



## October 2022 Update

*WISH YOU A WONDERFUL FAMILY TIME ON THANKSGIVING!*

### **Old Age Security (OAS) Pension Recovery tax:**

For the tax year 2022, Canada Revenue Agency (CRA) has determined worldwide income threshold of \$81,761.00. If the income exceeds this amount, then a taxpayer has to give back their entire OAS pension. This will be reduced monthly as a recovery tax by CRA.

The repayment calculation will be, based on the difference between the worldwide income for the year and the threshold amount. One needs to determine how much is your income higher from the threshold amount, 15% of that amount will need to be, paid back.

Each year you need to fill in an OAS Return of Income form and send to CRA. To avoid any interruption in the receipt of payment, it must be send in latest by April 30th. If CRA does not receive it by the deadline then OAS payments will be stopped beginning in July of the same year.

Once the OAS Return of Income form is received by CRA, the net worldwide income reported will be used to determine the repayment of OAS pension in the

following year. This amount is divided monthly and then deducted from the OAS pension payments as a recovery tax. CRA will send a letter informing of the recovery tax deductions being withheld from OAS pension payments.

### **Shareholder Loan (incorporated business):**

Shareholder Loan is a loan given by the owner to the business or from the business to the owner. The loan is received by the business to help with the cash flow of the business. In addition, sometimes the business gives loan to the shareholder to help with their personal cash flow. If a business lends money to a shareholder, he/she should repay the loan before the end of the next fiscal year otherwise it will be included as income in the personal tax.

### **Foreign Broadcasting Expenses (non-Canadian Advertising Expenses)**

Foreign advertising expenses are deductible if majority customers are overseas and a company is trying to attract foreign customers. However, there is a special rule which allow CRA to deny advertising expenses deduction if a company is using foreign radio, non- Canadian newspaper, and/or television broadcasting primarily for Canadian market. Additionally, 50% of advertising expenses will be denied, if a company advertises in periodicals which have less than 80% Canadian content. Non –deductible foreign advertising expenses will be added back to corporate income for tax purposes. We would recommend having conversation with a CPA before committing to any foreign advertising to avoid any surprises.



©2022 SUNIL AND NITA LLP | 217 SPEERS RD, SUITE 12, OAKVILLE, ON L6K 0J3, CA

[Web Version](#)

[Preferences](#)

[Forward](#)

[Unsubscribe](#)

Powered by  
**GoDaddy Email Marketing**®