



ADAMS AND ASSOCIATES LTD

# 2009 Personal

# Income Tax

# Return

# Questionnaire

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# **ELECTRONIC FILING**

Once again I will be E-FILEing your return **unless you specifically tell me not to**. The **Canada Revenue Agency** requires that I obtain a signature from you, **after your return has been completed**, to authorize me to E-FILE for you. In order to save you time I have been mailing the E-FILE forms with my account for services. Please remember to return the signed E-FILE forms ASAP as I **cannot E-FILE for you until I receive those signed documents**. This is especially true of returns completed in the last week of April. It is your responsibility to get to my office to sign your documents. They will **NOT** be filed without your signatures. **FAXED** authorization forms will allow me to efile your return but they are no longer acceptable to CRA. If you fax your forms to speed up my processing please remember I **MUST** have the original signed documents delivered or mailed **ASAP**. Parents are only allowed to sign for children under 16 years of age.

Please bring in your tax papers as soon as possible. I would like to get things completed and filed or E-FILED for you as early in 2010 as possible. Please remember that I cannot guaranty that your return will be filed by April 30<sup>th</sup> if I have not received **all documentation** before April 23rd. All returns received after April 23rd will be put into a separate box and will be prepared on a first in, first out basis **after all returns received in a timely manner** are completed.

## **\*\*\*NEW SERVICES\*\*\***

I am continuing to expand my practice. If you have been satisfied with my services in the past, please feel free to recommend me to your friends or associates. If you have not been satisfied, please let me know how I can improve my services to you.

## **\*\*\*ONGOING SERVICES\*\*\***

### **ESTATE AND EXECUTOR SERVICES**

Our services include estate management and executor services. If you feel you have the need for an impartial, local executor or just want to sit down and discuss the plans for your estate I would be happy to help.

### **HOSTED QUICKBOOKS SERVICES**

Technology continues to advance at break-neck speed. We have invested a significant amount of time and money into secure internet/network based bookkeeping and accounting solutions.

We are staffed and ready to handle any and all of your daily, weekly or monthly bookkeeping, accounting, payroll, monthly and quarterly government reporting needs. Our full service annual personal, corporate and estate tax reporting and filings, which we have offered for decades, continue as usual. If you would like to talk over transferring your accounting data to our secure file server please give me a call. Your data will be accessible to you and to us at the same time. We would be happy to discuss what we can do to make it easier for you to run your business and leave the number crunching and government reporting to us.

# RETURN PICKUP AND DELIVERY SERVICES

*We are continuing our pickup service this tax season for any of our clients who are shut ins or who are finding it more and more difficult to get to Kars during the winter. If you are interested in this type of service, please give us a call and book early. We are planning to do pickup and delivery on Friday afternoons starting on February 12, 2010.*

## On-Line forms section available

I have added a section to our website with blanks of the most commonly requested forms. Go to <http://www.adamsandassociates.ca/CRAForms.htm> and have a peek.

## CHANGES BROUGHT ABOUT BY INTER FAMILY MEMBER TRANSFERS

CRA appears to be moving to allowing joint filing of family member returns. This is shown by the appearance of more and more credits that are claimable by parents, children, grand-parents, caregivers and so on. Most of these credits can be claimed by either spouse, parent or child but can only be claimed to a maximum amount between all family members. Just a few of these optional credits or transfers or deductions are: 1) Pension Splitting, 2) Medical expenses between family members, 3) Medical expenses, in some circumstances, for parents or other supported individuals, 4) Tuition Fees transferred from children or spouses, 5) Fitness Credits, 6) Amounts for Children, 7) Child Care Expenses, 8) Public Transit Passes. Just to name a few.

I have filed most of your returns since the early 80s and some of you since the early 70s. The above changes make it necessary for me to start requiring that we file the returns for **all** family members **if there are any transferable credits**. We have been forced to spend a tremendous amount of time repairing and e-filing returns for clients when we have filed for credits based on returns done incorrectly by other tax preparers. I know I have always said I am not looking for work but not requiring that I file all the returns is actually causing me more work than it would if I took on all of the necessary jobs and filed them from here.

We cannot do a good job unless we prepare 100% of the information. We cannot guaranty that returns filed by spouses, children or other tax preparers are correct or complete. Taking these two statements into account, we will no longer perform any services when we aren't doing 100% of the filings.

If this confuses you, please give me a call and I will be happy to spend the time necessary to explain.

## Tax Free Savings Account (TFSA) for Individuals

A TFSA is an account where you are allowed to invest money in qualified investments and have the profits you earn come to you tax free. If you didn't make a deposit to your TFSA in 2009 your maximum investment in 2010 is \$10,000, if you did your limit is \$10,000 less your capital invested in 2009.

Interest on money borrowed to invest in a TFSA will not be deductible. Please remember that if your TFSA was set up before September 8, 2008 you may wish to have it reviewed. CRA has ruled that plan holders may designate their spouse or common-law partner as the successor, with no tax consequences upon the death of the plan holder.

# WHAT'S NEW FOR 2008 - 2010\*\*\*

## The Home Renovation Tax Credit

To be eligible, expenditures incurred in relation to a renovation or alteration to an eligible dwelling (or the land that forms part of the eligible dwelling) must be of an enduring nature and integral to the dwelling.

The expenditures must have been incurred after January 27, 2009 and before February 1, 2010, according to an agreement entered into after January 27, 2009.

The expenses are eligible when they are incurred in relation to renovations or alterations to an [eligible dwelling](#) (or the land that forms part of the eligible dwelling) and are permanent in nature. As a general rule, if the item you purchase will not become a permanent part of your home or property, it is not eligible. There are items, however, that have been explicitly excluded (see below).

**Due to the large number of expenses that can qualify, it is not possible to provide a complete list.**

**If you own a condominium as your residence please make your board aware of the FACT that the certain Common Area Charges qualify for the HRTC and is available to be shared on a pro-rata basic among the owners.**

**I have included an Envelope and a CRA form for your convenience. Please save your receipts in the envelope and fill out what you can on the form.**

There is also a new non-refundable tax credit for first-time home buyers. Please remember in order to qualify as a first-time home buyer neither the individual nor the individual's spouse or common-law partner may have owned and lived in another home in the calendar year or the four preceding calendar years. The qualifying home must also have been purchased after January 27, 2009.

## Selling on E-Bay

Please be advised that as a result of a Federal Court of Canada decision, **eBay Canada** has **provided CRA** with the names of Canadian **eBay sellers** as well as their contact information and sales records. CRA can use this to determine if the eBay sellers properly reported their income.

If you currently sell on E-Bay you need to start declaring it regardless of the amount or be prepared to face possible problems with non-declared income.

## PROPOSED CHANGES

Currently individuals wishing to claim CPP benefits early must either stop working, or have reduced earnings, for two months. The proposed changes in 2012 will allow individuals to take their CPP benefits without any of these current work interruptions.

Every Year I keep pounding away at the following and every year I have clients who have need for a will and didn't get around to getting it updated or done.

Read the following PLEASE

## DO YOU HAVE A WILL?

Does your will still reflect your current wishes, family circumstances, financial situation and so on? Yes, you can do it and update it yourself, but, I know I wouldn't even attempt completing such an important document myself. The knowledge that the future of my family has been properly and legally looked after with a will, living will, power of attorney and estate review (at least bi-annually) is more important to me than a few hundred dollars. Is it to you? If you have a lawyer you use and trust, please get to them ASAP and see to it that your affairs are in order. I have had numerous clients pass away without wills or with really old out-of-date wills and the grief and cost of repairing that damage was unbelievable.

## DO YOU HAVE A LIVING WILL?

Every adult human being should have a "Living Will" combo. Also known as "A Power of Attorney for Personal Care" **and** "A Power of Attorney for Property". These legal documents help you and your family deal with the problems dealt to you when you or a loved one is incapacitated through accident, illness or advancing years. The Personal Care POA allows you to appoint someone to make health care choices on your behalf if you are unable to; and The Property POA allows someone to pay your bills and collect your funds while you are not able to do so yourself.

If you do not have a lawyer you are dealing with, Rich and Andrew Wilson or Michelle Perry of **Wilson Law Partners LLP** in Manotick 613-692-3547 have been my business and personal lawyers forever and I'm sure they would be happy to assist you with your personal and business legal requirements.

## GETTING YOUR FAIR SHARE

Once again this year I would like all of you to take a moment to ensure that everyone over 65 years of age is receiving everything they are entitled to from our beloved government. I am more than happy to sit with any senior client or their children to go over the details and application process to help them ensure they are getting all they are entitled to.

Canada Pension retirement pensions can be combined and split. This is legal, government sponsored income splitting and can save you up to 30% of the income we can transfer to the lower income spouse. The family will not be out one penny for as long as you both live and when either of you pass away, the payment plan the surviving spouse receives will be exactly the same as if you had not done the CPP splitting in the first place.

A number of clients have visited my office this year to discuss estate planning. The most often asked question is: **"How do we keep from paying too much income tax on the family cottage"**. There are a number of options available to reduce income tax if the plans are made early and are followed up on. The best way to keep your money safe from the taxman is to plan early and often. The only great plan is a current plan.

# WE ARE NOT INVESTMENT ADVISORS

As always, I remind you that I am not an investment advisor and I choose never to be. I prefer to stay independent of the investment houses and feel that no accountant should profit directly by "selling" an investment to a client. Investment advisors should advise on investments and accountants should help you find out how much you made or lost. Everyone has their own purpose and unfortunately, the "Jack of all trades", especially in financial matters, should be treated as a myth. **Please talk to your investment advisor about which investments are best for you.** If you have no investment advisor, my investment guy, Ralph Neumann, at 613-736-0782, will be happy to assist you.

My website has all of the above information including my general checklist. It also includes a partial listing of my business associates and their contact information. I try my very best to buy my goods and services from my clients if at all possible. You are all good people. Please stop by my website (<http://www.ADAMSandAssociates.ca>) and if you see an associate of mine offering a service you require, feel free to give them a call. **They are listed in NO PARTICULAR ORDER.** If I missed your business, I apologize. If you would like to be included on my website, please let me know your contact details and I'll update it as soon as possible.

**Please remember that if you have mutual funds or any investment that could be considered "in trust" you probably won't receive your information slips (T3) until the beginning of April 2010**

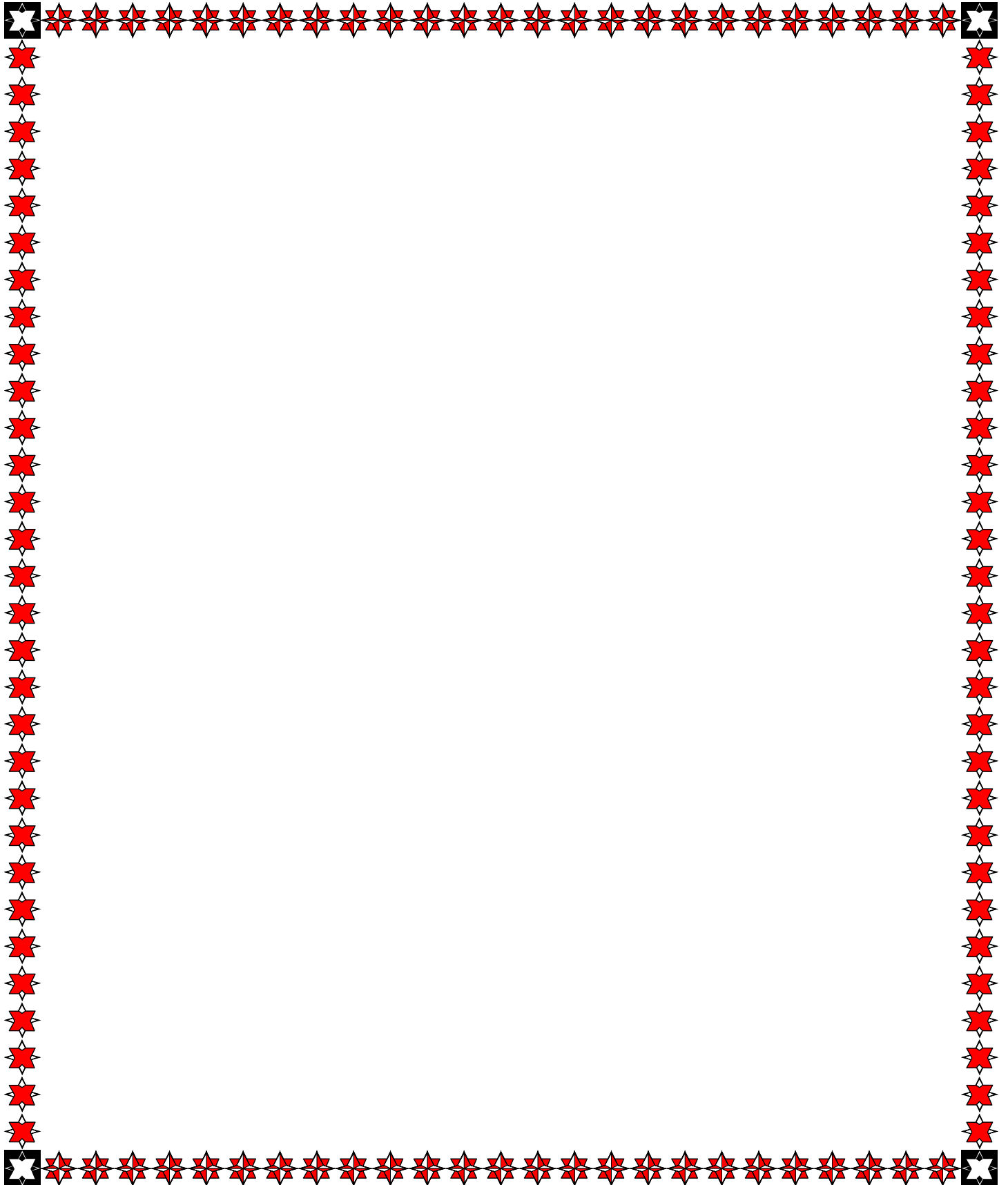
Thank you for taking the time to read this, see you in the spring

*Norman Adams & Amanda Chartrand*

**ADAMS AND ASSOCIATES LTD**

**We accept Cheques, Cash, VISA, INTERAC, or MASTERCARD  
for payment of your account**

# Notes and Questions



#	Here is a list of information I will need to assist me with the preparation of your 2009 Personal Income Tax return.	<u>Yes or No Change</u>
1	If you are over 65, are you receiving Old Age Pension? If your parents are over 65 have you confirmed with them that they are? The Old Age Supplement is available to lower income individuals and families with at least one spouse over 65 years of age.	
2	Your name, address, phone number at home and work, date of birth and S.I.N. if any of them have changed since last year. Please let me know your current e-mail address.	
3	<p>If you have any new co-ordinates (Cell, home or Work Phone or e-mail address) please fill them in below.</p> <p style="text-align: center;">Person (1) <span style="margin-left: 200px;">Person (2)</span></p> <p>_____ : Name : _____</p> <p>_____ : E-mail Address: _____</p> <p>(____) _____ : Cell Phone : (____) _____</p> <p>(____) _____ : Work Phone : (____) _____</p> <p style="text-align: center;">Person (3) <span style="margin-left: 200px;">Person (4)</span></p> <p>_____ : Name : _____</p> <p>_____ : E-mail Address: _____</p> <p>(____) _____ : Cell Phone : (____) _____</p> <p>(____) _____ : Work Phone : (____) _____</p>	
4	<p>Your Marital status and the same information as above for your spouse if you are married or living common-law.</p> <p><u><i>Because of the significant number of JOINT filing credits for children, pensions, tuition, pension splitting and so on if I am not preparing your spouse's return I can no longer file your return properly.</i></u></p> <p><u><i>Please bring your spouse's return to <b>US</b> for filing by <b>US</b> if you wish to remain a client.</i></u></p>	
5	<p>The names, dates of birth and Social Insurance Number(s) for your children under the age of 19 years. If we are not preparing their returns we cannot claim tuition fee transfers or any other transferable credits on your returns. <u><i>REMEMBER</i></u> to give me the names and birth dates of any children <u><i>born in 2009 or early 2010.</i></u></p>	
6	Original Charitable Donation receipts	
7	Your receipted child care expenses amount including the name, S.I.N. and address of the caregiver.	

#	Here is a list of information I will need to assist me with the preparation of your 2009 Personal Income Tax return.	<u>Yes or No Change</u>
8	<p><u>Original Receipts</u> for all medical costs paid by you during 2009 that were not fully reimbursed by a medical plan. <u>In some circumstances, attendant care and medical costs for a parent or other relative can be claimed on your return. Let me know the details and I will let you know if it can help your tax situation.</u></p> <p style="text-align: center;"><b><u>DID YOU KNOW?????</u></b></p> <p><i>Your pharmacist can provide you with a summary of your annual prescription out of pocket cost, suitable for use with your 2009 return. PLEASE ASK FOR ONE AND BRING IT WITH YOUR 2009 INFORMATION</i></p> <p>The most common medical expenses you can claim are:</p> <ul style="list-style-type: none"> <li>• payments to a medical professional (including doctor, dentist, nurse, optometrist, osteopath, naturopath, massage therapist, physiotherapist, psychoanalyst, psychologist, chiropractor, acupuncturist, or Christian Science practitioner);</li> <li>• payments to a public or licensed private hospital;</li> <li>• payments for prescription medicines and drugs;</li> <li>• payments for artificial limbs, wheelchairs, crutches, hearing aids, dentures, pacemakers, and certain prescription medical devices;</li> <li>• prescription eyeglasses, prescription contact lenses, or laser eye surgery;</li> <li>• dental services;</li> <li>• ambulance charges to or from hospital;</li> <li>• amounts paid for attendant care, or care in an establishment if the individual making the claim qualifies for the disability amount. <u>A portion may be available to use as rent. Please get a detailed receipt from the complex.</u></li> <li>• expenses for guide and hearing-ear dogs;</li> <li>• cost of diabetic testing supplies;</li> <li>• additional cost of gluten-free food if required due to celiac disease.</li> <li>• premiums paid under the Québec Medical Insurance Plan, and premiums paid to private health services plans such as Blue Cross (other than those paid by an employer). <u>If you received partial reimbursement of your medical costs I need the statements that were attached to the cheques you received.</u></li> </ul> <p>Generally, you can claim all amounts that you paid, even if they were not paid in Canada.</p>	

#	Here is a list of information I will need to assist me with the preparation of your 2009 Personal Income Tax return.	<u>Yes or No Change</u>
9	<p><u>Both</u> copies of all income information slips received by you or any member of your household. This includes T3, T4, T4A, T4OAS, T4P, T4RSP, T4RIF, T4U, T5, T600, T5013 as well as any other forms you may receive that are reporting income you earned.</p>	
10	<p><u>Capital gains are TAXABLE.</u> It is <b>EXTREMELY</b> important that you take the time to give me ALL information on the purchase and sale dates and prices of all shares you sold in 2009 whether you made or lost on them. <u>You must also provide me with complete details of the original purchase price of any securities you disposed of in 2009.</u></p>	
11	<p>Statements disclosing purchase and sale transactions for any brokerage accounts you have or mutual funds you own.</p>	
12	<p>Details of any other income received by you from any other source.</p>	
13	<p>If you or any other member of your family has become disabled during 2009 and you wish to investigate claiming a disability tax credit, please provide me with your original completed and signed T2201 form. If you need the form, give me a call and I will print one out for you to get completed by your physician. You must paper file your return for the first year you request this credit.</p>	
14	<p>Original RRSP Contribution receipts. The companies you purchase your RRSPs from are now required to give copies of your RRSP contributions to the CRA.</p>	
15	<p><u>Original Tuition Fee receipts for you, your spouse or any children that did not earn in excess of \$7,000. These are T2202 or T2202A forms.</u></p> <ol style="list-style-type: none"> <li>1. If the tuition fees are for one of your children or your spouse and we are not preparing their returns we will not claim tuition fee transfers or any other transferable credits on your return.</li> <li>2. There is a signature line on the back of the T2202 form where the individual the fees were paid for <b>MUST</b> sign in order to transfer the deduction to you.</li> <li>3. <u>I am NOT short of work but it has become a 99.9999% requirement that the returns for your whole family be prepared by the same person if there are any transfers of exemptions or credits involved.</u></li> </ol>	

#	Here is a list of information I will need to assist me with the preparation of your 2009 Personal Income Tax return.	<u>Yes or No Change</u>
16	Original receipts and details for Union dues or professional fees paid.	
17	Details of alimony or maintenance paid or received including the name, address and S.I.N. of the spouse. If this is the first year of a separation or if the agreement was signed or amended after May 1997, please include a copy of the agreement.	
18	Amounts of any payments for interest or carrying charges, investment counsel fees, accounting fees, safety deposit box fees, etc.	
19	If you are deducting automobile, home office or other expenses from your employment income, you are required to have your employer complete and sign a form T2200 - "Declaration of Conditions of Employment". Please provide it as well as the details of the amounts you want to claim as expenses. Summarize your automobile expenses and include the total number of kilometres driven and the number of business kilometres driven. Please remember to include the purchase and loan or lease documents if this is the first year of claiming a new vehicle.	
20	Your receipted 2009 property tax bill or the details, <u>including address and Landlord name</u> , of any rent paid by you in 2009.	
21	Details of any RRSP withdrawals including transactions on a Home Buyers' Plans or Life Long Learning Plans if you are using one.	
22	Are you or your spouse American citizens? If so, I will be happy to file your 1040 and state returns as necessary.	
23	Do you wish to release your name, address and date of birth to Elections Canada to aid them in preparing an electors list for the next elections? <u>ARE YOU A CANADIAN CITIZEN???</u>	
24	If this is the first year I am preparing your return for you I need copies of <u>two previous years</u> returns along with the <u>CRA assessment notices</u> for them.	
25	If you received a buy-out from your employer in 2009 please bring all details of RRSP transfers and purchases (direct or otherwise). RRSP receipts for any lump sum transfers are necessary <u>regardless of what your investment advisor says.</u> <b>GET THEM PLEASE.</b>	

#	Here is a list of information I will need to assist me with the preparation of your 2009 Personal Income Tax return.	<u>Yes or No Change</u>
26	Receipts for any Public Transit fees you paid. The Transit Pass must cover a duration of 30 days or longer and must clearly identify the rider. If the pass does not have all of the above information you can still claim the cost as long as you have cancelled cheques or credit card statements showing their payment.	
27	If you work in the transport sector you may be able to claim a flat rate meal allowance. Please provide me with your completed TL2. The allowance has increased to \$51 per day.	
28	Receipts for eligible fitness activities you enrolled your children in during 2009. In order to be eligible the activity must be ongoing (either a minimum of eight weeks duration with a minimum of one session per week or in the case of children's camps five consecutive days); supervised; suitable for children; and substantially all of the activities must include a significant amount of physical activity that contributes to cardio-respiratory endurance plus one or more of: muscular strength muscular endurance flexibility or balance. You can only claim fees that are related to the cost of registering a child in an eligible program of physical activity.	
29	Do you need us to arrange to pickup your tax papers this year? See Page 4 of the letter for details.	
30	Any assessment or reassessment notices you received from CRA during 2008 for any income tax return I prepared for you or a member of your household. <u>This is important.</u> There is confirming information on these documents about RRSP limits and other knowledge I need to serve you better.	
31	Confirmations received from CRA for your 2009 installment payments.	
32	Moving Expenses if your move brought at least <u>40 KM</u> closer to your job or educational institution	
33	The Home Renovation Tax Credit. See the enclosures	