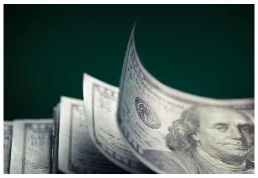
Sunil and Nita LLP
Tax and Business Advisors Chartered Professional Accountants



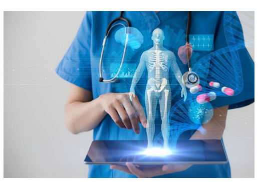
December 2019

Tax free shareholder's loan from your corporation:
Under Section 15(2), if a corporation gives loan to a person or partnership that was a shareholder of the particular corporation, the amount of loan must be included in the income of the person or partnership to whom the loan was made. However, there are exceptions to the application of subsection 15(2) that depends on the use for which the money is borrowed. The exception applies only to shareholders or connected person (including executives or employees) of the lender corporation. The loan must be used for:

• Purchase or construct a dwelling for personal use,
• Purchase of treasury shares of the corporation, and
• Purchase an automobile to be used in the performance of the duties of employment.

In order to obtain tax free shareholder loan, following conditions must apply in all cases:

• The loan must be obtained because of the employment, not because of the number of shares held, and
• Bona fide arrangement must be made and adhered to for repayment of the loan. Additionally, the loan repayment period must be reasonable.



Medical Expenses
Mostly people think that only prescription drugs and glasses are qualified as medial expense tax credit, but following are other health care related expenses also qualify for the tax credit in you personal tax return:

• Wheelchair including scooters or other alternate walking aids for a wheel chair
• Diapers
• Batteries for hearing aids
• Orthopedic shoes
• Transportation costs to obtain medical treatment if such treatment is not available locally
• Training cost to take care of infirm dependent
• Cost of vehicle alteration for transporting an individual with a wheelchair or

scooter or any other alternate walking aids
• Moving expenses (limited) to relocate to housing to make it more accessible or functional for the impaired family member
• Home renovation/alteration to make home more accessible/functional for the infirm individual
• Cost of specially trained animals to assist an individual with a condition of deaf, blind or any other illness
• Cost of special dietary products due to health reason such as gluten free items.

CPP Income Sharing/Splitting
Normally CPP benefits are not qualified for pension splitting in your tax return but there is a way to share/split CPP benefits. You can apply for CPP benefit sharing if you meeting following conditions:
• You and your spouse are 60 years of age,
• Both are living together, and
• One or both are either receiving CPP benefits

Unfortunately, you don't get to choose how to split CPP benefits instead you show the benefits equally in your tax returns. Both spouses will actually receive equal cash payment when you apply for sharing. Contact Service Canada to apply for CPP benefits sharing. Following are the potential benefits:
• Reduction in OAS claw back if one spouse is in higher income group. In other words, increase in OAS retention
• Due to income transfer, marginal tax rate may go down
• Reduction in tax installments
• Potential tax benefit on the basic and pension income tax credits.

Please don't hesitate to contact us for accounting & Tax services.