



THE Tax Tipper

October 5, 2020

We take your taxes personally!

Issue 73

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Our Readers Respond

"I, as well as my colleagues that utilize PTC Canada as our tax service provider have always had a great customer experience. My professional relationship with PTC Canada began 14 years ago in 2002 when I was first introduced to Neel Roberts. Since then, KEA Associates and I have relied on PTC's expertise for corporate and personal tax advice and I have always been happy with the results. In fact, I have recommended PTC to numerous professional colleagues and friends alike and they also still seek Neel's guidance and counsel to this day. They're the greatest, and Thank you Neel."
 Kev Auty, CRSP CHRP CHSC
 President KEA Associates, White Rock, BC.

Check out our [testimonials page](#) and [media room](#).

Need tax help right away?

[Click here](#) to get started now!

We [welcome your comments](#) on the **Tax Tipper!**

Thanksgiving Message

Dear Clients and Friends,

Another summer passed by us, and we are having a warm fall so far here in Southern Alberta. Farmers in our community have had a bumper crop which is wonderful for them and the community, so that's good news considering how the markets are doing. I have always liked all 4 seasons and while the mountains still do not have much snow, I always look forward to when I can take my sled out on the prairies surrounding my farm.

If I had to make a unique Christmas present this year it would be a t-shirt that says "I survived 2020." In all my life, I have never seen such a crazy year which seemed to put the whole world into a controlled lock down depending on where you live. Here in Alberta we have been comparatively lucky compared to Eastern provinces which still have very tyrannical laws restricting movement, business, and life in general as a second COVID wave is expected this month. People over the summer were rising to the oppressive rules which were not only destroying lives but seen as political theater by the leaders considering they didn't follow their own laws. As the "Great Awakening" is growing in the world, many credible physicians have come forward to discredit the current lockdowns. Canadian doctor Kulvinder Kaur has been defamed by Canadian media as she's repeatedly stood by the claim "There is absolutely no medical or scientific reason for this prolonged, harmful and illogical lockdown. #FactsNotFear." I like Dr. Kaur because not only is she factual but she's a fighter as explained in a Rebel news article. She's unfazed by these idiotic fact checking services which never existed before the truth started coming out.

With the US election less than a month away and Trump expecting a historic win of possibly all 50 states, social media has

started a massive censorship program which is expected to become epidemic by November. After last week's disastrous debate between Biden and Trump, the Democrats know they have absolutely no chance of winning and will try everything in their power to disrupt whatever is possible. Here in Canada, people seem to be very discouraged at the future as they just do not know what to believe. With deficits nearing \$1 Trillion next year, it is expected there will be no return to balanced budgets for decades. Under the current financial system, this makes sense since central banking is not sustainable by design, that is why many (including yours truly) are loading up on hard assets like gold and silver. Silver is expected to more than double by next year with predictions as much as triple digits, as currency and coins become harder to find. I also believe now that PayPal is launching crypto currency, it will become more commercial giving us another way to transact outside government currency.

There is no doubt in my mind dissention will continue to fester over who rules over us. Recently the WEXIT party explained their only reason for existing is because of Justin Trudeau's 2019 re-election. I must say that ever since the USMCA kicked in on July 01st, 2020, there are unusual things happening besides the pandemic. I have personally never believed the narrative mainstream media pushes, as they get worse by the day. While independents tend to do a better job, they have their own biases which may affect the bottom line, so we have to become our own researchers. Norm Traversy, a Canadian Patriot running <http://justiceforcanada.ca>, addressed Donald Trump requesting an investigation into the corruption of Justin Trudeau as laid out in section 27 of the

continued . . .

Neel's Message, continued

USMCA. In his 6 page letter, he's quite explicit on the issues, charges, etc. Shortly after that, rumours were going around that Trudeau was under house arrest. Naturally, I did not believe it, but I have noticed he does not seem to be out that much and with parliament shut down indefinitely, its not the same as when he was in the job from 2015.

Then, I saw something which really blew my mind last week—the Queen's residence, Buckingham Palace is for sale. Now, one must ask: Is there something much bigger to COVID than we know? I am inclined to believe so as too many things do not make sense and there are many rumours about a massive undercover clean up of the deep state. Also, I've been trying to crack the code on Project Looking Glass as to what it exactly is. I have heard 2 main things: something that amplifies human intuition or a massive computer program that can predict the future accurately while scrutinizing the past. I am not sure at this point but tell me what you think on the above. Lot's of mysteries to crack, but instinctively I think 2021 will be the beginning of unveiling these advanced technologies.

Last Thanksgiving, I had the usual deep fried turkey which I've been doing since 2012. This year is up in the air because with a 2nd wave of COVID coming, I am anticipating we will be under a much heavier lock down, so I am expecting to be bunkered down on my farm until at least November. While this will not generally affect tax service, I highly recommend being ready for it with food, supplies, etc. I always keep 2 weeks of perishables like dairy and fruits, 2 months of frozen goods like meats and vegetables, and 2 years of harder staples like spices, rice, pasta, and canned goods. I'd like to thank all the regulars for years of loyalty since 1998 and the opportunity to wish you, your family, and all loved ones a safe and restful Thanksgiving while enjoying the latest **Tax Tipper with your turkey---wherever that may be and remember, "THE BEST IS YET TO COME!"**

Neel Roberts
President and Founder

What's Happening

2020 Tax Service Now Available



As some of you were alerted to in the summer, 2020 tax preparation service is now available. Those who have all their information or are filing zero income can take advantage of this service and avoid the rush. You can also get the paperwork yourself from the forms website. Unfortunately, most will have to wait until early March 2021 when they have all their T-slips, etc. One of the bonuses is the 2020 calculations are also available (of course based on the current information) so, for example, if a client foresees a sizable amount of money coming from a buyout with the option to defer, it's always recommended they book a consultation to utilize the most tax advantageous strategy. I have done several of these and have saved clients untold thousands with a brief planning tactic. Unfortunately, most end up paying too much tax on severances because they are not properly informed on how to address it!

E-File Available All Year

For those of you who have been following my newsletters over the years, it's exciting to know that E-file is now available year-round for personal returns. You can now file previous returns if you're behind up to 4 years, meaning you can go back to 2016. For corporate and GST returns, you may be able to go back as far as 10 years. For further information check out the "E-File" webpage or contact the call center at 1-800-959-8281.



More on What's Happening

September 23rd Throne Speech Details



Last month parliament reconvened for a [Throne Speech](#). The basis of the speech included COVID-19, economic rebuilding, and addressing Canadian values. [Knowledge Bureau](#) has a [detailed report](#) one should go through to learn what will be unveiled over the next year, but no doubt there will be further details as 2021 arrives. More to come on this in the New Year.

CRA Warns of “Offshore Annuity Scam”



In the summer, there was a scam going around in which [tax schemes involved leveraged insured annuity plans](#). Promoters, including tax representatives and tax preparers, are claiming that taxpayers can extract tax-free earnings from corporations or claim large insurance expenses using a leveraged insured annuity provided by supposed offshore insurers. Strangely enough, I'd never heard of this and neither have any of my colleagues in the industry, so I have no examples to sight at the moment but if you come across any, let me know. There was also a bulletin about a [bad-debt tax scheme](#), but same thing with trying to find a “for instance.”

Good News Coming for 1st Time Home Buyers



One of the announcements in the throne speech was enhancements to the First-Time Home Buyer Incentive, including in Canada's largest cities like Toronto & Vancouver, so more families can afford to buy their first home. No further definition was provided about what this expansion means, or how further assistance will be provided to Canadians living in the pricier parts of the country, but [Knowledge Bureau](#) has a [short article](#) on this. Details are expected in the New Year and you can also check out [CRA Home Buyer's link](#).

Biker Gangs Have Infiltrated the Canada Revenue Agency



Just when you think it could not get any worse—it did! According to a [Rebel News story](#), CRA sights “several serious risk associations” where criminals infiltrated its databases. The disclosure was made by a senior manager at a labour board hearing [according to news site Blacklocks](#). Apparently it was not the first time, according to a [Sudbury article](#) in 2018, a CRA worker Christopher Casola, 48, was sentenced to 30 months in jail on Dec. 3 for accessing tax information as well as two weapons-related charges; he was also a moonlighter outlaw biker. The jaw dropping details only came out in testimony before the Public Sector Labour Relations and Employment Board, and there has been no further comment from the CRA to date.

Improved Benefits for Pensioners and the Disabled



Good news for those on pensions and those deemed disabled. The Throne Speech indicated it will move forward Old Age Security (OAS) and the Canada Pension Plan Survivor's Benefit. For the disabled, a new Canadian Disability Benefit will be introduced. OAS will see a 10% increase after the age of 75, while CPP survivors will see a 25% increase. A new Canadian Disability Benefit will be modelled after the Guaranteed Income Supplement (GIS) for low-income seniors. Following that model, the new Canada Disability Benefit would be available to low-income individuals who are disabled. Details have not been announced, so it is not clear whether this benefit will only be available to those who are eligible for the Disability Amount or to a wider group, including recipients of the CPP Disability Benefit and disability benefits from Veterans Affairs, but check out an [article from Knowledge Bureau](#).

More on What's Happening

Average Canadian Family Spent 46.2% of Their Household Income on Taxes in 2019



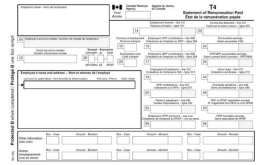
A recent [Fraser Institute study](#) found that Canadians spent about 43% of their income on taxes last year. Also, it found necessities such as food, shelter, and clothing combined took up 36.2%. By comparison, 33.5% of the average family's income went to pay taxes in 1961 while 56.5% went to necessities. In 2019, the average Canadian family earned an income of \$91,535 and paid total taxes equalling \$38,963 (42.6%). Comparatively in 1961, the average family had an income of \$5,000 and paid a total tax bill of \$1,675 (33.5%). [Knowledge Bureau has an article](#) which gives other comparisons so you can get the right perspective.

CRA Increases Flat Rate Amount for Meal Claims, and Reasonable Amount for Meal Benefits and Allowances for 2020 Tax Year



Good news for those claiming meal allowances as the [benefit increases from \\$17.00 flat rate to \\$23.00, retroactively January 01st, 2020](#). The CRA's policies on taxable benefits and allowances allows an employer to exclude the value of an overtime meal or allowance, or certain travel allowances (including a meal portion), from an employee's income as long as the value is reasonable (amongst other conditions). If all the conditions are met, the employer does not need to report the value of the meal or allowance on the employee's T4 slip. Check out this [Knowledge Bureau article](#) for more details.

New T4 Slip for 2021 for 2020 COVID Pay Periods



CRA will require employers to fill out a [new T4 Slip](#) for 2020 in light of the Emergency Student Benefit (CESB) and the Canada Emergency Wage Subsidies (CEWS) payments. Employment income will be reported in Box 14 or Code 71 as usual. After this, employment income earned in specific periods will be required:

- March 15 to May 9: report earnings in Code 57 (8 weeks)
- May 10 to July 4: report earnings in Code 58 (8 weeks)
- July 5 to August 29: report earnings in Code 59 (8 weeks)
- August 30 to September 26: report earnings in Code 60 (4 weeks)

Employers will be required to report employment income and any retroactive payments made during these periods. The government cites a specific example: employment income reported for the period April 25 to May 8 will be noted in Code 57. [Knowledge Bureau has more details on this.](#)



[us on Facebook!](#)



Working at Home During COVID-19

Real People with Real Questions About Real Situations



Dear Neel,

Me and several of my colleagues must work out of our homes for several months since the office was closed due

to COVID. There does not seem to be any end in sight, and I have heard there are deductions for doing this, so is it to my advantage to keep this going?

Wes G.

Dear Wes G.,

It is estimated that [millions of Canadians maybe in this situation](#), and, at the time of writing, CRA is addressing this unique occurrence for the 2021 tax season. My understanding is there is a new [T2200 declaration of conditions of employment](#) form being created which is not yet in draft mode but it will have a special category for this 2020 event. My guess is the “once in a COVID” crowd will not

get the complete “meal deal” benefits of working out of their home like those who have done it full time for years. For example, most will not have car expenses, travel, and employees but will likely have in-home, telephone, and computer costs which helps. CRA should update their [COVID tax website page](#) with the latest on this. For eligible employees, you can still deduct allowed [eligible employment expenses](#) as laid out in our [Employment Expense Tax Booklet](#). More to come as this development unfolds, and Good Luck!

Neel

Are you *Just Asking* tax questions?
Neel can *Just Answer* them.



Don't miss ...

The [Leonids meteor shower](#) peaking Monday, November 16, 2020. Astronomy fans and enthusiasts can follow Neel's [monthly columns](#) the first Wednesday of every month!



It's a Photo Finish! Wild Turkeys Invade New Jersey Town in Time for US Thanksgiving



Wild turkeys surprised residents of Tom's River, New Jersey in time for Thanksgiving

Courtesy www.insider.com

No doubt you have been invited for a meal or had people over for dinner but what if supper came to you? Well that is what happened to the residents of Tom's River, New Jersey as they got an early Christmas present to gobble up (no pun intended) for their 4 day long weekend. Wild turkeys are a step up from the regulars you get at the grocery store. I've always bought mine from a turkey farm for years, as the quality is better, but these ones are considered top of the line. Normally, you must hunt for them but bad news for meal door delivery services like Skip the Dishes or Uber Eats as these fowls have come up with a "hard act to follow"!

[Send us your fascinating photo or story.](#)

Did You Know?



Canada has over 550 turkey farmers? Total value—over \$382 million dollars according to the Turkey Farmers of Canada.



That's not chicken scratch!

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