



The Bean Counters' Quarterly

Steve Kirkham C.A. Professional Corporation

December 2011

In this issue

- [The Dialogue Department!](#)
- [2012 Changes to CPP](#)
- [2011 Federal Budget Summary](#)
- [Spotlight On Your Business](#)
- [Recommended Reading:](#)
- [Stuff To Know About Our Team](#)

Greetings!

Welcome to the December 2011 issue of The Bean Counters' Quarterly!

Where does the time go? It seems that each year goes by faster than the one before. Was 2011 the year that you planned for at this time last year? Did you achieve the goals and success that you hoped for? What do you have planned for 2012? Make sure you take the time to set out your goals for the new year, with actionable and accountable steps to ensure your success. Please know that our whole team is focused on helping you and your business gain the success that you desire. Let us know how we can help you in 2012!

We wish you, and your loved ones, a year of prosperity, health and happiness in 2012!

Best regards,

Steve Kirkham

The Dialogue Department!



The idea is to open the lines of communication on a topic or question that may be light and breezy or deep and serious, in an otherwise busy and hurried world. We'll start on our end by telling you about our thoughts on a particular topic or question, and then we'll wait to hear back from you - just hit the link "Here's What I Have to Say" and send us a quick reply.

[Here's our topic/question for your consideration:](#)

"What is the best part of the holidays for you?"

Our reply for this quarter is from **LINDA HARRIS**: "The best part of the holidays for me is **Boxing Day**; no time tables to adhere to, no scheduled meals, nowhere urgent to go and the day just seems to last forever!"

Here's What I Have To Say - (send reply to) steve@kirkhamca.ca



2012 Changes to CPP

2012 Changes to CPP You Need To Know About

What are the changes being made to the CPP? * Your monthly CPP retirement pension amount will **increase** by a larger percentage if you take it after age 65. * Your monthly CPP retirement pension amount will **decrease** by a larger percentage if you take it before age 65. * The number of years of low or zero earnings that are automatically dropped from the calculation of CPP pension will increase. * You will be able to begin receiving your CPP pension without any work interruption. * If you are under 65 and work while receiving CPP pension, your ongoing contributions will increase your CPP retirement benefits. * If you are between 65 and 70 and work while receiving your CPP pension, you can choose to contribute to CPP and increase your benefits. * If you take your CPP retirement pension early, (i.e. after age 60 but before 65) your pension will be reduced based on your age at the time your benefit begins. This reduction which is now 30% at age 60, and will gradually change over the next five years to a 36% reduction in 2016. * By 2013, if you start receiving your CPP pension at the age of 70, your pension amount will be 42% more than it would have been if you had taken it at 65.

[Click for more details:](#)



2011 Federal Budget Summary



2011 Federal Budget Summary of Tax Credit Changes

Personal Tax Measures

Children's Art Tax Credit - For 2011, a new 15% non-refundable Children's Art Tax Credit is introduced for eligible enrolment expenses up to \$500. The credit will be available for children under 16 at the beginning of the year who are enrolled in an eligible artistic, cultural, recreational or developmental activity. Examples of eligible activities include classes in art, music, crafts, drama, painting, photography and languages, as well as other activities such as scouting. The credit is structured in the same manner as the existing Children's Fitness Tax Credit and will be claimable by either parent or shared by both parents. A related, additional disability supplement amount of \$500 may be claimed for children under 18 who are eligible for the Disability Tax Credit, where a minimum of \$100 is paid in eligible expenses.

Family Caregiver Tax Credit - Starting in 2012, a new 15% Family Caregiver Tax Credit is proposed for a caregiver of a dependent person who has a mental or physical infirmity and will be based on an amount of \$2,000. The credit will be an enhanced amount for an infirm dependant under one of the following existing credits: the Spouse or Common-Law Partner Credit, the Child Tax Credit, the Eligible Dependant Credit, the Caregiver Credit or the Infirm Dependant Credit. It also will result in an increase in the dependant's income threshold at which the combined credit amount is phased out.

Volunteer Firefighters Tax Credit - Effective 2011, a new 15% non-refundable Volunteer Firefighters Tax Credit is introduced based on an amount of \$3,000. The credit will be available to individuals who perform at least 200 hours of volunteer firefighting in a taxation year. Volunteer service hours will not qualify if the firefighter also performs non-volunteer services to a particular fire department. An individual who claims this credit will not be eligible for the current \$1,000 tax exemption for honoraria paid for volunteer firefighting duties.

Medical Expense Tax Credit for Other Dependants - Effective for the 2011 tax year, the current \$10,000 limit on eligible medical expenses for a dependant relative will be removed. A dependent relative includes a child who is 18 or older, a grandchild, parent, grandparent, brother, sister, uncle, aunt, niece, or nephew who is dependent on the taxpayer for support.

Child Tax Credit - The rule that limits the claim for the 15% non-refundable Child Tax Credit (CTC) (\$2,131 in 2011) to one parent per household will be removed starting 2011. This change ensures that otherwise-eligible parents from two or more families sharing a home are not prevented from claiming the CTC in respect of their children.

Registered Disability Savings Plan (RDSP) - Changes to the RDSP rules will enhance the ability for a beneficiary with a shortened life expectancy to withdraw amounts from a RDSP without triggering the 10-year repayment rule for Canada Disability Savings Grants and Canada Disability Savings Bonds. The RDSP holder must make an election and submit it with a medical certification in order to take advantage of this measure. Subject to a transitional measure, this amendment will apply after 2010 to withdrawals made after Royal Assent.

Registered Education Savings Plans (RESPs) - Asset Sharing Among Siblings - For 2011, transfers between RESPs for siblings will be allowed without tax penalties and without triggering the repayment of the Canada Education Savings Grants. This transfer is available provided the individual receiving the transferred asset had not attained the age of 21 when the RESP was opened.

Tuition Tax Credit - Examination Fees - For 2011, the Tuition Tax Credit will be expanded to include examination fees over \$100 paid to an educational institution, professional association, provincial ministry or other similar institution to obtain professional status or to be licensed or certified to practice a profession or trade in Canada. Fees for admission examinations to begin study in a professional field do not qualify.

[For more detailed information:](#)

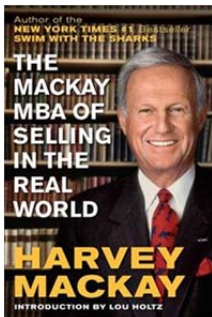


SPOTLIGHT ON YOUR BUSINESS:

We did not get a client request this quarter for a "spotlight" so we'd thought we'd highlight one of our newer services - **Financial Planning**. One of the more "top of mind" topics out there these days, especially with the RRSP marketing blitz just around the corner. We have some great new software in the office that can provide you with the peace of mind that comes with an understanding of where you are now, where you'd like to be, and how to get there in relation to your financial well-being. We offer a variety of solutions and can customize one for each of your specific needs. Give us a call for a no obligation consultation and start down the road of putting your financial stresses behind you.

Want to promote your business through our newsletter? Just send us a short bio along with logo/artwork and we'll put you in a future edition.

Recommended Reading:



The Mackay MBA of Selling In The Real World by Harvey Mackay

The legendary Harvey Mackay is back with the sum total of decades of sales know-how-teaching go-getters how to make the sale and hit the numbers, day in and day out.

In his irrepressible and irreverent style, Mackay shares decades of solid-gold selling wisdom, with inspirational lessons such as:

- Big shots are just little shots who kept shooting - Helping someone up won't pull you down-and could very easily pull them to your side
- Be like the turtle: If he didn't stick his neck out, he wouldn't get anywhere at all

Covering everything from how to find the right mentor to earning the loyalty of your customers to overcoming rejection, Mackay delivers road-tested, real-world selling advice that has stood the test of time.

In a digital world, the human touch has never been more decisive. And nobody connects with customers, readers, and audiences better than Harvey Mackay.



[Chapters/Indigo - The Mackay MBA of Selling in The Real World](#)

Stuff To Know About Our Team

-**Sherry** is currently taking her first on-line course in Tax Preparation over the next couple of months to refine her skills and learn about new information regarding personal taxes in general. She has also just finished painting the basement walls in her house and she hopes to be laying the flooring over the Christmas break. Of course this means she and her husband will be home for the holidays which is always nice as she genuinely loves spending time with her husband's family.

-**Andre** had a busy season during the Fall. He continued to play in his badminton club. His kids, Martina and William, started to learn curling at the Bayview Golf Club in October and next year, Martina will be representing the Bayview team going up against 6 other teams from the GTA.

-**Linda** isn't doing too much during the holidays except hiking in the area and planning next year's family vacation, which will also celebrate her son's graduation from university!

-**Steve** really cannot believe another year has gone by. It was the first under the new name and things around the office are going quite well, thanks again to a great staff and great clients. Family life continues to roll on with Erin recently submitting her applications for University, Justin is mid-way thru his grade 8 year, and Gavin growing like a weed, is in grade 3. They are all still swimming and Justin is close to making the basketball team at school. Everyone is really looking forward to the Christmas break and some downtime with family.

[Read on...](#)

Quick Links...

- [The Bean Counters' Quarterly Home Website](#)
- [Canada Revenue Agency - for Business](#)
- [More About Steve Kirkham C.A. and Our Team](#)
- [View previous issues of our Bean Counters' Quarterly](#)

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