

STRENGTH IN NUMBERS

KEMP HARVEY GROUP

WINTER 2011  NEWSLETTER

inside

PREPPING FOR
TI SEASON:
INFO SLIPS 2

KEMP HARVEY
WELCOMES NEW
PARTNER IN
COQUITLAM 2

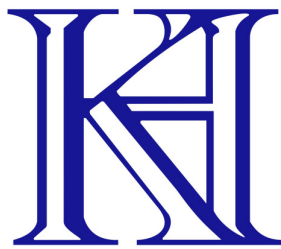
MEDICAL
RECEIPTS CAN
HELP TO
REDUCE TAXES 3

NEW WEBSITE
OFFERS MORE
FEATURES TO
CLIENTS 3

BRING YOUR
MEDICAL TRAVEL
INSURANCE SLIPS
TO YOUR CGA 3

IMPORTANT
QUESTIONS TO
REVIEW FOR
2010 TAXES 4

FEW WILL SEE
MAJOR TAX
INCREASES
IN 2011 4



STRENGTH IN NUMBERS

DISABILITY SAVINGS PLANS HELP

The federal government recently introduced Registered Disability Savings Plans (RDSP) to encourage disabled individuals to save for the future.

These plans can attract significant government grants for people who qualify for the disability credit. For instance, if you were to put \$1,500 into a RDSP, the government will deposit up to an additional \$3,500 to the plan. They will also deposit up to another \$1,000 into the plan through a Canada Disability Savings Bond. You will have to pay tax on any grants, bonds or income received when you withdraw the funds from the plan. You do not get a tax deduction for contributions to the plan.

There are some stipulations related to investing in an RDSP. For one, you have to be under 50 years old in order to receive the government grants. In addition, you cannot withdraw funds from your plan for 10 years, or you will have to return the related grants to the federal government. As well, both the grants and bonds are income based, so higher income families may not qualify for the full amount of either. Furthermore, there is



RDSPs offer Canadians a unique opportunity to save.

a lifetime maximum of \$200,000 for contributions to a plan.

In June 2011, a new feature will be available which will allow deceased individuals to transfer money from their RRSP to the RDSP of a financially dependent child or grandchild. Previously, the deceased individual was only allowed to contribute to an RRSP of a financially dependent child or grandchild.

There are some significant advantages to investing in an RDSP instead of an RRSP. One is the government grants, which can total up to

\$70,000 in an individual's lifetime. The second is that, unlike RRSPs, withdrawals from a RDSP will not reduce any of your other income tested benefits such as social assistance, Old Age Security and the Guaranteed Income Supplement. A \$5,000 withdrawal from an RRSP can reduce your Guaranteed Income Supplement by up to \$2,500.

In order to qualify for the above, you must register to receive the disability tax credit. Talk to your local Kemp Harvey office to find out how you can register for this program.

INFO SLIPS NEEDED FOR 2010 T1

Yes, it's that time of year again – time to file your personal income tax returns. Before you bring your personal income tax information into your Kemp Harvey Group office, we encourage you to complete the following checklist. This list will help to

2010 T1 Checklist

NAME: _____

INFORMATION SLIPS	Check
T3 – Estate or trust income including mutual funds	
T4 – Salaries or wages/retiring allowances	
T4A – Pensions/director fees/miscellaneous income/RESP	
T4E – Employment Insurance benefits	
T4A(P) – Canada Pension Plan income	
T4 (OAS) – Old Age Security benefits	
T4 (RIF) – Registered Retirement Income Fund income	
T4 (RSP) – Registered Retirement Savings Plan withdrawal	
T5 – Interest, dividends and other investment income	
T5007 – WCB / Social Assistance	
T5008 – Treasury Bills	
RC 62 – Universal Child Care Benefit	
RC 210 – Working Income Tax Benefit payments	
2009 Notice of Assessment and any correspondence from Canada Revenue Agency received during the year	

OTHER INCOME SOURCES	Check
Rental income and expense	
Self-employment income and expense information	
Stocks, investments, and mutual fund transactions – summary of all purchases and sales (Make sure date of sale is on documents.)	
Child care/ babysitting income	
Foreign pension income	
Other – any other income sources, such as tips or alimony	

KEMP HARVEY WELCOMES NEW PARTNER TO GROUP

The Kemp Harvey Group is pleased to announce the admission of Roger Kok, Certified General Accountant, as a partner into the firm of Kemp Harvey Kok de Roca-Chan in Coquitlam, BC.

Roger has an incredible wealth of experience, having been in practice for more than 30 years.

In 1979, he joined his dad's CGA firm, and, in 1987, he became a partner in the practice. Roger has operated the firm on his own since his father's retirement in 1997.

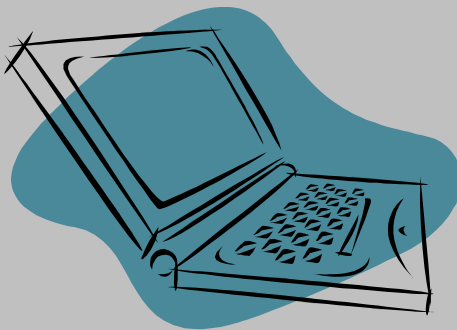
In 2011, he will receive recognition from CGA -BC for being a CGA for 25 years. The Kemp Harvey Group welcomes Roger to the team.



CERTAIN EXPENSES CAN REDUCE TAXES

Various deductions and credits can help to reduce the amount of taxes payable to the Canada Revenue Agency (CRA) each year. Please take a few moments to review the following items, in order to ensure you do not miss out on any eligible expenses for you and your household.

DEDUCTIONS AND CREDITS	Check
RRSP contribution receipts	
RRSP Home Buyers plan / Lifelong Learning plan details	
Moving expenses if you moved at least forty kilometres closer to your place of work	
Union or professional dues receipts	
Child care expenses	
Child support payments (if pursuant to a pre-May 1997 agreement) or alimony	
Attendant care expenses (paid to allow a disabled person to earn income)	
Business investment losses (losses suffered through the failure of an active Canadian Business)	
Safety Deposit Box, Investment Counsel or Accounting fees	
Interest paid on loans for investment purposes	
Medical expenses and medical travel for any twelve month period ending in 2010	
Charitable donations	
Political donations	
T2202 Tuition Fees: education amount / textbook credit	
Canada student loan interest payment	
Insurance premiums for private medical or dental plans	
Employment related expenses - Provide T2200 and Declaration of Conditions of Employment	
Adoption expenses	
Tools acquired by apprentice vehicle mechanics (provide receipts)	
Public transit passes purchased on or after January 1, 2010 (provide receipts)	
Fitness tax credit : amounts paid for programs of physical activity for children under age 16	
Medical travel insurance	
Travel and meal details for out-of-town medical appointments	



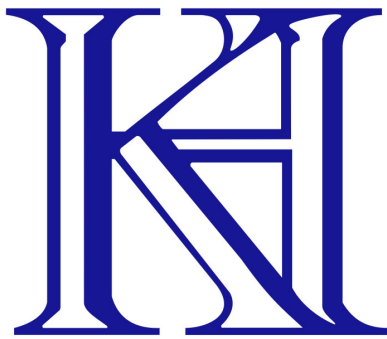
DID YOU KNOW...

Kemp Harvey Group has launched its newly updated website. The site will keep you up to date on tax, payroll and accounting changes.

It also will provide you with links to many useful websites and will give you several analytical tools for your personal and business financial needs.

If you have enjoyed these Kemp Harvey Group newsletters, you can also access them on our website.

We encourage you to check out the fresh look of the Kemp Harvey Group online at www.khgcca.com. You can also follow us on Facebook and Twitter.



STRENGTH IN NUMBERS

KEMP HARVEY GROUP

Kemp Harvey Burch Kientz Inc.
Box 2020; 619 Central Avenue
Grand Forks, BC V0H 1H0
Phone 250.442.2121 Fax 250.442.5825
grandforks@khgcga.com

Kemp Harvey Goodison Hamilton Inc.
103-4430 Halifax Street
Burnaby, BC V5C 5R4
Phone 604.291.1470 Fax 604.291.0264
burnaby@khgcga.com

Kemp Harvey Kemp Inc.
445 Ellis Street
Penticton, BC V2A 4M1
Phone 250.492.8800 Fax 250.492.6921
penticton@khgcga.com

Kemp Harvey Kemp Inc.
Box 1039; 8901 Main Street
Osoyoos, BC V0H 1V0
Phone 250.495.3223 Fax 250.495.3559
terry.craig@shaw.ca

Kemp Harvey Hunt Ward Inc.
101-1593 Sutherland Avenue
Kelowna, BC V1Y 5Y7
Phone 250.763.8029 Fax 250.763.5155
khkelowna@khgcga.com

Kemp Harvey Laidman-Betts Inc.
206-3334 30th Avenue
Vernon, BC V1T 2C8
Phone 250.545.1544 Fax 250.260.3641
khvernon@khgcga.com

Kemp Harvey Casorso Inc.
Box 1478; 34864 97th Street
Oliver, BC V0H 1T0
Phone 250.498.4977 Fax 250.498.4330
mike.sutton@khgcga.com

Kemp Harvey Kok de Roca-Chan Inc.
2300-2850 Shaughnessy Street
Port Coquitlam, BC V3C 6K5
Phone 778.285.7888 Fax 604.937.3422
poco@khgcga.com

Kemp Harvey Kok de Roca-Chan Inc.
210-1140 Austin Ave.
Coquitlam, BC V3K 3P5
Phone 604.937.3444 Fax 604.937.3422
tricities@khgcga.com

Q&A: A YEAR IN REVIEW

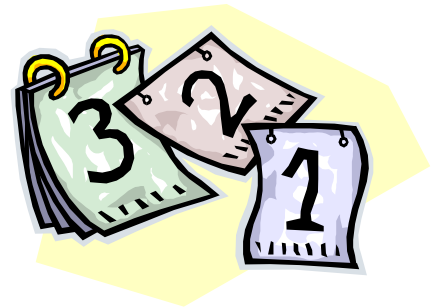
Each year, taxpayers pass certain personal milestones. This list of questions will help you and your accountant organize the past year of events.

Table with 2 columns: QUESTIONNAIRE and Y/N. Rows include questions about dependants, infirm relatives, income tax, citizenship, foreign property, Canada Revenue Agency, land sales, care homes, family changes, home purchases, residency, and medical care.

SMALL TAX INCREASES FOR MOST

Recently there has been increased media coverage indicating that British Columbia payroll taxes were going up significantly in 2011.

Contrarily, most people will not be experiencing noticeable increases in their payroll taxes. In fact, CPP rates will be staying the same, and EI rates will be increasing by only \$0.05 per \$100 of income. This year, there were increases to BC Medical Service Plan (MSP) premiums – between \$3.50 per month and \$7.00 per month – depending on family size. The larger increases discussed by the media were specifically related to situations in which people no longer qualified for a certain level of MSP premium assistance.



For instance, if you were part of a family of three who had \$35,000 of family income in 2010, you would have paid an annual MSP premium of \$547.20. However, if your income was increased by only a dollar in 2011, you would still move into the next bracket for premium assistance, and you would have to pay an annual MSP premium of \$871.20.