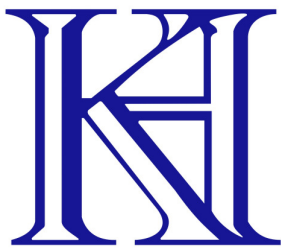


KEMP HARVEY GROUP

 WINTER 2014  NEWSLETTER

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STRENGTH IN NUMBERS

NEW RULES FOR INVESTORS

With the new tax season approaching, it is time to start compiling your documentation to bring to your local Kemp Harvey Group office. Thankfully, for most of our clients, there are very few changes from last year in terms of what information we will need from you.

However, there will be additional information required if you own specified foreign property outside of Canada, and the total cost of all of these properties is more than \$100,000 Canadian at any time of the year.

Specified foreign property includes: funds held outside of Canada, shares of non-resident corporations, loans from non-residents, investments in non-resident trusts, and real property that is not used in an active business or is used primarily for personal purposes. This property must be reported on the Canada Revenue Agency's (CRA) revised T1135 form. If you are required to report these properties, you will



need to provide the following information to the CRA:

- The name of the entity with which you hold the property.
- The country in which your property is held.
- The original cost of the property.
- The market value of the property at the end of the tax year.
- The maximum cost of the property at any point in the year.
- Total income earned on the property throughout the tax year.

Investments held within a registered investment, such as a Registered Retirement Savings Plan

(RRSP), are not required to be reported.

You are also not required to report mutual funds if the fund is resident in Canada, even if it holds primarily US investments.

However, if you hold a US investment at a Canadian Brokerage firm, and it is not within a mutual fund, and it does not issue a T3 or T5, you will have to report that investment.

Although you do not need to report investments for which a T3 or T5 has been issued, these investments must still be considered in terms of determining whether you have reached the \$100,000 threshold.

If you hold US or other foreign investments, we encourage you to bring your December 2013 investment statement, to ensure that we have all the necessary information needed to accurately file your form.

If you and your spouse jointly own a piece of property, you only need to report the property if your portion of the cost is over \$100,000.

INFO SLIPS NEEDED FOR 2013 TI

Yes, it is that time of year again – time to file your personal income tax returns. Before you bring your personal income tax information to your local Kemp Harvey Group office, we encourage you to work through the following checklist. This list will help to ensure you have all of the slips needed in order to complete your 2013 TI.

2013 TI Checklist

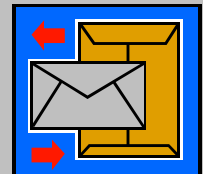
NAME: _____

INFORMATION SLIPS	CHECK
T3 – Estate or trust income including mutual funds	
T4 – Salaries, wages or retiring allowances	
T4A – Pensions, director fees, miscellaneous income or RESP	
T4E – Employment Insurance benefits	
T4A(P) – Canada Pension Plan income	
T4 (OAS) – Old Age Security benefits	
T4 (RRIF) – Registered Retirement Income Fund income	
T4 (RSP) – Registered Retirement Savings Plan withdrawal	
T5 – Interest, dividends and other investment income	
T5007 – WCB or social assistance income	
T5008 – Treasury bills	
RC 62 – Universal Child Care Benefit	
RC 210 – Working Income Tax Benefit payments	
2012 Notice of Assessment and any correspondence from Canada Revenue Agency received during the year	

OTHER INCOME SOURCES	CHECK
Rental income and expenses	
Self-employment income and expenses	
Stocks, investments, and mutual fund transactions – summary of all purchases and sales (ensure date of sale is on documents)	
Child care income	
Foreign pension income	
Other – any other income sources, such as tips or alimony	

DID YOU KNOW...

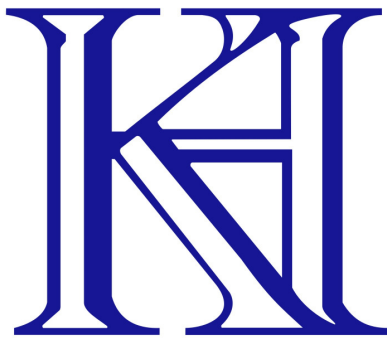
This will be the last year you will be able to claim the cost of your safety deposit box as a deduction on your tax return. You may be able to claim this expense as a deduction if you have any investment income.



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, to ensure you do not miss out on any eligible expenses for you and your household. Please remember that all of the applicable receipts and documents associated with these deductions and credits should be provided to your accountant, in order to allow for comprehensive tax return preparation. Please feel free to contact your Kemp Harvey Group office if you have any questions or concerns about whether you would qualify for any of these deductions and credits.

DEDUCTIONS AND CREDITS	CHECK
RRSP contribution slips	
RRSP Home Buyers Plan / Lifelong Learning Plan details	
Moving expenses if you moved at least 40 kilometres closer to your place of work	
Union or professional dues	
Child care expenses	
Child support payments (if pursuant to a pre-May 1997 agreement) or alimony	
Attendant care expenses (paid to allow a person with disabilities to earn income)	
Residential and nursing care facility fees	
Business investment losses (any 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	
Adoption expenses	
Charitable donations	
Political party donations	
Receipts for expenses related to the B.C. Seniors' Home Renovation Tax Credit	
T2202 tuition fees: education amounts, textbook credit or Canada student loan interest payment	
Tools acquired by apprentice vehicle mechanic or other trade-worker	
Employment related expenses - T2200 and Declaration of Conditions of Employment	
Public transit passes purchased on or after January 1, 2013	
Fitness Tax Credit (amounts paid for physical activity programs for children under age 16)	
Children's Art Tax Credit (amounts paid for eligible activities for children under age 16)	
Medical (vision, dental, prescription, etc.) expenses net of any third-party coverage received during 2013	
Accommodation, meal and travel details for any out-of-town medical service or specialist appointments made during 2013	
Insurance premiums paid for private medical or dental plans during 2013	
Medical travel insurance for 2013	



STRENGTH IN NUMBERS

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Q&A: A YEAR IN REVIEW

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

QUESTIONNAIRE	Y/N
Are you or any of your dependants disabled?	
Are you supporting an infirm relative inside or outside of your home?	
Did you become or cease to be a resident of Canada in 2013?	
Are you a Canadian Citizen?	
Are you a US citizen or currently holding a green card?	
Did you own specified foreign property in 2013? Was the total cost of all of these properties over \$100,000 at any time in the year? If so, please provide details as outlined on page 1 of the newsletter.	
Do you authorize the Canada Revenue Agency to release your name, address and date of birth to Elections Canada?	
Did you sell any land or other property in the past year? If so, please provide details.	
Did you live in a care home in the past year? If so, please provide receipts for payments.	
Were there any changes in family circumstances such as births, marriages, separations, divorces or deaths?	
Did you purchase a home in 2013? If so, please advise if this is the first home you or your spouse have owned and lived in since 2008.	
Have you paid instalments for your 2013 Income Tax?	
Did you have to leave your metropolitan area in order to obtain medical care which was not available in your town of residence? If so, please provide details.	

GROUP CELEBRATES TRANSPLANT

Previous Kemp Harvey Group newsletters introduced you to Laura Craig, wife of Terry Craig, who is an accountant and partner at Kemp Harvey Craig in Osoyoos. Laura has suffered from kidney disease for several years. Recently, the Craigs, as well as the partners and clients of Kemp Harvey Group, have had a wonderful reason to celebrate. In January, Laura received the life-saving gift of a new kidney. She is doing well and recovering in Vancouver, receiving care from an excellent medical team, as well as supportive family and friends.

Inspired by the Craig family's experiences with kidney disease and organ donation, the Kemp Harvey Group has long been a strong supporter of kidney initiatives across the province, rallying to help Laura and others in their quests for new kidneys.

The Kemp Harvey Group encourages you to register as an organ donor online at transplant.bc.ca or contact 1-800-663-6189. It only takes a couple of minutes to register as an organ donor, and this one simple step could save the life of someone just like Laura.