

FROM THE DESK OF:

David Bardal, CLU[®], CH.F.C.[®], CFP[®]
Senior Financial Planning Advisor

Juana Baldwin, CFP[®], CHS, RRC
Financial Planning Advisor



Assante Financial Management Ltd.

It is that time of year when the leaves change color, the evenings get cooler and we reach for warmer clothes. As we get closer to the end of the year it is a great time to re-evaluate how we did in 2017 and start planning for 2018. Please get in touch to schedule your next meeting so we can help you stay on track to achieving your financial well-being!

CANADA'S NEW CAREGIVER CREDIT

The Institute Edition 303
May/June 2017

The 2017 federal budget proposes to consolidate the various caregiver credits available through the income tax system. Prior to this proposal, federal tax assistance was provided to caregivers through three non-refundable tax credits: the infirm dependent credit, the caregiver credit for in home care of a relative, and the family caregiver credit.

Upcoming Events:

**Business Owners Luncheon –
November details coming soon**

**Client Education Day – November 29th,
2017 Watch the website for details!**

**Estate Planning - What to know before
you go – October 19th, 2017 7-9pm**
visit our website for the invite!

The proposal is to merge these three credits into one caregiver non-refundable tax credit. The new caregiver credit will provide a non-refundable federal tax credit for:

- (a) up to \$6,883 for the care of dependent relatives (i.e., parents, brothers and sisters, adult children and other specified relatives) with infirmities; and,
- (b) up to \$2,150 for the care of a dependent spouse, common-law partner or minor child with an infirmity.

The credit will be reduced on a dollar-for-dollar basis when the dependent's net income exceeds \$16,163 (2017 amount).

A few interesting elements about the new credit include the following:

- A dependent will not be required to live with the person claiming the caregiver credit but must be dependent on the caregiver for support by reason of infirmity.

- Two or more qualifying caregivers may share the credit in respect of a single infirmed dependent.

The following depicts how the new caregiver credit is calculated:

Infirm dependents who are the parents, grandparents, siblings, aunts, uncles, nieces, nephews, or, adult children of the individual	
Start with: base amount of income (\$16,163) plus maximum amount of (\$6883)	\$23,046
Less: income of the infirm dependent	A
Difference if caregiver amount to a max of \$6883	C
Infirm dependent who is the spouse, common-law partner, an infirmed dependent where the eligible dependent credit is claimed, or, a minor child of the individual	
Start with: base amount of income (\$11,636) plus maximum amount of (\$2150)	\$13,785
Less: income of the infirm dependent	A
Difference is caregiver amount to a maximum of \$2,150	B
Top up amount	
Credit for an infirm spouse, common-law partner, eligible dependent, minor child	B
\$6,883 - B	D
Top up amount (maximum amount \$6883)	B + D

EXAMPLES

Edward's infirm adult child, Vivian, earns \$18,000. Edward would be entitled to \$5,046 of the Canada caregiver amount, which means he will claim a federal tax credit of \$757 (15 percent x \$5,046).

Edith's infirm spouse Victor, earns \$18,000. Edith is entitled to the lower amount because Victor's \$18,000 of income is in excess of the \$13,785 threshold amount. Edith would be entitled to \$5,046 of the Canada caregiver amount. There would be no top up because Edith is not entitled to the lower amount. The outcome for Edith is the opportunity to claim a federal tax credit of \$757 (15 percent x \$5,046).

Pamela's infirm spouse Robert earns \$13,000. Pamela's entitlement is \$785 in respect of the lower amount because Robert's \$13,000 of income is lower then the \$13,785 threshold amount. Pamela would be entitled to \$6,883 (the maximum amount) of the Canada caregiver amount. There would be a top up of \$6,098 (\$6,883 less \$785) because the lower amount was less then the new Canada caregiver amount. Pamela's claim for a federal tax credit is \$1,032 (15 percent x \$6,883).

The government's intention is to simplify the process for caregivers and enhance the financial support available.

This article was written by Deborah Kraft and Jim Kraft and was published in the 292-2015 issue of COMMENT. Posted with permission from the Financial Advisors Association of Canada (Advocis) and The Institute for Advanced Financial Education.

This commentary is published by The Institute in consultation with an editorial board comprised of recognized authorities in the fields of law, life insurance and estate administration.

The article is not intended to provide legal, accounting or other advice in individual circumstances. Seek professional assistance before acting upon information included in this publication.



Getting sick isn't something that any of us like to think about, but it can happen. Are you prepared?

Thanks to improvements in healthy living and medical science, there is a better chance you will recover and get on with life. However, treating and coping with an illness may mean significant and often unexpected costs, that may not be covered by your provincial or employee plan.

Critical Illness Insurance offers some unique opportunities. The funds can be used as best suits your needs. Practical examples include: obtaining the best health care available, hiring a nurse or caregiver to help you at home, helping with mortgage payments, providing income when you can't work or a loved one can't because they are helping you out. The funds can protect your retirement plan, help keep your business running, or allow you to hire someone to reduce your workload.

If you have not explored the value of critical illness insurance why not add this topic to your next meeting agenda!

Both David and Juana are always happy to meet with new people and provide a second opinion on their current financial strategies. Do you know someone we can help? Have them give us a call!

We will also be hosting a Financial Planning for Women and Wine tasting event February 2018. Do you know someone who would enjoy a night out and an opportunity to learn more about our practice in a fun, no pressure atmosphere while enjoying a glass of wine? Let us know!



I just returned from our annual holiday in Florida and drove back to Winnipeg just days ahead of one of the biggest evacuations in Florida's history.

In watching the news regarding hurricane Irma, I was very thankful that we had missed this terrible storm. At the same time, I feel very badly for so many people who suffered significant losses both from hurricane Irma and Harvey.

It does remind me of an old adage that you should live your life as if you only had six months to live. I think the basic thought behind this idea is that you shouldn't take anything for granted – your property, your health, your finances, or more importantly your relationships.

HOLIDAYS & BUSINESS TRAVEL

Office Closed:

- Thanksgiving Day – October 9th 2017
- Christmas Day – December 25th, 2017
- Boxing Day – December 26th, 2017
- New Year's Day – January 1st

David Vacation

- December 29th – January 8th, 2018
- February 7th – March 7th, 2018

Juana Vacation

- December 7th – 15th, 2017

This material is provided for general information and is subject to change without notice. Every effort has been made to compile this material from reliable sources however no warranty can be made as to its accuracy or completeness. Before acting on any of the above, please make sure to see a professional advisor for individual financial advice based on your personal circumstances. Insurance products & services are provided through Assante Estate & Insurance Services Inc.