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Most Agree: Retirement Planning Should Begin Early

E X C E R P T F R O M T H E K N O W L E D G E B U R E A U

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Our June poll question asked “If you knew you were going to live to be 100, would you change the way you organize your tax and financial affairs?” Of the 66 voters, 62% of KBR readers answered “yes.”

Diane comments: “I am 77 and knowing what I know now, would have start investing 10-20% of my gross income with my high school job and throughout my working life. As it was, I was 56 before I learned to invest as well as save in my bank account.”

Bev reflects: “I would have gone to work for a company with an extremely good pension rather than as a proprietorship. And I would have started a savings account sooner. I would have taken some of the opportunity and risks in land investment in my 20s and 30s when I had time to recover.”

Some readers admit they would have sought professional advice earlier. Eveline comments: “I would have made more of an effort to seek out qualified investment planners, listened less to propaganda and invested more conservatively.”

On the cusp of retirement age, Susan states: “At 55 I still need to work 10 or so years to pay my mortgage off, and by that time I will still need to have money for retirement, and with 4 children and still trying to help them with what I can, leaves very little for my

retirement.”

Thirty-eight per cent of voters are comfortable with their retirement planning. Don writes: “As I am now 85 I have everything arranged for the next 15 years.” He later adds: “Reading the comments from others, I see that I had an advantage when I said I had everything arranged for the next 15 years. Born and raised during the depression years when my father had to take two jobs to support our family, I learned to save and be economical with my expenditures. When I got my paper route at the age of 15, I saved around 75% of my earnings and never spent them until I needed to fund my University education. I am not advocating another Depression just wondering how we can teach young people to plan ahead.”

Kathleen ponders: “My parents died at age 63 and 66. My grandparents, all four, lived much longer lives, not dying until the ages of 88 to 90 year old. So how long will I live? I have enough money accumulated to retire right now. I am a saver and an investor, and life in the country of Canada has been very good to me. While I would like

to travel more, and read more, and write more, I also find an enormous purpose in getting up in the morning to go to work. I have tasks to do, people to communicate with, and knowledge to impart. If I knew I was going to live to 100 years old, then I would be very secure in working until age 70, knowing there still would be time to do other things I would like to do.”

Elizabeth candidly summarizes her position on the matter: “I wouldn’t change a thing – I’m a compulsive saver, but a high-risk investor, margin this, leverage that. Early retired at 51, I think the “running barefoot on the beach at 80” financial freedom ads are deplorable – most of us won’t be fit enough by then to do all that travelling, let alone running! And our partners may be deceased. Sorry for the doom and gloom. Do things now, you don’t need to leave a fortune for others – they’ll get plenty no matter what if you’ve got your affairs in order. So enjoy life now, health will deteriorate and time’s a-wasting! You deserve the fruits of your own labour! Now for me to take my own advice...”

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FERRIE WEALTH MANAGEMENT GROUP



The Ferrie Wealth Management Group provides its global clients with knowledgeable and insightful advice to help them realize their dreams. Our clients include individuals, foundations and corporations.

Our Team

David Ferrie

David acts as the Chief Investment Strategist for the FWMG and is responsible for the asset allocation and portfolio investment selection within all portfolios. David manages the portfolios through daily and vigorous risk analysis of the overall market and portfolio asset classes. He has worked with BMO Nesbitt Burns since 1987, and is a Managing Director (PCD)

and a Portfolio Manager. He resides in Aurora with his wife and daughter. He is an active marathon runner, skier and sailor.

Anthony Petruccelli

Anthony graduated from McMaster University with a Commerce degree and a minor in Economics. He joined BMO Nesbitt Burns shortly after graduating in 1999 and joined David's team in November 2003. Working closely with David, Anthony oversees all client account asset allocations and is the principal trader for the team. He also assists with clients' estate and financial planning needs. Anthony has completed the required courses to earn his Finan-

cial Planning (PFP), Options and Life Insurance licenses. Presently, he is studying to become an Associate Portfolio Manager. Beyond business, Anthony is an avid sports fan and enjoys playing basketball, football and soccer. Anthony lives in Thornhill with his wife Helen.

Gabriela Boada

Gabriela has been with BMO Nesbitt Burns since 1997 and joined The Ferrie Wealth Management Group in 2011. Gabriela has 12 years of experience in the operations field where she worked as an Administrative Assistant for the Willowdale Branch. As an Investment Representative, Gabriela is responsible for all administrative duties within the group. Gabriela resides in Pickering where she enjoys baking and spending time with her dogs.

The Ferrie Wealth Management Group

www.DavidFerrie.com

4881 Yonge St, 9th Floor
Toronto, ON M2N 5X3
1-800-567-2626

CONSUMERS TIRE



CONSUMERS TIRE Sales and Service was founded by Jim Wilson in 1990 and operated out of a small building on Bentworth Avenue in Toronto. As the business grew Mr. Wilson opened locations in Markham (1993), Mississauga (2000) and Whitby (2005). Over the years, Mr. Wilson's nephews Kent Wilson, Peter Rasanen and son-in-law John Fowler joined Consumers Tire Sales and Service and managed the various locations.



In July 2006 Larry Bristowe purchased the Toronto business from Mr. Wilson. Two years later, as Mr. Wilson prepared for retirement, he sold the Mississauga location to Peter Rasanen, the Whitby location to Kent Wilson and the Markham location to John Fowler.

At CONSUMERS TIRE, we pride ourselves on supplying the best products offered by every tire manufacturer. Our commitment to customer satisfaction combined with

At CONSUMERS TIRE, we guarantee to provide the best quality products and knowledgeable service, with attention to detail, courtesy and integrity at a competitive price

At CONSUMERS TIRE we have state-of-the-art equipment capable of handling any tire situation. All appointments are handled through reservations and our certified tire technicians will have your vehicle in and out in less than one

hour.

Consumers Tire Markham John Fowler

3295 14th Avenue
Markham, ON L3R 0H3

Tel.: 905-479-1313
Email: markham@consumerstire.com

Tires that are travelled on even short distances while flat are often damaged beyond repair. If a tire loses all or most of its air pressure, it must be removed from the wheel for a complete internal inspection to ensure it is not damaged. Most punctures, nail holes or cuts up to ¼ inch – confined to the tread area – may be satisfactorily repaired by our trained technicians using industry-approved methods.

If your vehicle is vibrating in the steering wheel or the seat, chances are your vehicle's wheels are out of balance. Our certified tire technicians will be happy to provide you with prompt, professional service to correct your problem. Properly balanced tires lead to driving comfort and long tire life.

Under-inflated tires will cause uneven wear and make your vehicle engine work harder, resulting in poor tire life and fuel economy. For best results, check your air pressures on a monthly basis. Always use the inflation recommended by the vehicle manufacturer.

Regular tire rotation promotes more uniform tire wear. Tires should be rotated every 10,000 to 12,000 kilometres. A full size spare may be included in the rotation pattern. When tires are rotated, inflation pressures must be adjusted to the vehicle manufacturer's recommendations.

Cottage Planning:

Many cottage owners may be unaware that there will be a tax hit when they sell or transfer the cottage or when they die.

In past generations, it was much less challenging to pass the cottage on to the kids. Until 1972, there was no tax on capital gains and before 1982 the principal residence exemption could be claimed by both spouses. This meant that a couple could actually have two principal residences eligible for tax-free gains on a sale or gift.

Now, a married or common-law couple is only allowed one principal residence exemption. Therefore, if both residences are sold, the gain on one sale or transfer may be tax free, but the gain on the other will attract tax, if it has increased in value.

Remember that 50% of the gain on a capital asset must be included in income in the year of sale, or in the year of death if there's no surviving spouse. The taxable portion is taxed at the taxpayer's marginal tax rate.

If you gift the cottage to an adult family member, this is still a deemed disposition for tax purposes, as the family member is



not dealing with you "at arm's length." The same holds true if you transfer it to a trust for the benefit of your family or to a corporation that you control.

By the way, if you are ever gifting away a property, make sure your lawyer does NOT transfer it for a dollar, or that one dollar becomes the cost base for the next sale. Make sure it is a gift and not a sale for a dollar. (As long as it is a gift for zero consideration, then the person who receives it can use the fair market value at time of gift as the cost base to calculate future gifts.)

If you sell to a third party for full value, though, the tax on the gain is covered by the proceeds of the sale. However, gifts do not generate cash, but there still may be tax to pay. You need to have that cash on hand to pay the taxes.

TAXPAYER RELIEF LETTERS . CA

WHAT WE DO...

Penalty and Interest on tax liabilities can be a punishing financial burden. Taxpayer Relief Letters writes customized application content for Canadian individuals or companies applying for relief from penalties and interest under the Taxpayer Relief provisions of the Income Tax Act. We specialize in applications based on financial hardship, circumstances beyond the taxpayer's control, and actions by the Canada Revenue Agency. Every letter is unique because every taxpayer is unique.

"How much does the service cost?"... It depends. Fees are based on the degree of complexity required to make your case. Contact us and we can let you know exactly how much it would cost. Depending on the amount of penalties and interest you owe, using our service may be the best investment you ever make.

Send us and email with your contact number and we'll speak with you on the phone about your case. Once we have the facts we'll help you by creating a narrative that will best represent your circumstances.

Canada Revenue Agency provides several levels of request for relief from penalties and interest. If you have previously been denied relief, you are within your right to re-apply to the next level.

Taxpayer Relief Letters will write letters for any level of request.

The service is completely confidential – so confidential WE don't even need to know who you are. Generally we're in a position to provide letters quite quickly. In more complicated cases we may require a little more time to assemble the facts to your best advantage.

WHAT WE DON'T DO...

Taxpayer Relief Letters does not act as your representative. We don't make legal arguments, we don't do accounting, we don't organize supplementary documents, and we don't guarantee that you will be granted remission of penalties and interest. We're writers who know the legislation. We are a letter writing service only. We provide words that will articulate your best case.

HOW THE SERVICE WORKS

Click on the [Contact us](#) tab and [send us an e-mail](#). Let us know the periods you have been charged penalty and interest for and the amount of each. Include your first name and daytime phone number only. DO NOT include tax account numbers, your last

name, your address or other confidential information.

When we get your e-mail, we'll call you. You'll tell us how the charges came to be applied to your account and a bit about the circumstances you're in. We'll listen and take notes. We might ask some questions for clarification. Once we understand the facts, we'll be able to tell you the cost to write your letter. If you're interested in purchasing our services we'll start writing. We'll send you an e-mail when your letter is ready. You'll be asked to go to our website, read the [legal disclaimer](#), and make payment through PayPal.

We'll e-mail you a receipt and a clear, concise and compelling letter that states your case for remission or reduction of penalties and interest. Applications for relief from penalties and interest often require supplementary documentation. Canada Revenue Agency may ask for Income and Expense, Asset and Liability statements, letters from medical practitioners, or other information that will support your case. Your success may depend on your ability to obtain or assemble this information.

TAXPAYER RELIEF LETTERS

FRANK FLYNN

WWW.TAXPAYERRELIEFLETTERS.CA

705-745-5354

705-760-0561



Bakhsh & Associates Inc. brings years of experience in the income tax preparation, accounting and bookkeeping profession. We give you the opportunity to spend your time taking care of your service delivery while we take care of your administration.

As president of Bakhsh & Associates Inc., Andy Bakhsh ensures that his client's needs are met on an accurate and timely basis.

We keep your books "healthy".

O A S & N O N - R E S I D E N T S : F I L E F O R M T 1 1 3 6

Do you know of a non-resident receiving OAS? To ensure that OAS payments are not interrupted, please let them know that a special return must be filed.

It's called the [Old Age Security Return of Income \(T1136\)](#) and it must be filed even if your income is under the OAS Clawback threshold. The normal individual filing due date (April 30) is used.

Who must file? Peruse the list of countries below. If you were a resident of a "non-listed country" at any time in 2013 and you received OAS payments during that period, you **must** submit this return.

There are exceptions. You do **not** have to file this return if, in 2013, you were a resident of one of the

following countries **and** you have no plans to move to a non-listed country before July 1, 2014:

- | | |
|------------------------------|---------------------------|
| <i>Argentina</i> | <i>Australia</i> |
| <i>Azerbaijan</i> | <i>Bangladesh</i> |
| <i>Barbados</i> | <i>Bulgaria</i> |
| <i>Cyprus</i> | <i>Dominican Republic</i> |
| <i>Ecuador</i> | <i>Finland</i> |
| <i>Germany</i> | <i>Greece</i> |
| <i>Hungary</i> | <i>Ireland</i> |
| <i>Israel</i> | <i>Ivory Coast</i> |
| <i>Kenya</i> | <i>Malaysia</i> |
| <i>Malta</i> | <i>Mexico</i> |
| <i>New Zealand</i> | <i>Norway</i> |
| <i>Papua New Guinea</i> | <i>Peru</i> |
| <i>Poland</i> | <i>Portugal</i> |
| <i>Romania</i> | <i>Senegal</i> |
| <i>Spain</i> | <i>Sri Lanka</i> |
| <i>Switzerland</i> | <i>Tanzania</i> |
| <i>Trinidad & Tobago</i> | <i>Turkey</i> |
| <i>United Kingdom</i> | <i>United States</i> |
| <i>Zambia</i> | <i>Zimbabwe</i> |

Other exceptions: If you are a resident of **Brazil** in 2013 and you are a Brazilian national, you do not have to file the return. Also, if you were a resident of the **Philippines** in 2013 and your 2013 Canadian pensions totaled \$5,000 or less, you do not have to file.

<http://www.cra-arc.gc.ca/E/pbg/tf/t1136/README.html>