Personal Taxation
Part A

An educational program for individuals and families anticipating or now in retirement

Introductory concepts in tax minimization

First Sovereign
Investment Management

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Introduction

Income tax was a **temporary measure** institute by the Government of Canada in 1917. This measure, however, has lost its temporary nature and has become a permanent fixture in our financial life. The Income Tax Act provides each Canadian taxpayer with opportunities to arrange their financial affairs in such a manner as to reduce the amount of income taxes that they pay. There are many legal ways to reduce income taxes. Canadian taxpayers, unfortunately, do not often take full advantage of these opportunities. This module has been designed to make individuals aware of some of the mechanisms available to reduce one's income tax payable.

Understanding how to effectively develop personal income tax strategies to reduce the amount of income tax we pay, involves an awareness of the following:

1) Marginal Tax Rates
2) Tax Deductions and Tax Credits
3) Tax Deferral
4) Income Splitting

1) Marginal Tax Rates
Canada operates in a progressive tax environment, meaning, essentially, the more money we earn, the higher our tax rate becomes. For planning purposes, it is important to have a fundamental understanding of how our tax system operates, and which tax rates are applicable to us. It is important to have a basic understanding of the difference between your marginal rate and your effective rate. Not all income is treated equally in the eyes of the government, and it is significant in tax planning to be aware of your potential opportunity to choose tax-preferred income.

2) Tax Deductions and Credits
Deductions and credits can both help to reduce your overall income tax burden, yet in completely different ways. It is essential for tax planning purposes to be able to differentiate between a credit and a deduction, and more importantly, to know which deductions and credits are available to us, so that we may take full advantage of them to reduce our taxes payable.

3) Tax Deferral
Some investments allow us the benefit of deferring taxes. This means putting off paying annual income tax on investment earnings to some point in the future. This is an effective tax-planning tool for many individuals. It is important to know what benefit is afforded to the investor, and which investments offer this opportunity.

4) Income Splitting
Income splitting involves shifting the burden of taxation from one individual to another. This strategy is important in tax planning as it allows individuals to take advantage of the lower tax rates of others, and to utilize tax credits more efficiently. Despite limited opportunities still available to taxpayers, it is important to explore the restrictions and benefits of this strategy, particularly in planning for your retirement.

Note:
This course will not make you an expert in taxation, and it will not help you prepare your income tax return. What it will do is give you the opportunity to make decisions about organizing your affairs so that you may be able to take advantage of the mechanisms available in our taxation system to reduce your income taxes.

First Sovereign Investment Management Inc.

- Financial education and counseling
- Objective, unbiased courses
- Network of alliances with qualified professionals

Learning Objectives

- To have a working knowledge of the 4 basic concepts of personal taxation
- To gain an awareness of the fundamentals of basic tax strategies aimed at minimizing personal taxation

Agenda

- **Introduction**
- **Marginal Tax Rates**
- **Tax Minimization**
    - **Income Conversion**
    - **Tax-Free Income**
    - **Tax Deductions**
    - **Tax Credits**
    - **Tax Deferral**
    - **Income Splitting**

What do you want to learn in today's session? List 2 or 3 main points

Tax Rates

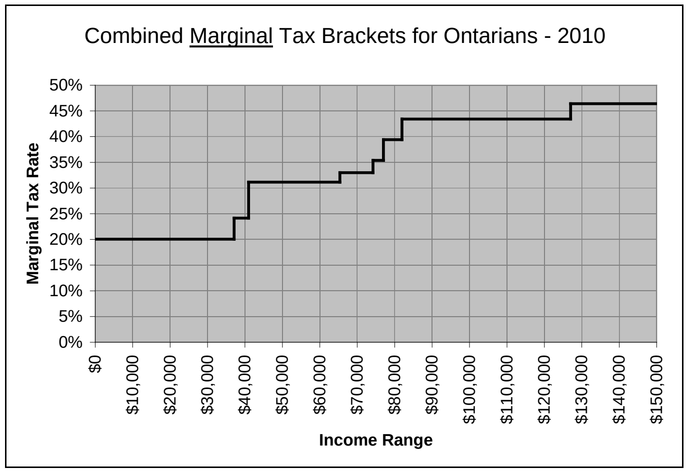
- **Marginal**
- **Effective**

Marginal Tax Rate

The rate of tax applied to the next dollar earned or deducted.

Effective Tax Rates

Effective tax rates are the <u>average</u> amount of tax we pay when we combine the marginal tax rates with the non-refundable personal tax credits. The table below shows the income tax payable at various levels of taxable income.



Combined 2010 Federal & Ontario Marginal Rates

From	To	Rate
$0	$ 37,106	20.05 %
$ 37,106	$ 40,970	24.15 %
$ 40,970	$ 65,345	31.15 %
$ 65,345	$ 74,214	32.98 %
$ 74,214	$ 76,986	35.39 %
$ 76,986	$ 81,941	39.41 %
$ 81,941	$ 127,021	43.41 %
$127,021	and up	46.41 %

Marginal Tax Rates

Personal income taxes are calculated on your taxable income. There are four federal marginal tax rates. These are referred to as the “Basic Federal Tax”. The Provinces also have an income tax; actual provincial rates vary, and Quebec has its own separate personal tax system.

Investment Earnings

- **Interest**
- **Dividends**
- **Capital Gains**

Investment Earnings

Generally we may earn three different types of earnings from our investments. They are interest, dividends and capital gains.

Interest

The money charged by the lender to the borrower, for the use of his/her money. For example: As investors we have the opportunity to earn interest from savings accounts, Savings Bonds, Guaranteed Investment Certificates and Bonds.

Dividend

An amount which may be distributed out of a company’s profits to its shareholders in proportion to the number of shares they own. For example: As investors we may earn dividends from preferred shares, common shares and mutual funds which invest in preferred or common shares.

Capital Gain

The profit resulting from the sale of a capital asset. For example: As investors, we may realize capital gain from mutual funds, common shares and real estate.

Tax Minimization

Not all Income is Created Equal

Some investment income is treated quite differently from employment income. When you invest into Canadian companies by way of equity ownership and participate in the growth of Canadian business, you receive reductions in the level of taxation for your marginal tax bracket. The diagram below indicates the marginal tax rate for various forms of income.

Dividends (Canadian large company) are grossed-up by 44% of the cash dividend and then a federal dividend tax credit of 17.98% and an Ontario tax credit of 6.4% are applied, for a combined credit of 24.38% (call it 24%) resulting in a reduced tax rate.

Small business dividends are grossed up 25% and then receive a federal credit of 13.33% and a provincial credit of 4.5%, combined credit of 17.83% (say 18%).

Note: Ontario surtax kicks in at roughly $65,000

Taxable capital gains are 50% of the actual capital gain. When this is taken into account the result is a reduced marginal tax rate.

APPROX. IMPLIED TAX RATES FOR PLANNING PURPOSES

Income Range	Earned Income, Interest	Grossed-up Dividends	Face Value Dividends	Cap Gains
First 41,000	20.00%	-4%	-6%	10%
41,000-77,000	31.00%	7%	10%	15.5%
77,000-127,000	43.00%	15%	22%	21.5%
127,000+	46.00%	19%	27%	23%

We can now work with the basic tax table

1) What conclusions can be drawn about our tax system when seeing the tax brackets?

2) What conclusions can be drawn about the different sources of income in relation to the tax brackets?

3) If an individual earns $30,000 in employment income and $14,500 in dividend income, which tax rates apply?

Sample Case

Mary has employment income of $50,000, interest income of $2,000, dividend income of $3,000 and a capital gain of $50,000.

Income Type	Income Amount	Running Total	Tax Rate	Tax
Earned	50000			
	first 41,000	41,000	20%	8,200
	remaining 9,000	50,000	31%	2,790
Interest	2000	52,000	31%	620
Dividends	3000 (gross to 4320)	56,320	10% face	300
Cap Gains	50000/2=25000			
	first 20,680	77,000	31%	6,411
	remaining 4,320	81,320	43%	1,858

Gross Tax Payable: $20,179

Group Activity

Again, using the income tax table, determine the tax rates applicable to each income type.

Case Study #1a - Angie

Angie's employment income is $60,000. She earns $6,000 in interest income.

Income Type	Income Amount	Running Total	Tax Rate	Tax

Gross Tax Payable: $______________

Case Study #2a - John

John's self-employment income is $43,000. He earned $900 in capital gains.

Income Type	Income Amount	Running Total	Tax Rate	Tax

Gross Tax Payable: $______________

Tax Free Income

- **Principal Residence**
- **Gifts or Inheritances**
- **Lump Sum Insurance Proceeds**
- **Disability Insurance Benefits**

Tax Free Income
This kind of income is entirely excluded from your taxable income and falls into one or more of the following categories:

- Gains of the sale of your principal residence

- *Most* amounts received through gifts or inheritances

- Proceeds received as a lump sum from insurance policies of which you are a beneficiary

- Disability Income benefits provided the premium was wholly paid by the individual, not the employer. If you are self-employed, the same logic applies.

It is prudent to consult with your financial advisor to determine if any of the above apply to your personal circumstances as there are exceptions.

Deductions

- **Reduce income and save tax at marginal rates**

- **General Deductions**
- **Conditional Deductions**
- **Special Deductions**

Tax Minimization

Deductions

Deductions reduce the taxable income and save tax at your marginal rate. There are still a few remaining deductions and they can be found in your Guide or General Income Tax Return. The deductions used by the majority of taxpayers are the Registered Pension Plan and Registered Retirement Savings Plan.

General Deductions

- **Pension Contributions**
- **RRSP Contributions**
- **Union or Professional Dues (Federal)**
- **Safety Deposit Box Fees (Federal)**

Registered Pension Plans - RPP

There are a variety of plans in the workplace. Some plans require contribution from both the employer and employee while others are funded entirely by the employer. Contributions made by employees are tax deductible. If you contribute to a Registered Pension Plan, your contributions are reported in box 20 of your T4 slip. The value of your pension benefit is reported as a pension adjustment in Box 52 of your T4 slip. The Canada Revenue Agency (CRA) regulates maximum pension contributions and benefits. A Registered Pension Plan is often called a Defined Benefit Plan.

Note:

Pension adj. (PA) =9x accrued benefit-$600
and
Max Accrued benefit=2% of income
therefore
PA= approx18% of income (for rough estimate)

Registered Retirement Savings Plans (RRSPs)

Registered Retirement Savings Plans have been in existence since the 1950s, but became a very popular vehicle for retirement savings in the 1970s. RRSPs were created within the Income Tax Act to provide taxpayers with the opportunity to save for retirement and defer the taxes payable on this capital until such time as the funds were withdrawn at retirement.

RRSP contribution rates were significantly changed in 1991. Prior to 1991, if you did not maximize your RRSP contribution each year, you lost that contribution room. In 1991, RRSP contribution amounts were significantly increased and RRSP contribution room not previously used may now be carried forward indefinitely.

Money Purchase or Defined Contribution Plan

When an RRSP program is run by your employer and the employer controls which investment firm manages the money, this is typically referred to as a Money Purchase Plan or a Defined Contribution Plan

RRSP Contribution Room is calculated as follows:
(18% X Previous year's earned income) – Pension Adjustment
or
(18% X Box 14 of your T4) – Box 52 of your T4

Using your T4 from last year, calculate your current year's RRSP contribution room:

18% X $_______________ - $_____________ = $____________

RRSP contribution room not used since 1991 is carried forward indefinitely. Your carry forward room plus the current year's contribution room is provided to you on your Notice of Assessment issued by the Canada Revenue Agency.

Contribution Limits

The RRSP contribution limit rises almost every year. For 2010 it is $22,000

Defined Benefit versus RRSP

Outcome of Investment success
In a defined benefit pension, the plan provider has the obligation to pay you even if the investment returns of the plan are poor. If the investment returns are strong you will not likely benefit.

In an RRSP, if the investment returns are poor, your retirement income may suffer. Conversely if the returns are great you will have more money for retirement.

Duration of Payments
In a defined benefit pension the provider generally commits to paying you until you die, whenever that happens (and may have follow-on spousal benefits). You lose out if you die early but you really win if you live a long life. Conversely, in an RRSP, you have to ration your money through your retirement years.

Control of Funds
In a defined benefit pension you give up control of the investment funds. On the other hand, with RRSPs (excluding additional voluntary contributions to a group plan) you have the flexibility to control your funds, including using the Home Buyer's Plan or using your RRSP to invest in private mortgages.

Group Exercise
Looking back at Angie and John, calculate their RRSP contribution room. Angie has a pension adjustment of $7,200. John has no pension adjustment.

Deductions

Example

Employment income	**$50,000**
-RRSP contribution	**-5,000**
Taxable income	**45,000**
Income Tax calculation:	
First $41,000	**8,200**
Next $4,000	**1,240**

Individual Exercise

What is the marginal tax rate applied against the deduction?

How much more income tax would the individual have to pay had he not made the RRSP contribution?

Conditional Deductions

- **Child Care Expenses (Federal)**
- **Alimony or Separation Allowance**
- **Moving Expenses**
- **Employment Expenses**
- **Carrying Charges**
- **Capital Losses**

Other Deductions – Don't miss them if they apply to you!

• Union/Professional dues at the Federal level (Did you claim the GST/QST rebate for any GST/QST charged on dues?)

• Child Care Expenses at the Federal level

• Business Investment Loss

• Moving Expenses

• Alimony or Separation Allowance paid in the year of separation or the immediately prior year, based on agreements in place prior to May 1, 1997 or in all cases, spousal support paid.

• Carrying charges, such as interest expense on loans to acquire non-registered investments

• Other employment expenses, such as auto expenses or office in home

Special Deductions

- **Exploration and Development Expenses**
- **Employee Stock Options**
- **Business Investment Loss**
- **Investment Counsel Fees**
- **Self-employment Expenses**

STUDENTS:

• Exemption on scholarship, fellowship or bursary income (federal tax).

Not Deductible

- **Interest on loan for RRSP contributions**
- **Fees related to self-directed RRSPs**
- **Tax preparation fees**

Non-refundable Tax Credits

Definition: Reduces the amount of tax payable

- **Tax relief is provided at a fixed rate**
- **General & Special Credits**

General Credits

Personal amount and supplement
- **Donations**
- **EI**
- **CPP**

Spousal or equivalent to spouse amount
Children
Dependents
Political contributions

Special Credits

- **Seniors (age and pension)**
- **Education Credits**
- **Medical (medical, dental disability, caregiver)**
- **Labour Sponsored Funds**

Non-refundable tax credits
Prior to 1988, most Canadians had the opportunity to reduce their taxes payable through a series of exemptions from income. These exemptions or deductions reduced the income and saved tax at marginal tax rates. In 1988, many exemptions were replaced by tax credits. For example: the personal exemption was replaced by the personal amount. The conversion from exemptions or deductions to non-refundable tax credits provided tax relief at a lower rate versus the higher marginal tax rate for many taxpayers. Non-refundable tax credits reduce the amount of tax payable. Individuals in the 40% and 50% marginal tax brackets were faced with an income tax increase of 20% and 25% respectively on the exemption amounts.

The federal non-refundable tax credit rate is 15% and the Ontario tax credit rate is generally 5.05% so the total value of the tax credits is 20.05%.

NON-REFUNDABLE TAX CREDITS – BASE AMOUNTS

	Federal Tax Credit	Ontario Tax Credit
Personal	10,382	8,943
Spousal	Max 10,382	Max 7,594
Age Amount if over 65	Max 6,446 clawback of 15% of income above 32,506 all clawed back at income=75,480	Max 4,366 clawback of 15% of income above 32,506 all clawed back at income=61,613
Pension Income Credit	Max 2,000	Max 1,237
Disability	7,239	7,225
Caregiver amount (care for parent/grandparent)	Max 4,223	Max 4,216
Canada Employment Amount	1,051	0
Charitable Donations	15% credit on first 200, 29% on remainder, 25% on capital goods	5.05% on first 200, 11.16% on remainder
Medical Expenses threshold	Credit for expenses beyond 3% of income	3% of income
Dependent adult	Max 4,223	4,215
Political Contribution (federal credit for federal party contributions, prov. credit for prov. parties)	75% on first 400, 50% on next 350, 33.33% on next 525	75% on first 372, 50% on next 868, 33.33% on next 1581
CPP	Max 2,163	Same as federal
EI	Max 747	Same as federal
Each child under 18	2,101	0
Child Fitness amount	Max 500/child	N/A
Transit pass	No limit	N/A
Basic Amount		198x2 (higher income spouse only)
First Time Home Buyer (5 years not owning principal residence)	$5,000	

Note: the above are general guidelines. In some cases special conditions apply such as limits on donation tax credits and others.

Ontario Health Premium

Taxable Income							Ontario Health Premium
not more than **$20,000**							**$0**
more than **$20,000**, but not more than **$25,000**				– $20,000 =		× 6% =	
more than **$25,000**, but not more than **$36,000**							**$300**
more than **$36,000**, but not more than **$38,500**		– $36,000 =		× 6% =		+ $300 =	
more than **$38,500**, but not more than **$48,000**							**$450**
more than **$48,000**, but not more than **$48,600**		– $48,000 =		× 25% =		+ $450 =	
more than **$48,600**, but not more than **$72,000**							**$600**
more than **$72,000**, but not more than **$72,600**		– $72,000 =		× 25% =		+ $600 =	
more than **$72,600**, but not more than **$200,000**							**$750**
more than **$200,000**, but not more than **$200,600**		–$200,000 =		× 25% =		+ $750 =	
more than **$200,600**							**$900**

In general, the Ontario Health Premium is around 1% of taxable income for most people

Optimizing your tax credits
- **Tax credits which can be grouped**
- **Single parents**
- **Students, part-time and full-time**
- **Tax credits that can be transferred**

Optimizing Your Tax Credits

The following tax credits may be grouped on one return to maximize family tax benefits. This means that either spouse may claim the entire family expenses for each of these categories.

Medical expenses:
On the federal tax return should be claimed by the lower income earner. In Québec, they are calculated as 3% of both spouses' net income. Often missed are premiums paid to private health care plans and premiums paid for medical coverage for travel out of country.

Charitable donations:
Should be claimed by the higher income earner if a provincial surtax applies.
Don't forget to use the tax receipts received on any door-to-door campaign by a registered charity. These often end up in the garbage.

Political contributions:
Should be made equally by the two wage earners.

Single Parents:
Equivalent-to-spouse amount, you may claim a dependent child under the age of 18 who lived with you during the year. This also applies to singles who supported a parent, grandparent or relative over the age of 18 if physically or mentally infirm.

In Québec, you may be entitled to the single parent credit.

Students, part-time and full-time:
Tuition expense (not paid for by your employer) paid in the calendar year. Education amounts, now applicable for both part-time and full-time students. Improved child care deductions for part-time students.

Student loan interest.

Unused tax credits may be transferred to parent, grandparent or spouse on the federal tax return.

Putting these 3 concepts together
Tax Table, Deductions and Tax Credits

Sample Case
Mary has employment income of $50,000, interest income of $2,000, dividend income of $3,000 and capital gain of $25,000. Mary is unable to make RRSP contributions due to a generous pension plan and DPSP. She claims $200 in EI premium overpayment and $200 in CPP overpayment.

Calculate her taxes payable:

Income Type	Income Amount	Running Total	Tax Rate	Tax
Earned	50,000			
	first 41,000	41,000	20%	8,200
	remaining 9,000	50,000	31%	2,790
Interest	2,000	52,000	31%	620
Dividends	3,000+44%=4,320 grossed up value	56,320	31% grossed up	1339
Cap Gains	50,000-50%=25,000			
	first 20,680	77,000	31%	6,411
	remaining 4,320	81,350	43%	1,858

Gross Tax Payable: $ 21,218

Less:

Credit/ Deduction	Amount	Tax Rate	Tax Saved
CPP (Fed Credit)	200	100%	200
EI (Fed Credit)	200	100%	200
Dividend	4320	24%	1131
Personal	(federal) 10,382	15%	1557
	(provincial) 8,943	5%	447

Total Credits: $ 3,535

Net Tax Payable: $ 17,683

Case study #1b - Angie

Angie's employment income is $60,000. She earns $6,000 in interest income (pg 7). She is eligible for CPP contributions of $1,000 and EI Premiums of $1,000. Her pension adjustment is $7,200. Sarah, her daughter, has just completed the first year of a four-year university degree. The company Angie works for may be transferring her to another province at the end of the year.

INCOME TYPE	INCOME AMOUNT	TAX RATE	TAX AMOUNT

Gross Taxes Payable: __________

CREDIT/ DEDUCTION	AMOUNT	RATE	TAX SAVED

Total Credits: ___________

Net Taxes Payable: ______

Case study #2b - John

John's self-employment income is $43,000. He earned $900 in capital gains and made a $2,000 RRSP contribution. He is eligible for CPP contributions of $2,000. His 10-year-old son is going to summer camp for the first time this year.

INCOME TYPE	INCOME AMOUNT	TAX RATE	TAX AMOUNT

Gross Taxes Payable: __________

CREDIT/ DEDUCTION	AMOUNT	RATE	TAX SAVED

Total Credits: ___________

Net Taxes Payable: ______

Looking at the situations of both Angie and John, indicate the strategies that might be implemented to reduce personal income taxes.

Angie

____

____

____

John

____

____

____

What would change if you found out Angie and John were spouses?

____

____

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____

____

Optimizing your credits and deductions

- **Claim all deductions**
- **Claim all credits**
- **Optimize between spouses**

Income Tax Deferral

- **RRSP**
- **RESP**
- **DPSP**
- **Capital Gains Reserve**

Tax minimization

Income Tax Deferral
Some investments allow us to put off paying income tax, that would otherwise be payable on our investment earnings, to some point in the future. Common investments that provide this opportunity are: RRSP, RESP, DPSP and RPP. Earnings are taxable when withdrawn and are subject to withholding at source.

Income Splitting
Income splitting is shifting the burden of taxation from one individual to another. The purpose of income splitting is to allow individuals to take advantage of the lower marginal tax rates of others as well as personal tax credits more efficiently. The government has greatly tightened the opportunities to do this over the last 15 years. The few opportunities available are generally between married and common law spouses. There are a few options for income splitting with children but these are very limited. Let's look at why this strategy can be very important, especially in preparing for retirement.

Example

We'll assume Mathew has retirement income of $70,000/yr. Given the tax rates as described above and assuming the following nonrefundable tax credits: the pension amount and the spousal amount. Let's look at Mathew's after-tax income assuming his spouse does not have any income.

Gross Income	**$ 70,000**
Gross taxes on $70,000	17,190
Less tax credits:	
Personal	2,004
Spousal	2,004
Pension	125
Taxes payable	**$ 13,057**
After Tax Income	**$ 56,943**

Now let's assume that Mathew and his spouse have done their financial planning and they have arranged their affairs so that their income is equally split between them.

Gross Income	**$ 35,000 each**
Tax on $35,000	7,000 each
Less tax credits:	
Personal	2,004 each
Pension	63 each
Taxes payable	**$ 4,933 each**
After Tax Income	**$ 30,067 each**
	times 2
After Tax Income (combined)	**$ 60,134**

Through income splitting Mathew and his spouse saved about $3,191 in income tax per year!

Tax Planning with an eye on the future

- **Income conversion**
- **Income splitting**
  - **attribution rules**

If you give capital to your spouse, then the attribution rules come into play. The attribution rule essentially makes the first generation income - from the capital invested - taxable back to you. So how can you organize your affairs so that you can equalize?

Income Splitting Possibilities

1) Consider making spousal RRSP contributions. You may contribute to an RRSP registered in your spouse's name. You may contribute up to your own maximum limit to a spousal RRSP. You receive the tax deduction.

At retirement your spouse will withdraw the funds and have them taxable in his or her hands. CAREFUL! ATTRIBUTION RULES ARE AT WORK HERE. If any funds are withdrawn within three tax years from a spousal RRSP the withdrawal is taxable back to the contributor to the extent of contributions made in that three-year period. Spousal RRSP contributions do not prevent your spouse from making his or her own RRSP contributions based on their contribution limits.

2) Consider having all or most of the family's savings and investment done by the lower income earner. This reduces the overall taxes paid by the family as well as insures that income-generating assets grow in the lower income earner's hands.

3) Use new pension income splitting tax rules. Can transfer up to ½ the eligible pension or RRSP/RIF income to the lower earning spouse. Note that the person transferring must be at least 65.

Attribution Rules

Ways around them

- **Make spousal RRSP contributions – watch the three year rule**
- **Ensure that lower income earner does the "Family Savings"**
- **Lend your spouse money to invest – this must be a bonafide loan**
- **Personal Taxation Beyond the Basics**

Group Exercise

How can you apply income-splitting strategies to Angie and John?

Tax Minimization Review

- **Income Conversion**
- **Tax Free Income**
- **Tax Deductions**
- **Tax Credits**
- **Tax Deferral**
- **Income Splitting**

What does my Action Plan need?

Reviewing my situation to make sure I'm getting all credits/deductions possible?
Putting together some documentation to prevent attribution problems with CRA?
Considering my child's tax strategy?

Action Plan

ACTION	DETAILS	TARGET DATE

Strategic Wealth Management

Preparing for Retirement – A: Getting Started

"If you don't know where you're going, any road will take you there."-George Harrison. Are you on path to achieve your goals? In this workshop we focus on putting a process in place to achieve your goals. We focus on cash management strategies and the wealth management process. Secure the foundation of your financial plan

Personal Investing – A: Core investing components applied

"Fads are the kiss of death. When the fad goes away, you go with it."-Conway Twitty. Understanding core concepts will help you identify and protect yourself against investment fads and build a solid investment strategy. In this workshop we talk about investment components, types of risk and how to avoid them, and the factors that contribute to your successful investment strategy.

Personal Taxation – A: Introductory concepts in tax minimization

"Income tax has made more liars out of the American people than golf has." –Will Rogers. Give yourself credit! Credits, that is… and deductions. This workshop looks at how our progressive tax system works and explores some of the core tax reduction strategies we should consider for LEGALLY minimizing our taxes.

Life Insurance & Estate Planning: Understanding the importance of security & structure

"Certainty? In this world nothing is certain but death and taxes." –Benjamin Franklin. Dying. The material impact of death is not something we really want to think about, much less talk about. But, it's something we need to know about. This workshop will look at the various components of a well-structured estate plan, including wills and will preparation, insurance (needs, amounts, types), Powers of Attorney and a brief introduction to trusts.

Personal Investing – B: Investment planning concepts & strategies

"More important than the will to win is the will to prepare." -Charlie Munger. Take the next step in your investment education by participating in this workshop. The session will focus on strategic investment issues such as risk reduction through diversification, asset allocation and the tax implications of various investment choices. Look at the various investment styles and objectives of the funds available to you.
Questions and discussions are encouraged and are an integral part of this workshop.

Personal Taxation – B: Comprehensive strategies: A longer-term perspective

"Never make anything simple and efficient when a way can be found to make it complex and wonderful." –Unknown. Now that you understand basic tax planning, you will appreciate the more advanced concepts and strategies discussed in this workshop. In this session, we will look at tax planning as a family unit, tax shelters, income splitting/ attribution, and developing an effective tax mBinimization plan. We aim to make simple what the government has made complex!

Preparing for Retirement – B: Focus on financial planning

"Retirement kills more people than hard work ever did." –Malcolm S. Forbes. To enjoy your golden years, you should take as many stressors as possible off the table. Financial worry is a big category. You have retirement dreams ahead. It is time now to focus your financial planning activity. This workshop will take a detailed walk through the 6 steps of building a solid retirement financial plan. The session will cover financial objectives and needs in retirement, income sources, identification of problem areas and corrective measures, tax & investment issues. This workshop ties together all the concepts we have learned so far. Finally, you will create an action plan.

"Plans are only good intentions, unless they degenerate into hard work." –Peter Drucker
Take action on what you've learned from these workshops

Resources

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Web Sites - Specific
Focused subjects/issues

http://www.investmentcounsel.org
Information on different types of investment professionals and how to choose one for yourself

www.cfp-ca.org
Information on financial planning professionals and services

www.ccra-adrc.gc.ca
Canada Customs and Revenue Agency - Information and forms

www.sec.gov
Securities and Exchange Commission (U.S.) - Mutual Funds cost calculator

www.retireweb.com
Overview of financial and other issues dealing with retirement

www.taxtips.ca
tax rates year by year and several calculators and explanations

Web Sites - General
News, Education, Calculators, Etc.
www.finpipe.com
www.imoney.com
www.quicken.ca/eng/index.html