |
| Total Encumbrances (e.g. line(s) of credit, mortgage(s) and any other registered charges) | \$ | B |
| To apply for SPTD program | B MUST BE LESS THAN A | |

WHAT CAN BE DEFERRED

You can defer residential property taxes owed to a municipality; this may include any outstanding arrears and penalties.

DEFERRAL OPTIONS

You can choose from the options listed below.

Option One — Current Year: Defer the FULL amount of your residential property taxes for the current year. You will have to complete a new application if you wish to defer your residential property taxes in subsequent years.

Option Two — Multiple Years: Defer the full amount of your residential property taxes for the current year, plus additional years up to a

maximum of 10 years. A new application will not be required for future residential property tax deferral loans until the period you have chosen expires. Your annual residential property taxes will be automatically paid to your municipality.

Option Three — Partial Payment: Defer a portion of your residential property taxes for the current year. You will have to complete a new application if you wish to defer a portion of your residential property taxes in subsequent years.

Note: If you choose Option Two your eligibility will be assessed every year to ensure that you continue to meet the eligibility requirements.

Example of Multiple-year Deferral Calculation

This is an example of a senior who would like to defer the current year's residential property taxes plus an additional 4 years.

| Year | Example Yearly Residential Property Tax Amounts (at a 5% annual growth rate) | Total Principle of the Loan | Example Annual Interest Rate (at 3% interest) | Projected Total Loan Amount (Total Principle + Interest from each year) |
|--------------|--|-----------------------------|---|---|
| Current Year | \$2,000 | \$2,000 | \$60 | \$2,060 |
| Year 2 | \$2,100 | \$4,100 | \$123 | \$4,283 |
| Year 3 | \$2,205 | \$6,305 | \$189 | \$6,677 |
| Year 4 | \$2,315 | \$8,620 | \$259 | \$8,879 |
| Year 5 | \$2,431 | \$11,051 | \$332 | \$12,014 |
| Total | \$11,051 | | \$962 | \$12,014 |

Note that this example factors in estimated increases to the yearly residential property taxes and assumes an interest rate of 3%. The actual interest rate may fluctuate semi-annually. Each year you defer, a caveat will be registered on your certificate of title in a Land Titles Office.

INTEREST CHARGE

- Simple interest charges, not compounded interest, will start from the date that the SPTD program pays your residential property taxes to your municipality on your behalf and ends when your property tax deferral loan has been repaid in full.
- The interest rate is variable and is set every six months on April 1st and October 1st.
- You will receive semi-annual property tax deferral loan statements in April and October.
- **For the current interest rates, please visit our website at www.SeniorsPTDP.alberta.ca or you may call the Alberta Supports Contact Centre toll-free at 1-877-644-9992 or 780-644-9992 in the Edmonton area.**

REGISTRATION OF SECURITY

- If your primary residence has a certificate of title registered in a Land Titles Office, then the SPTD program will register a caveat against your certificate of title in order to secure the property tax deferral loan.

SURVIVORSHIP

Typically, when a senior who has a property tax deferral loan passes away, the full amount of the loan(s) and any interest accrued will become due. However, existing property tax deferral loans and eligibility to apply for future loans may continue for a surviving spouse or adult interdependent partner if the spouse or adult interdependent partner is:

- 55 years or older;
- is a registered owner of the primary residence;
- resided in the primary residence before their spouse or adult interdependent partner passed away; and
- continues to reside in the primary residence.

REPAYING YOUR PROPERTY TAX DEFERRAL LOAN

- Your property tax deferral loan (principal together with interest) will be due when:
 - you sell your primary residence;
 - you are no longer a registered owner; or
 - your home is no longer your primary residence.
- You may choose to repay all or part of the deferred taxes and interest at any time without penalty.
- Payments to your property tax deferral loan will apply to interest first.

PLEASE READ THE INFORMATION BELOW BEFORE COMPLETING THE APPLICATION

After You Apply

- The SPTD program will review your application in order to determine whether you are eligible for the SPTD program.
- Written notification will be sent advising you of your eligibility for the SPTD program.
- If your application is approved, a caveat will be registered on your certificate of title in a Land Titles Office.
- If you are eligible, the SPTD program will pay the applicable residential property taxes to your municipality on your behalf.
- If you are eligible for a loan, you will receive semi-annual property tax deferral loan statements.
- We reserve the right to deny the application for any reason at our sole discretion.

IMPORTANT!

APPLICATION DEADLINE

- To give the SPTD program enough time to process your application and forward payment to your municipality, **we must receive your complete application 30 days before your municipal property tax deadline. For example if your residential property taxes are due on June 30, we must receive your application by May 31.**

More information may be requested in order to determine your eligibility; this may impact the processing of your application by your residential property tax due date.

- If you apply to the SPTD program after the application deadline, or if you fail to provide all necessary information by the application deadline, you may incur penalties on your residential property taxes. You can either have the penalties added to your property tax deferral loan, or you can choose to pay them.
- The application deadline applies to all new property tax deferral loan applications.
- If you choose to defer multiple years of your residential property taxes:
 - a yearly application is not required and,
 - the potential for late payment penalties is avoided.

- For more information, please visit our website at www.SeniorsPTDP.alberta.ca or you may call the Alberta Supports Contact Centre toll-free at 1-877-644-9992 or 780-644-9992 in the Edmonton area.

PLEASE KEEP THIS INFORMATION GUIDE FOR YOUR RECORDS AND SUBMIT ONLY THE 2 PAGE APPLICATION FORM/ AGREEMENT AND A COPY OF YOUR 2013 PROPERTY TAX NOTICE TO THE SPTD PROGRAM.

Please submit your application form and a copy of your 2013 property tax notice to:

Seniors Property Tax Deferral Program
PO BOX 1200
Edmonton, AB T5J 2M4



SENIORS PROPERTY TAX DEFERRAL LOAN APPLICATION/AGREEMENT

We must receive your complete application 30 days before your municipal property tax deadline
(see Application Deadline in the information guide)

The personal information on this form is being collected by Alberta Health pursuant to section 33(c) of the *Freedom of Information and Protection of Privacy Act* for the purposes of determining your eligibility for the Property Tax Deferral Loan and for all other purposes related to the administration of the property tax deferral loan, and may be disclosed to an agency, institution, government department (federal or provincial), or other source for these purposes. If you have any questions regarding the collection, use and disclosure of this personal information, please contact the Alberta Supports Contact Centre at 1-877-644-9992.

Please print your information in the necessary boxes below

PERSONAL INFORMATION

APPLICANT/Power of Attorney/Trustee

| | | | |
|------------------------|------------|---------------|--|
| Personal Health Number | | Date of Birth | |
| Last Name | First Name | Middle Name | |

SPOUSE/PARTNER (if applicable)

| | | | |
|------------------------|------------|---------------|--|
| Personal Health Number | | Date of Birth | |
| Last Name | First Name | Middle Name | |

DEFERMENT PROPERTY ADDRESS — Primary Residence

| | | | |
|--|--------------|---------------------------|--|
| Unit Number | House Number | Street Name/PO Box Number | |
| City | Province | Postal Code | |
| My residential property taxes are in arrears | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

PROPERTY TAX INFORMATION (include a copy of your 2013 property tax notice)

| | |
|------------------------|------------------------|
| Tax Roll Number | |
| Legal Land Description | Current Assessed Value |

MAILING ADDRESS (if different from your primary residence)

| | | | |
|-------------|--------------|---------------------------|--|
| Unit Number | House Number | Street Name/PO Box Number | |
| City | Province | Postal Code | |

LOAN INFORMATION - choose one of the following options

| | | |
|--------------------------|---|-----------------|
| <input type="checkbox"/> | 1. Current Year: I would like to defer my current year residential property taxes (may include all outstanding arrears and penalties) | |
| <input type="checkbox"/> | 2. Multiple Years: Enter the number of years you would like to defer of your residential property taxes, up to a maximum of 10 years | Number of Years |
| <input type="checkbox"/> | 3. Partial Year: Enter the amount of your residential property taxes that you would like to defer | Dollar Amount |

INITIAL ELIGIBILITY (check list)

Please check (✓) all options that apply to you

| | |
|--|--|
| Canadian Citizen | <input type="checkbox"/> |
| If not a Canadian Citizen, are you a Permanent Resident under <i>Immigration and Refugee Protection Act</i> (Canada) | <input type="checkbox"/> |
| I have lived in Alberta for the past 3 months | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| The property tax information above is for my primary residence | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| I have current home insurance | <input type="checkbox"/> Yes <input type="checkbox"/> No |

TERMS AND CONDITIONS OF THE PROPERTY TAX DEFERRAL LOAN

THE APPLICANT AND ALL REGISTERED PROPERTY OWNERS MUST COMPLETE THIS APPLICATION TO BE ELIGIBLE FOR THE PROPERTY TAX DEFERRAL LOAN. PLEASE ENSURE YOU HAVE READ ALL THE TERMS AND CONDITIONS OF THIS AGREEMENT BEFORE SIGNING.

PROPERTY TAX DEFERRAL LOAN AGREEMENT (Agreement)

I/We, as the registered owner/owners (Owners) of the property identified on this application (Property), and Her Majesty the Queen in right of Alberta (Province) as represented by the Minister responsible for the *Seniors' Property Tax Deferral Act*, agree that the Province will provide the Owners with a Property Tax Deferral Loan (Loan) in order to pay the Owners' qualifying property taxes in accordance with the *Seniors' Property Tax Deferral Act* and the *Seniors' Property Tax Deferral Regulation*.

I/We hereby agree to the following TERMS AND CONDITIONS:

1. I/We authorize the Province to register a caveat charging my/our interest in the Property in favour of the Province under the Land Titles Act as security for the loan.
2. The Province will pay my/our qualifying property taxes to the municipality or jurisdiction in which the Property is located.
3. I/We will notify the Province in the event of the death of a registered owner or when the Property is sold, transferred, further encumbered or otherwise disposed of.
4. I/We will repay the Loan and applicable interest under this Agreement that are outstanding on the date of termination of this Agreement.
5. The Owners shall be liable for any costs associated with the Province pursuing an action for the recovery, collection and/or enforcement of the Loan and applicable interest payable to the Province under this Agreement, including legal costs on a solicitor-client basis.
6. I/We will not assign any interest in this Agreement or any right or benefits under this Agreement.
7. I/We will maintain home insurance throughout the life of the loan and I/we will provide evidence of insurance upon request.
8. I/We declare that all the information on this application is true and correct. I/We understand that giving any false, inaccurate or misleading information on this application may result in my/our receiving a Loan for which I/we are not eligible and therefore I/we may be required to immediately repay the Loan and applicable interest upon demand of the Province.
9. I/We authorize Alberta Health to collect, use and disclose the personal information on the application form for the purposes of determining my/our eligibility for the Loan and for all other purposes related to the administration of the Loan, including disclosure to and use by third parties engaged by Alberta Health in the administration of the Loan.
10. I/We have read and understood the Seniors Property Tax Deferral Program Information Guide.

ALL REGISTERED OWNERS ARE REQUIRED TO PROVIDE THE INFORMATION BELOW

(If you are a trustee or power of attorney signing on behalf of a registered owner, please indicate the registered owners full name and your full name, phone number and signature, and the date in the section at the bottom).

| Registered Owner(s) Full Name (Please print) | | Phone Number | Signature | Date |
|---|--|--------------|--|------|
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| | | | | |
| Power of Attorney or Trustee Full Name (Please Print) | Registered Owner(s) Full Name (Please print) | Phone Number | Power of Attorney or Trustee Signature | Date |
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