

In this issue

- The Dialogue Department!
- ONTARIO 2018 BUDGET
- Spotlight On KIRKHAM Accounting & Tax Services
- Recommended Reading:
- Stuff To Know About Our Team

Greetings!

Welcome to the March 2018 issue of The Bean Counters' Quarterly!

Happy Spring!!

Finally we're seeing and experiencing the real beginning of Spring after a long winter. However, in Ontario, we shouldn't complain too much, as we haven't been suffering as much as those who live in the eastern part of the country.

This time of year, is challenging for our team, but we're always excited to work with our personal tax clients.

We've got an interesting edition of BCQ for you. First, Ontario Budget of course, and hot off the press. We've highlighted a few items we think you may want to know about.

You'll want to read Steve's response to our **Dialogue** question, asking what he likes about tax season and what's his biggest challenge?

You can also see if you might be interested in the **Reading Recommendation**. It's an interesting read about being happy in retirement, and not just financially. We give a little bit of the Kirkham view of it, in the **Spotlight** section.

Also in our **About Us**, you can read about how most of the team is looking ahead to spring and summer plans, after tax season.

On behalf of the team at Kirkham CA's, we wish you Happy Easter or Happy Passover, to those who celebrate this special weekend! We also wish everyone some Easter Bunny fun!

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 question/topic for this issue:

"After experiencing more than 20 tax seasons, what is your favourite part and what part would you call the most challenging?"

Our reply for this quarter is from **STEVE KIRKHAM:**

"Counting the years, it has actually been 30 tax seasons since my start way back in 1988!! I can make this easy by saying my favourite part is telling someone they have a refund coming, and the least favourite telling someone they owe tax! Otherwise I enjoy the "helping" part and the acknowledgement/gratitude we get from our clients that we have taken a burden off their shoulders. Many are very grateful that they do not have to deal with the numbers, or CRA! The least favourite would have to be the long hours and constant stress/pressure to get things done in a short window. We have come to "accept" it, but the fact that it is compressed into such a short time-span does makes it difficult. The saving grace is that we know April 30 will come and go, and the onset of summer helps wash it all away."

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

ONTARIO 2018 BUDGET

The new social spending contained in Kathleen Wynne's pre-election budget will be paid for by nearly \$20 billion in new borrowing over the next three years and a quietly introduced personal income tax increase affecting almost two million Ontarians.

The 2018 budget indicates the deficit is projected to be \$6.7 billion, and combined deficits for the next three years amount to \$19.8 billion.

The borrowing will pay for free childcare for preschool-age kids, free drugs for seniors, the largest investment in mental health care ever and a new basic dental and drug plan for those without workplace benefits.

Highlights

- * \$20.3B new investments over next three years
- * Heading into deficit for next six years Free childcare for kids 2.5 to kindergarten age
- * Subsidized dental/medical costs for Ontarians without private health plan, OHIP+
- * Free prescriptions for seniors, money for home maintenance
- * Changes to Personal Income Taxes

Pocket-book goodies * Free prescription drugs for 65+ * Free preschool child care for 2.5-kindergarten * Subsidized dental/medical costs for Ontarians without a private health plan, OHIP+ * More discounts for Presto card users * Continued promise to raise minimum wage for \$15hr Jan 1, 2019

Economic Health * Projected deficit for 6 years * Back to balance by 2024-25 * Unemployment rate lowest in two decades * Forecasted \$600M budget surplus 2017-18 * Forecasted deficit: less than 1 per cent of GDP * Running a deficit of \$19.8B over three years * (6.7B deficit this year, 6.6 in 2019-2020, 6.5B in 2020-2021) * Net debt 2018/19 is \$325B, will balloon to \$360.1B in 2020/21

Personal Income Taxes * Province will eliminate surtax on PIT * PIT rates and income brackets will change * About 83 per cent of tax payers won't see a difference, or will pay about \$130 less * Average tax increase for \$95K earner would be about \$168 * Changes take effect (if passed) July, 2018

For Toronto: * Province to begin talks with Toronto about uploading costs of subways * GO Transit trips within Toronto will cost Presto users \$3 (no projected start date) * GO Transit trip 10km or less capped at \$3 for Presto Card users (no projected start date) * Province to work with Toronto, York, Mississauga, Brampton, Durham to ensure commuters can travel between TTC and other transit systems at a discount of about \$1.50 per trip * Free licensed childcare for kids 2.5 years old means avg. of \$20k savings for one-child family * \$11B towards construction of high-speed rail between Toronto/Windsor * Settling property tax exemption controversy with Victoria University by phasing in tax changes over a number of years * A Toronto Community Justice Centre in Moss Park to help address cycle of offending/victimization

Goodies for the GTA * Greater Toronto and Hamilton Area Fund will invest in businesses and job creation (\$100M over next 10 years) * Any GO Transit trip 10km or less capped at \$3 for Presto Card users (no projected start date) Province will work with Toronto, York, Mississauga, Brampton, Durham to ensure commuters can travel between transit systems at a discount of about \$1.50 per trip

Seniors * No more Ontario Drug Benefit, saving seniors about \$240 a year * Free drugs for everyone 65+through OHIP+ starting Aug. 2019 * Seniors Healthy Home Program * benefit up to \$750/year for seniors 75+ to help them maintain home/live independently * 30,000 new long-term care beds over 10 years * Improved home care for seniors (more support, more nurse visits, better access) (\$650M over 3 years.) * Investing \$23M over three years to increase number of Personal Support Workers

Basic dental/drug plan * Subsidized dental care, drug costs for people without private insurance or not eligible for OHIP+ * 80 per cent refund on drug dental expenses (Up to \$400 single/\$600 couple/\$700 family of 4 with 2 kids) starting Summer 2019

Childcare * Free licensed child care beginning in 2020 for kids 2.5 years to kindergarten age * Estimated savings 17k for Ontario family w one kid, 20k for Toronto family * Province will invest a total of \$2.2B over three years * Includes \$160M over 3 years in operating costs & \$534M for more spaces * Fee subsidies for child care spaces have so far reduced Toronto's subsidy waitlist by 3,581 children

Health * More funding for mental health/addiction services (\$17B over 4 years) * \$822M investment into hospital improvement - largest single gov't investment in hospitals in almost a decade * \$19B over 10 years to build/reno hospitals * 30,000 new long-term care beds over 10 years

Marijuana: * \$8M spent in 2017 setting up cannabis stores. Will spend \$40M this year. * Revenues from pot stores in 2018 expected to be \$35M in 2019, and \$100M in 2020-

2021. * Feds will send Ontario \$35M of federal pot excise tax in 2018-2019, \$80M in 2019-2020. and \$115M in 2020-2021.

Risks to Ontario's economy: * Rising interest rates, (cost of borrowing), particularly if it's faster than expected, can have serious impact on deficit and debt * If interest rates increase by 1 per cent it will add \$300M to the deficit. 1 basis point equals \$3M * Changes to NAFTA could disrupt trade patterns * U.S. tax reform could affect province's competitiveness

[Highlights from Ontario 2018 Budget](#)

Spotlight On KIRKHAM Accounting & Tax Services

KIRKHAM Accounting and Tax Services

Retirement Planning!

We all know we should be doing it, but how many of us really get serious and do it? Set out an actual plan. And when? When it's almost too late to do anything about it?

Below here, in the Reading Recommendation, you'll see a Retirement Planning book with a fun twist: it focuses more on enjoying retirement and really living it, than saving for it.

Now while we don't agree with everything in the book, it's a fun read, and a really refreshing take on planning, and looking forward to retirement.

It's definitely worth reading, but I do recommend that you allow us the opportunity to have a deep, heartfelt chat about ALL the aspects of your future retirement. Whether it will be in 6 months, 6 years, or many years from now.

www.KIRKHAMCA.ca

Recommended Reading:

HOW TO RETIRE HAPPY, WILD, AND FREE: Retirement Advice That You Won't Get From Your Financial Advisor

By Ernie J. Zelinski

How to Retire Happy, Wild, and Free offers inspirational advice on how to enjoy retirement to its fullest. The key to achieving an active and satisfying retirement involves a great deal more than making sure you have sufficient funds; it involves cultivating physical well-being, mental well-being, and solid social support. It will give you the courage to take early retirement; in fact, the earlier, the better. This book will show you how to create purpose in your retirement life, encourage you to take charge of your mental, physical and spiritual health, inspire you to rediscover your passion for living, help to put money in proper perspective so you don't need a million dollars to retire happily, condition you to find reasons to do the important things instead of reasons not to do them, and will do more to help you conquer boredom and enhance your mental well-being than Prozac ever will. With its friendly format, positive tone, humorous cartoons, and captivating quotations, How to Retire Happy, Wild, and Free

offers retirement wisdom that you won't get from your financial advisor. This wisdom will prove to be much more important for creating a satisfying and happy retirement than how much money you have saved.

HOW TO RETIRE AHPPY, WILD, AND FREE: Retirement Advice That You Won't Get From Your Financial Advisor

Stuff To Know About Our Team

-Sherry says this year, with her husband Grant, she is planning on renovating her kitchen. They've been thinking about it for a long time and this year they are going to make it happen. They are also going to Florida in May so have a few things to look forward to this spring. Right now she is finishing off her first season of curling and it has been a really fun time. She can't wait to start again in the fall.

-Linda says she's looking forward to spring and some warm sunshine! Maybe some vacation time in May.

-Ana says well they did it. Renovation plans are under way. They have hired a contractor & have solidified plans for renovating their kitchen, powder room and laundry room. The past few weeks have been hectic with selecting all the material needed (tiles, cabinets, fixtures etc., etc.,). This can definitely make or break a marriage. Who knew that a husband can have an opinion that matters (or should be considered)? Hopefully the will survive and she is looking forward to the finished product, and the warmer weather.

-Andre says that he feels it was a really cold winter this year and he had been sick twice in this season. He has been absent from the badminton courts for several weeks, and will need to come back when the tax season over. His wife and daughter celebrated their birthdays in March and his son William is participating in the Curling U15 competition every week in the winter.

-Derek says this past winter (it's over, right?) was one to remember for his family. Over the Family Day long weekend they headed to Big White just outside Kelowna. It's a ski resort that lives up to its name. There was lots of fresh power every day which made for some fantastic skiing. Over March break they headed to the cottage and the lake had frozen smooth so you could skate on the entire lake. Fantastic! This past few months hasn't been all play though. It's been full steam ahead with corporate year ends, personal tax is in full swing and the Liberal government has made life interesting with new tax measures which will keep us busy over the summer months with tax planning.

-Steve! says it seems like it was another whirlwind of a quarter, flying by. The family trip to Mexico over Christmas seems a distant memory, but some very good memories, such as surfing, ATVing, fireworks on the beach, etc. Life got back to "normal" in January. Erin doing some snowplowing and working at the rock climbing gym, Justin back to school continuing 2nd year at Laurier and Gavin progressing well with his Pakmen volleyball team and grinding thru Grade 9. Sherry and Steve just keeping it all as organized as possible. There are some pretty big adventures on the horizon - Erin is heading west to Alberta in May to do some tree planting for three or four months, Steve and Gav are planning a trip to Portugal to a wakeboard/wakesurf camp for a week end of June, and Sherry is off on a 6-8 week trek across Spain (known as the El Camino)! Check out her blog site at mycaminosresolve.com. Unfortunately Justin will be staying local, continuing classes and (hopefully) landing a job for the summer.

Looking forward to summer to say the least, and it'll be here (and gone) before we know it! Enjoy

Quick Links...

- [The Bean Counters' Quarterly Home Website](#)
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- [Canada Revenue Agency - for Business](#)
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