



TAX TIPS AND FACTS SHEET 2010 Personal Tax Year

The following are some common tax traps and tips for compiling your tax information. If any of the following apply to you, please be sure to let us know.

General Information

- Do you own **foreign** stock investments, real estate and/or other properties with an aggregate cost of more than \$100,000 Cdn? If so, there is a requirement to disclose this to the CRA annually. The penalties for non-disclosure can be significant.
- Are you a **U.S. Citizen** or **Winter Snowbird**? If so, you may have a U.S. tax filing obligation.
- Please notify us of any **changes** to contact information, marital status or dependents during the year so we may update our records.

Penalties for Missing Slips

- The CRA is cracking down and assessing significant penalties on **unreported income slips**. It is important to ensure that your return is complete and no slips are missing. When dropping off your tax package, please notify us if you are expecting additional slips so we can hold your return until they are received. A reminder that if you have mutual funds, trust units or partnership units and are expecting T3 and/or T5013 slips, you may not receive them until early-mid April because these slips do not have to be filed by the issuer until March 31.

Self-Employed Persons

- Starting in the 2010 tax year, self-employed persons may voluntarily elect to pay employment insurance (EI) premiums in order to claim **EI special benefits** as early as January 2011. For more information on how to elect and what EI special benefits you would be eligible for, please go to the *Service Canada* website at <http://www.servicecanada.gc.ca/eng/sc/ei/sew/index.shtml>.
- If you are registered for and collect **GST/HST**, a reminder that the transition date was July 1, 2010. To assist us in preparing your tax return and/or GST/HST remittance, please provide us with an allocation of revenues and expenses that are subject to GST versus HST.

Homeowners

- Please inform us if you are a **first-time homebuyer** as you may be eligible to claim a one-time homebuyer tax credit.

- **Home renovation tax credit- NO LONGER AVAILABLE**

RRSP Contributions

- It is important to know what your **RRSP contribution limit** is each year and to not contribute more than that amount. If you contribute more than your RRSP limit, you will be subject to a 1% per month tax on the excess contributions. Please review your *Notice of Assessment* for the year to determine your RRSP contribution limit for the next year (ie- 2009 assessment for 2010 contribution limit). If you are unable to locate your *Notice of Assessment*, please call our receptionist, Leslie at (250) 220-7311. She will forward the request to one of our staff members who will contact you directly.

CPP Contributions for Employees Aged 60 to 70

- Commencing in January 2012, if you are under 65 years of age and work while receiving CPP retirement benefits, you and your employer are required to make CPP contributions on your wages until you turn 65. Upon reaching the age of 65, you may voluntarily continue to contribute to CPP on your wages until the age of 70. If this election is made, your employer is also required to contribute their share of CPP on your wages. These contributions will increase your CPP benefits starting in 2013. For more information, please go to the *Service Canada* website at <http://www.servicecanada.gc.ca/eng/isp/cpp/posttrben/main.shtml>.