

**Tax Tip**  
**Week of August 16, 2010**

**Alimony and Child Support**

The basic rule for alimony and child support is that alimony is deductible by the payor and taxable to the recipient, whereas child support payments are neither deductible by the payor nor taxable to the individual who receives the funds. When negotiating a separation agreement is important that child support and alimony not be lumped together as a single amount. In such cases, CRA will consider the entire amount to be child support and therefore the alimony component will not be deductible by the payor.

It is important that alimony payment be made in the calendar year in order to receive the tax deduction. Therefore, the December payment should never be late.