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# 2014 YEAR END NEWSLETTER

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## *IN THIS ISSUE*


- **Christmas Shutdown**
- **Taxation Issues**
  - **Year-End Tax Strategies**
  - **Foreign Property Reporting**
  - **Foreign Account Tax Compliance Act (“FATCA”)**
  - **Snowbirds and US Visitors Update**
  - **Ontario Student Assistance Program (OSAP) Income Verification Update**
  - **Change in Marital Status**
- **Business Matters**
  - **Stability Through Change**
  - **Beware of Cold Call Consultants and Advisors**
- **Technology**
- **Human Resources (HR) Matters**
  - **Leadership Training Spring 2015**
  - **New WSIB Rules for Construction Businesses**
  - **2015 WSIB Annual Maximum**
  - **Mandatory Health & Safety Training**
  - **2015 Summer Student Grants**
  - **Employment Insurance (EI) News**
  - **2015 Canada Pension Plan Contribution Rates**
  - **New Statutory Leaves**
  - **Employment Contracts**
  - **Overtime Pay**
- **Office News, Comings and Goings**

**Farming Matters (for farming clients only)**
- **Year End Tax Planning**
- **Income Splitting**
- **AgriInvest**
- **HST Audits**
- **Human Resources 101 for Farms**
- **Important Deadlines**


## Christmas Shutdown

The offices of Ward & Uptigrove and Ward & Uptigrove Wealth Management will be closed during the Christmas holidays from Thursday, December 25th to Thursday, January 1st, opening in the new year on Friday, January 2nd.

## Taxation Issues

### Year-End Tax Strategies

**It’s never too early to start planning your year-end tax strategies.**

For many businesses, the month of October signals that the end of the fiscal year is not far away. Realizing December 31 is fast approaching should prompt you, as an owner-manager, to review year-to-date corporate and personal data and put your tax strategies into place. At the same time, remember to set up a meeting with your CPA. (Corporations can have a fiscal year end other than Dec. 31; this would, of course, affect the timing of the year-end meeting.)

**Remuneration**

Four main issues affect remuneration and taxation:

1. Was a bonus or dividend declared during the fiscal year but not paid until the following calendar year?
2. How much remuneration did you receive through normal wages in the calendar year?
3. Were the draws or loans taken by a shareholder or related party during the company’s fiscal year repaid to the company in accordance with the requirements of the Canada Revenue Agency (CRA)?
4. Are any draws or loans taken between the corporate fiscal year end and the end of the calendar year to be included in your taxation year?

Have your Ward & Uptigrove tax advisor review both your corporate and personal records to bring you up to date on the tax rules and their potential impact on taxable income.

**Corporate Income**

Now is the time to carry to review the corporate profit or loss. Should profits be paid to you and your employees to reduce or eliminate corporate taxes? Depending upon the individual’s marginal tax bracket, reducing corporate tax by means of a bonus can be a great tax strategy. However, where corporate or personal cash flow is problematic, it may be more astute to pay the corporate taxes rather than pay the additional remuneration required to reduce the corporate tax. It is certainly feasible to pay the owner-manager, withhold the appropriate deductions, and then have the owner-manager lend the balance to the company as a shareholder loan.

***Family members' remuneration is often overlooked as a means of reducing corporate profit.***

Your Ward & Uptigrove advisor may provide guidance regarding payment to the owner-manager's family members who supply services to the company. Often family members' remuneration is overlooked as a means of reducing corporate profit without the need to accrue bonuses to the owner-manager(s). The appropriate allocation of remuneration among family members may assist in attaining a lower overall tax rate for the family. Where there is more than one owner-manager, there may be a need to review the structure of owner-manager payout packages to maintain a harmonious relationship among all concerned.

In addition to the normal streams of wages and/or bonuses, your Ward & Uptigrove advisor will be able to help determine whether regular dividends or capital dividends (if available) should or could be declared and paid.

### Deductions from Personal Income

This time of year is also a great time to combine a review of corporate profits and personal income with a review of potential deductions. Your Ward & Uptigrove advisor will review "employment" income and determine whether there are deductions that should be considered to reduce personal taxable income. These include:

- Registered Retirement Savings Plan (RRSP) contribution room.
- capital losses from prior years.
- investment portfolio income (considering gains or losses from current or prior years).
- profits or losses from other business ventures such as rental properties or partnership ventures.
- non-capital losses from previous years.
- potential for income splitting should you or your spouse receive pension income.
- portfolio management costs.

### The Right Thing to Do

Tax planning for owner-managers involves more than just determining taxes payable. When reviewing and discussing your business and personal income issues, you should be able to determine the:

- impact of various income scenarios on personal taxable income.
- impact of various corporate payout scenarios on corporate income tax.
- cash flow requirements for both the owner-manager and the company.
- cash flow requirements for the corporate entity to pay out deferred bonuses, withholding taxes, or corporate taxes.
- taxable income issues that may arise for owner-managers for the next calendar year, such as:
  - additional income as a result of investment portfolio changes.
  - balances in RRSPs or TFSAs that could determine investment strategies.
  - age change (e.g., turning age 65) that could create income from Old Age Security, CPP or other pension plans.
  - number of years remaining before you need to roll your RRSP into a RRIF or an annuity.
  - changes in the company's shareholdings.
  - changes in family member status as a result of divorce, death, retirement, resignation or new family members joining the company in some capacity (e.g., as employees or shareholders).
  - anticipated sale of assets or investments.

### Foreign Property Reporting

All taxpayer's have additional tax reporting to complete if they own "Specified Foreign Property" with a tax cost over $100,000 during the taxation year. Specified Foreign Property includes among other things funds held outside Canada (i.e. bank accounts), loans made to non-residents, shares of non-resident companies, and foreign rental properties. The method of reporting these properties is by filing Form T1135, Foreign Income Verification Statement, by the due date for the taxpayer's tax return. There are significant penalties for not filing, omitting information or completing the form inaccurately,

During 2014 the T1135 was revised and, as a result, the reporting requirements can be much more onerous than in the past. In order to properly complete the forms, additional information may be required that was not previously required.

If you held Specified Foreign Property with a tax cost greater than $100,000 during 2014, we recommend you contact your Ward & Uptigrove advisor to discuss the impact these new reporting requirements may have for you.

**Foreign Account Tax Compliance Act ("FATCA")**

In March 2010, the U.S. enacted the **Foreign Account Tax Compliance Act** (FATCA). FATCA requires non-U.S. financial institutions to report, to the U.S. Internal Revenue Service (IRS), accounts held by U.S. persons. A February 5, 2014 agreement between Canada and the U.S. outlines that relevant information on accounts held by U.S. residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada) will now be reported to the Canada Revenue Agency (CRA). The CRA will then exchange the information with the IRS through the existing provisions and safeguards of the Canada-U.S. Tax Convention.

As a result, Canadian financial institutions began collecting information about new client accounts on July 1, 2014 and will report information collected in 2014 on their existing and new U.S. account holders to the CRA starting in 2015. From then on, accounts will be reported annually for the prior year. Financial institutions are searching their account records for any information that may lead them to believe an account holder is a U.S. person (i.e. a Florida telephone number for a winter home). If they determine the account holder may be a U.S. person, they will send an "information request" asking the account holder to answer a series of questions to determine their U.S. status. The CRA has not yet developed a prescribed form for Canadian financial institutions to use to collect this information. Instead, financial institutions can design solutions tailored to their particular businesses as long as they get the required information to the CRA.

Canadian financial institutions have a legal responsibility to know where you reside for tax purposes and they are entitled to that information. Under the agreement, financial institutions are required to send the CRA information on account holders who fail to cooperate with requests for information, which the CRA will transmit to the IRS. If you refuse to cooperate with your financial institution, it may treat the account as a U.S. reportable account and report your account to the CRA.

It is not always a simple answer as to whether you are considered a U.S. person for the purposes of these rules. We recommend you contact your Ward & Uptigrove advisor if you receive one of these information requests so we can assist you in completing it accurately.

**Snowbirds and U.S. Visitors Update**

Many Canadians spend a significant amount of time in the U.S. to attend school, to live during the winter, or for other reasons. If you are one of these individuals you should be aware of how the government now tracks your time spent in the U.S. Starting in 2014, the U.S. and Canadian border services began to track details on travelers both entering and exiting at border crossings, allowing them to accurately track the amount of days a Canadian spent in the U.S. during the year.

This has importance as even though a Canadian may not be a U.S. citizen or resident in the normal sense, a visitor to the U.S. may find themselves meeting the U.S. "Substantial Presence Test" ("SPT") which can determine whether a visitor to the U.S. may be considered a U.S. resident for tax purposes, creating a requirement to complete U.S. tax filings.

The SPT is calculated by considering the number of days you are present in the U.S over a three year period. The formula adds all of the days in the current year plus 1/3 of the days in the previous year plus 1/6 of the days in the second previous year. If an individual has spent at least 31 days in the U.S. during the current year, and the sum of the SPT formula is 183 or more, the individual may be considered a resident of the U.S. for income tax purposes. This doesn't necessarily mean a full U.S. tax return will need to be filed, but will likely mean that some U.S. filings will be required.

If you or someone you know is spending a significant amount of time in the U.S., please contact your Ward & Uptigrove advisor who can provide advice on your specific situation.

**Ontario Student Assistance Program ("OSAP") Income Verification Update**

As part of yearly family tax planning, amounts may be paid to a student attending post-secondary school from a parent's business. This is generally done to minimize the overall family tax bill. If the student has received income and is enrolled in the OSAP program (also including students enrolled in the 30% Off Ontario Tuition grant) then the OSAP program requires a verification of income to ensure the income reported on the OSAP applications matches the student's tax return.

Care should be taken to ensure the student is aware of the source of all of his/her income and completes any verification form accurately. Failure to do so may result in a repayment of OSAP funds (including the 30% Off Ontario Tuition Grant), reduction of future amounts from the program, or complete suspension from the program going forward. If there is any uncertainty when completing the income verification forms as to the amounts and source of a student's income, we recommend you contact your Ward & Uptigrove advisor to assist and ensure the verification process is accurate. In addition, if any changes are made to the student's tax returns, OSAP should be notified to avoid income verification issues.

**Change in Marital Status**

It is important to advise CRA when there is a change in your marital status. Marital status may impact the ability to draw upon government credits and social programs. There is often confusion when dealing with the terms "common law" and "separated". The following is a summary of the definition of these terms:

- Common-law, for tax purposes – living together in a conjugal relationship and, a) the relationship has lasted at least 12 consecutive months; or b) you have a child together; or c) you have custody and control of your child and your child is wholly dependent on you for support.
- Separated – you must live separate and apart because of a breakdown in the relationship for a period of at least 90 days (effective date of separation becomes the day you started living separate and apart).

We advise our clients to keep the following in mind when there is a marital status change:

- To apply for Canada Child Tax Benefits ("CCTB"), complete form RC66 Canada Child Benefits Application.
- Contact Canada Revenue Agency ("CRA") as soon as possible after your marital status change by completing Form RC65 Marital Status Change.
- If your marital status changes and you are entitled to CCTB payments, you must tell CRA by the end of the month in which your marital status changed. If separated, do not notify CRA until you have been separated for more than 90 consecutive days.
- If a child for whom you were receiving benefits is no longer in your care, no longer lives with you on a full-time basis, stops living with you, or has died, call 1-800-387-1193 or send a letter to your tax Centre.
- If you changed your name or move, call CRA at 1-800-387-1193.

The above summarizes some helpful tips when your marital status changes. We advise you to be proactive in this area – do not wait until you file your personal tax return. Please contact one of our professionals if you have any questions on this topic.

## Business Matters

**Stability Through Change**

**Slow, Steady Change is Better for Morale and the Bottom Line**

A major lament of staff and management is that the work environment is constantly changing. Although change is necessary in every facet of a business it is often felt to be destabilizing, is stressful for the vast majority of employees and may lead to worker fatigue and increased turnover.

Change in a business environment must be orderly and based on policies, procedures and practices. Effective communication is also vital in introducing changes into the work place.

**Consistency Implies Control**

Practices must be consistent for the entire workplace. For example, the way expense reports are completed or parts ordered must be standardized throughout the company. This removes the impression that some departments can do their own thing and it simplifies the accounting process. The accounting department becomes more efficient because of the standardized forms and can be confident it is invoicing an approved list of suppliers. Consistency provides employees with a set of known management expectations.

Consistency within a workplace creates a comfort level for staff, management and customers that is just not there in an environment that is constantly changing its methods or organization. Consider the frustration of dealing with constantly changing hours of operation or shift schedules. The absence of stability means the loss of predictability that enables employees to feel more in control of their surroundings and creates the anxiety that accompanies uncertainty.

**Increase Productivity**

Productivity increases when processes are consistent. If employees are allowed to purchase or download any software application they want or order machinery of their choice, the ability for other employees to interpret information or operate specific machinery might be severely compromised and the company put at risk. The company will not know that employees may need training or licenses to work with the new programs or operate the new tools or equipment. Warranties might be violated, training may be missed, essential contracts might be lacking with the result of potential worker injury or lawsuits. Inconsistency in areas such as these creates additional training costs, overlooks the need for backup to take over jobs and could potentially shut down an entire operation if one person quits and no one knows how to complete the task. Consistency, on the other hand, provides staff with the knowledge of the processes, tools and equipment needed to complete the job. Employees can use known tools and methods rather than forcing the company to spend its resources on training.

**Increased Employee Understanding**

Regardless of an employee's position within a company, there is always a need to update. Management needs to keep current on external factors such as industry trends, changes in legislation, the activities of competitors, economic conditions in the company's markets, as well as internal factors such as sales numbers, cash flow, staffing and a hundred other issues. Employees at all levels need to be aware of technology changes, new HR policies, training opportunities to learn higher-level skills, and many other factors that affect their ability to do their jobs and advance their careers. The stress of learning new software procedures, new regulations and new technologies can be both mentally and physically demanding.

Thus, if a company minimizes the number of changes in company policies and procedures or introduces them gradually, employees are more likely to stay focused on their jobs at normal and acceptable stress levels and not become diverted and anxious about their ability to do the reengineered job and stay employed. Slow and consistent introduction of new policies and procedures allows employees to acclimatize to the new demands and understand management's expectation. Rather than wrestling with constant in-house changes they fear may affect their performance evaluations, employees can concentrate on productivity, which leads to an enhanced bottom line for the business.

**Management's Role**

It may surprise management to know that employees expect and want consistency. Employees need to know their bosses are in the office, stay up to date and show up for work to fulfill their responsibilities. Employees want to feel empowered and not micromanaged through meddling by executives. Management certainly does not want to be seen as constantly interfering in the process but staff does expect management to lead by example, especially when asking workers to be reliable and accountable.

Workers expect management to be on top of what is going on, and prepared and available if needed. Management should be there not only in tough situations but also for the good times to celebrate the completion of contracts or congratulate deserving employees for jobs well done. If management shows contempt for the workplace by not showing up, employees will lose energy and be diverted.

Consistency in the standards of a workplace leader is essential. Knowing what the work ethics and value system of the business's leaders are means that employees know the expectations they have to meet. If, for example, management consistently uses only grade A material, the sudden substitution of inferior material may cause employees to worry about the company's financial stability, and therefore whether their jobs are in jeopardy. Such changes are the kind of thing everybody notices but does not necessarily discuss. Fears become internalized and result in undue stress and loss of efficiency through deterioration in morale. Management's consistent concern for quality, on the other hand, could save a company from the erosion of competitive advantage as customers also begin to notice the change.

Management should not underestimate the importance of communication when introducing change. Keeping employees informed and involved will make for a smoother transition. Management should not initiate change for the sake of change but bring on change in a consistent manner for the company's advantage. Ensuring consistency will provide a more productive workplace, which in turn will reduce employee turnover, increase productivity, establish a happier workplace, environment, cut costs and improve the bottom line.

**<u>Beware of Cold Call Consultants and Advisors</u>**

Not everyone operates in the business world under the strictest of morals or ethics. Recently we have seen some clients approached by consultants and/or tax advisors who make unrealistic promises in regards to providing huge tax savings and ways on how to make their business more profitable. These advisors often ask for a deposit up front and then a large fee for a follow up report. The end product report often has no measurable results and typically lists standard tax saving ideas and ways to improve the business that are often generic at best.

We have seen reports that go so far as to provide boilerplate tax strategies that provided unrealistic and misleading tax savings when taken in context of the clients' specific circumstances. While the services of business advisors should be a value added proposition, we caution clients to exercise care when approached by consultants who request large upfront deposits. We are more than happy to help you assess their legitimacy and their value proposition. We encourage you to contact us should you come across this scenario.

# Technology

## Virtual Reality


**Incomplete electronic records are creating difficulties for bookkeepers.**

A complete record of all transactions is essential not only to keep track of how business resources are used but also because the Canada Revenue Agency (CRA) requires it. Unfortunately, the simplification of many transaction processes has removed important details and is testing the patience of bookkeepers responsible for obtaining, recording, allocating and saving complete document records.

### Online Information Is Difficult to Gather

As more transactions are done online (e.g., "tap and go" or credit/debit card purchases) gathering all the information required for the bookkeeping system is becoming increasingly problematic. Owners and employees need to understand what bookkeepers need and why they insist that appropriate documentation be available.

As a start:

1. The CRA and other regulatory bodies need to be able to see the transaction data that supports the calculation of tax obligations and entitlements. The CRA insists that original paper and electronic records be kept. However, a scanned image of a paper document can be accepted as the original record if the records are produced, controlled and maintained according to the latest standards set by the Canadian General Standards Board, the federal government organization responsible for setting standards used in Canadian business.
2. Monthly credit-card statements do not contain sufficient detail of online transactions to determine:
   - the type of purchase and therefore the allocation to the correct general ledger accounts.
   - whether the item was of a personal nature or business related.
   - whether the item was a draw by the owner, a debt repayment or a transfer to another account.
   - whether GST or HST was charged on the transaction.
3. Most bank statements do little to assist in:
   - determining whether deposits are owner contributions, transfers from other accounts, accounts receivable collected or reversals of errors.
   - providing detail as to the type of expenditure for account allocation purposes.
   - addressing whether withdrawals are personal, payments in full, payments on account or payments to government or employees.

### Accurate Historical Data Essential to Decision Making

The historical financial data provided by the accounting records is essential to management when deciding to borrow money, pay dividends, or make distributions under a profit sharing plan. A host of other business decisions regarding expansion, marketing, training, hiring, firing, etc. are also predicated on the analysis of current and historical financial data.

The correct completion of tax documents is entirely dependent on the allocation of transaction data to the correct accounts. Corporate, owner and employee tax returns could be impacted if data is allocated incorrectly.

### Bookkeeper Access

If data is received and stored on the computer to which only the recipient of the data has access, the bookkeeper will be unable to record the transaction. Even though most businesses provide the bookkeeper with access to either a cloud-based system or internal servers, nevertheless the individual initiating the transaction must provide information about the nature of the transaction. For example, an invoice from a hardware store may imply a purchase is part of capital spending but it could be for repairs and maintenance and is therefore an expense.

### Posting Difficulties

Another difficulty with electronic filing of invoices, regardless of the software used, is that data is often saved in a general folder and then transferred to the bookkeeper for processing. Posting data from an electronic page is difficult because attachments come in single-file format thereby forcing the reader either to recall each file electronically and post from the screen or to print each attachment to ensure that all the data required for bookkeeping has been obtained.

Another problem for the bookkeeper is indicating in the document that the document has been posted and to which account. Failure to complete this simple process may result in duplicate entries or missed documents and make it difficult to track back to the specific transaction.

*No single approach is right for every organization.*

**Effectively Processing Electronic Data**

No single approach is going to satisfy all organizations, but the following are some ideas that may help:

- Provide each employee with a list of expense accounts and a brief summary of the allocation criteria.
- Ensure each expenditure has an electronic note attached indicating expense allocation.
- Create folders for specific categories or suppliers and have electronic invoices saved by month in those specific category folders.
- Develop a monthly spreadsheet of electronic invoices with a category breakout and a reference to specific electronic invoices.
- Attach posting notes to the electronic document indicating the account allocation and/or the journal entry establishing that the document was posted.
- Establish protocols for electronically filing the backup supporting the entries into the system. Manual systems incorporate alphanumeric systems to track customers and suppliers. Determine whether a similar approach is required to file electronic invoices.
- Scan all incoming hardcopy data and file it with the electronic data.
- Create an audit trail of electronic information posted to the bookkeeping system by tracing through a customer invoice number or date. Ensure you can trace not only from the books to the electronic invoice but also from the electronic invoice to the books.
- Maintain a record of the software format, operating systems and the hardware on which the data was recorded. The CRA requires you to be able to retrieve the data and provide it in a readable format. Because you are required to keep all records and supporting documents for a period of six years, the rapid changes in software, operating systems and hardware may require the migration of data as your bookkeeping system is updated.
- Ensure that documents and records for acquisition and disposal of property, the shareholder registry, agreements, long-term obligations, leases and other historical information that may have an impact 10 or 15 years down the road are maintained in separate files and available to be carried forward to the next generation of computers.

**No Time Like the Present**

An accounting and financial reporting system is only as good as the bookkeeping processes that record the original transactions. If the source documents are not available to support journal and ledger entries and, ultimately, the financial statement and corporate tax returns, there will be problems establishing the veracity of the submissions. That, in turn, will raise issues with all those who have a stake in the corporate operations.

Within a few years, all transactions will likely be virtual. Because it may take some trial and error to figure out how your business is going to manage and maintain virtual data, now is the time to get started.

## Human Resources (HR) Matters

### Leadership Training Spring 2015

The Leadership Strategies course is designed to give you or your employees the tools to lead and supervise effectively. It covers time management, conflict resolution and communication for results, motivating, coaching and team building.

- Five consecutive Tuesdays April 7, 14, 21, 28 and May 5, 2015
- Investment: $945 per participant

To register or get more information email Tonya Wilson at tonyaw@w-u.on.ca or call 519-291-3040 ext. 700 or visit www.wardanduptigrove.com.
This is the 13th time we have run these workshops. This series usually sells out so contact Tonya early to avoid disappointment.

### New WSIB Rules for Construction Businesses

Effective January 1, 2013, WSIB introduced new rules for the construction sector. The new requirements affect independent operators, sole proprietors, partners, executive officers, home renovators and clearance certificates. If you haven't complied with these new rules yet call us for more information.

### 2015 WSIB Annual Maximum

The WSIB maximum insurable earnings ceiling for 2015 increases to $85,200 from $84,100 in 2014. Do not remit WSIB premiums on any annual insurable earnings per employee greater than these amounts. For the second consecutive year, the 2015 WSIB rates have been frozen at the 2013 levels for all rate groups except one. To find out your rate go to http://www.wsib.on.ca.

**Mandatory Health & Safety Training**

Effective July 1, 2014 all Ontario employers are required to conduct mandatory worker and supervisor health and safety training covering employee and supervisor rights, duties and responsibilities under the Occupational Health & Safety Act. If you haven't yet complied with these new rules, call us for more information.

**2015 Summer Student Grants**

In 2014 the Ontario government ran both the Summer Jobs Service (SJS) and Rural SJS program to assist employers in providing summer employment for students. The deadline for applications was mid-April. The Ontario SJS programs were run on a first come first served basis. There was a $2 per hour subsidy available. A typical 2014 SJS grant was $700 per approved student with a limit of three funded students ($2,100) per applicant. The Ontario rural program was slightly more generous. We expect both programs to be available again in 2015 and encourage you to apply early in 2015 to ensure you don't miss your piece of the pie. Be aware students will require WSIB or equivalent coverage. We can help you apply. For more information go to http://www.omafra.gov.on.ca/english/rural/rsj/index.htm.

**Employment Insurance (EI) News**

For the second consecutive year, the employee EI premium rates are frozen at the 2013 rate of $1.88 per $100 of insurable earnings. The maximum insurable earnings for 2015 increases to $49,500. The maximum employee contribution is $930.60. Employers will normally pay 1.4 times the employee contribution or $2.63 per $100 of insurable earnings. The maximum employer contribution for 2013 is $1,302.84.

If you provide your employees with a **short-term disability plan**, you may be entitled to a reduced EI rate. You must apply for this rate reduction annually - before the year commences. For more information log on to the HRSDC website at www.hrsdc.gc.ca and check under Employment Insurance programs.

It may be possible to **avoid paying EI premiums** in your family business. This could result in substantial annual savings to the employer and employee (2015 total $2,233 per person). The earnings of small business owners and related family members may not be EI insurable, if it is not reasonable to conclude that your employer would have hired a non-related person under a similar contract of employment. All the circumstances of the employment are considered to determine whether a non-related person would be hired under a similar agreement. The circumstances include the following:

- Remuneration paid: the amount of earnings or compensation that the employer pays in exchange for the performance of duties, as well as the manner in which it is paid.
- Terms and conditions of employment: the job requirements, work routine, schedule, benefit plans, etc.
- Duration: the frequency and duration of the employment.
- Nature and importance of the work performed: the necessity of the services performed and their importance to the business operation.

**2015 Canada Pension Plan Contribution Rates**

Effective January 1, 2015 both the employee and employer CPP contribution rates remain unchanged at 4.95% of pensionable earnings. The basic exemption remains unchanged at $3,500. Maximum pensionable earnings for 2015 increases to $53,600 from $52,500 in 2014. The maximum contribution for both employers & employees is $2,479.95 in 2015.

For strategies on how a business owner can avoid paying CPP on personal earnings visit our website at www.wardanduptigrove.com or contact us.

**New Statutory Leaves**

Effective October 29, 2014 three new employment leaves came into effect in Ontario. They are the:

- Family Caregiver Leave,
- Critically Child Care Leave, and the
- Crime Related Child Death or Disappearance Leave

If your employee qualifies, there may be related federal benefits available for these Ontario statutory leaves.

**Employment Contracts**

When you hire a new employee, do you use a formal contract to document all the terms and conditions of employment? If not, we strongly recommend you consider doing so. One of the key reasons to have an employment contract in writing is to include a termination clause. This sets out the formula to be used in the event that the employer needs to terminate the employment contract for whatever reason. A well drafted termination clause can limit termination pay and severance costs for the employer. We have employment contract templates we can quickly customize to your circumstances.

**Overtime Pay**

A commonly held belief is that if an employee is paid by salary, the employer does not have to track and pay overtime at a premium hourly rate. This is not always true. The method used to pay an employee is irrelevant for overtime calculation purposes. The Ontario Employment Standards Act (ESA) exempts certain jobs from overtime. Go to http://www.labour.gov.on.ca/english/es/tools/srt/index.php for more details. Also the ESA exempts managers and supervisors from the overtime rules. The general ESA rule is overtime pay is due on any hours in a week greater than 44, paid at time and a half. Contact us for more information.

## Office News, Comings and Goings

**Congratulations**

We are very proud to congratulate Dan Benbow and Garrett Boekestyn on successfully passing the 2014 writing of the UFE – the final exam in the CPA, CA course of studies. Dan has completed the practical experience requirements and will very shortly be able to use the designation CPA, CA; Garrett will complete the requirements over the coming months and will, at that time, have the same entitlement. As they advance in their careers at Ward & Uptigrove, they will continue to take on more complex client responsibilities.

Several more staff have reached years of service milestones this year. Grace Slot, Principal with the farm department, is celebrating 25 years of service this year. Brenda Sippel, Rita Cole and Ben Cornell are all celebrating 15 years of service. Our success is built in part on the long-term dedication of staff, and we thank these long standing employees for their continued dedication.

We are proud to announce the admission of John Padfield as a Partner of the firm, effective January 1, 2015. John joined the firm in 2008, coming from Deloitte and Touche. He has managed our internal quality control, and leads the majority of our audit engagements. He has a strong background with owner-managed enterprises and has taken on more client responsibilities in recent years.

**Comings and Goings**

Over this fall we have been sad to say goodbye to three staff. Barb Driscoll, Robyn MacEwen and Chris Pooley have all left W&U to pursue other opportunities and balance home-work life. They will be missed and we wish them all the best.

Evan Fallis has joined our farm department. Evan is a native of Atwood, where he currently resides. He completed an Honours Bachelor of Business Administration at Brock University and a Business Administration – Accounting diploma at Conestoga College. He is anxious to put his schooling to use in his new career and his efforts will be welcomed by our farm clients.

Our Human Resources Consulting division saw growth in 2014 with the addition of two new staff. Tonya Wilson of Harriston has joined our group in an administrative role. Lindsay Inglis of Kitchener has joined our professional team. Lindsay is working to obtain her CHRP designation during 2015. They are both great additions as we continue to expand our HR client services.

For the upcoming busy season we are happy to welcome back three returning co-op education students. Reid Tarbush and Curtis Bults are both returning for a second term. Brody Tucker will be back for his third term.

**Office Hours**

We remind all of our clients of our increased office hours in 2015 during busy season. Beginning January through April, we are open:

Monday – Friday: 8:30 am – 5:30 pm
Thursday evenings 6:30 pm – 9:30 pm
Saturdays: - Feb 14 to Apr 30:
9:00 am – 12:00 pm and 1:00 pm to 5:00 pm

**Merry Christmas from the Partners and Staff of Ward & Uptigrove!**

**Partners:**
Wil Bakker, CPA, CA, CFP
Brad Buchanan, CPA, CGA
Ryan Deyell, CPA, CA
Paul Hak, CPA, CMA
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**W&U Human Resources:**
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Deborah Good, CHRP
Lindsay Hunsberger, PCP
Lindsay Inglis
Carrie Sharpin, CHRP
Tonya Wilson

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