

If you are required to file a U.S. tax return, you must first apply for an IRS individual taxpayer identification number. However, you may be eligible for relief from U.S. taxes under the Canada-United States tax treaty, since you will also have to declare that income and pay appropriate taxes in Canada. You can obtain more information on this subject from IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Form 8833, *Treaty-Based Return Position Disclosure Under Section 6614 or 7701(b)*.

Health Care Issues

Canadian health care is mainly a provincial matter, and each province's health care plan has its own residency requirements. A typical requirement is that you are physically present in the province for at least six months a year. These requirements are not related to residency for tax purposes. You can lose your entitlement to provincial health care and still be liable for both federal and provincial income taxes. If you lose your provincial health care coverage, you may have to wait three months to requalify for coverage after your return. Check with provincial health care authorities to find out the specific

conditions that will apply to you. Ask for information on the length of time you can be out of the country without losing your health care coverage.

Supplementary Insurance

Even if you plan to return to Canada soon enough to avoid losing your provincial health care coverage, it is still advisable to have private health care insurance, mainly to cover the extra cost of medical services received abroad. Supplementary insurance offers benefits for people covered by a Canadian provincial health care plan. This type of insurance is relatively inexpensive since it covers only unexpected short-term health problems. You are expected to return to Canada for treatment of pre-existing medical conditions or long-term health problems. Most of these policies include coverage for emergency evacuation to Canada; in many cases, evacuation is mandatory for serious problems. You can claim the cost of foreign medical expenses, including insurance premiums, as an income tax deduction.

You should obtain supplementary insurance before you leave Canada. Check the following