



**SEPTEMBER
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As summer turns to fall...

A Note from Lynne

I don't know about you, but this summer just seemed to fly by! Even though I'm not a parent, the start of school always signals a change in habits, and I think fall is a great time to think about changes that you'd like to see before the end of another calendar year is here. As always, I'm happy to discuss the articles in this newsletter further, or answer any other questions you may have. Please e-mail me at lynne@forgette.ca or give me a phone call at 613-271-0683 and I'll respond as soon as possible. I love hearing your suggestions for future topics, so please keep the ideas coming.

Enjoy the fall!

Small Business Job Credit

Recently, Minister of Finance Joe Oliver announced a new Small Business Job Credit which will reduce the rate that employers pay for Employment Insurance premiums. Almost 90% of all EI premium-paying businesses are expected to benefit from the new credit.

Disability Tax Credit

When a taxpayer has an impairment, either physical or mental, that "markedly restricts" their daily living activities, then a disability tax credit may be available. In the past, certain promoters tried to charge excessive fees to help individuals apply for the credit, but a new bill, The Disability Tax Credit Promoters Restrictions Act, is in the works to help protect taxpayers from being taken advantage of.

If you have kids, grandkids or a spouse going to postsecondary school this fall, be aware of tax planning opportunities. Tax credits relating to tuition and student loan interest are available, for example, and most scholarships for full-time students are tax exempt. If you have questions about how you might be affected, please give me a call.



Risky Business

Canada Revenue Agency (CRA) enforces The Income Tax Act to ensure that everyone pays the correct amount of taxes and it should be no surprise that failure to report income has serious consequences when caught including penalties, court fines and even jail time.

CRA uses methods such as lifestyle audits and comparisons to industry averages to find unreported income, as well as following up on leads from informants, to combat the underground economy.

Now you might be tempted to think that the problem is only for the person who receives the cash, but problems can arise for the consumer too: what recourse is there if the work is done poorly? And what proof exists of what was paid if no receipt is offered? For small businesses, or home owners doing work that might qualify for certain tax credits, you must have proper documentation to support your expenditure. Additionally, participating in the underground economy puts an unfair burden on law-abiding taxpayers, and gives an unfair advantage to businesses that choose to ignore the rules.

Tax Free Savings Accounts (TFSA)

TFSA's were introduced in 2009, but some taxpayers are still having trouble with the rules, especially those relating to withdrawing and reinvesting within the same year. More than 54,000 letters were sent by CRA earlier this year warning them of penalties they face for overcontributions. If you receive such a letter, need help determining how much you can contribute, or would like the name of a financial advisor who can help you set up a new TFSA account, contact me!

Small Business Checklist

CRA recently introduced checklists to help business owners understand various lifecycle stages. Visit <http://www.cra-arc.gc.ca/tx/bsnss/sm/chcklst-eng.html>

Canada Child Tax Benefit (CCTB)

Be sure to call the Canada Child Tax Benefit Department at 1-800-387-1193 if any of the following apply:

- New address
- A child is born or a child starts to live with you
- You are no longer caring for a child for whom you receive CCTB
- You want to start Direct Deposit
- Your residency status changes
- You didn't receive your payment
- Any other questions about CCTB



And now for a break from taxes...

If you're a victim of counterfeiting, chances are you won't be compensated. The \$ 20 bill is the most widely counterfeited bill, so know what to look for and protect yourself from being duped. Visit the Canadian Federation of Independent Business for a list of security features to check for at:

<http://www.cfib-fcei.ca/english/article/6243-identify-genuine-bank-notes.html>

Please remember that the information presented here is for educational purposes only, and it is not possible to include all situations, circumstances and exceptions – individual facts should always be discussed with a qualified professional.

Although I have made every effort to ensure the accuracy of the information in this newsletter, I accept no liability for any errors or omissions.

Please call or email if you would like any further information or have any questions!



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