

Tips and Tidbits

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Share Benefits With Your Spouse

The Canada Pension Plan Act allows you to assign a portion of your retirement pension to your spouse or common-law partner.

Suppose you are entitled to annual CPP benefits of \$6,000, but your spouse or common-law partner is only entitled to \$1,500. If you complete the assignment of CPP benefits, each of you will then receive \$3,750 annually. If your spouse or common-law partner is in a lower tax bracket than you the shifting of this \$2,250 of taxable income into his or her hands, helps lower the total family tax paid. If both of you receive CPP retirement pensions, the assignment must be made for both pensions. If only one of you receives a retirement pension, the assignment can only be made if the other spouse or common-law partner has reached 60 years of age and does not contribute to the CPP. Consult your financial advisor

Plan wisely to pay the least amount of income tax, legally possible.

Be Careful On The World Wide Web

Once upon a time, most scams would arrive by mail or through telephone calls. Today, with the increasing use of the Internet and e-mail, many scams arrive electronically. One of the most frequent scams being sent by e-mail is the so-called *Nigerian letter*. It derives its name since many of the e-mails are supposedly from *highly-placed Nigerian royalty or government officials*. The details vary, but the gist of the messages is that the writer has access to several million dollars, which has been secreted away to a *hiding place*. They are unable to move the funds out of the country by themselves, but if you would be *so kind* as to send them your bank account particulars, they would move the funds to your account and pay you a *consulting fee* of 10% or more. People that have fallen for this scam, find that after they have sent their bank information, all they receive is an empty bank account, as the perpetrators have drained their accounts.

Don't be paranoid : just be cautious!

Disclaimer

The information provided is of a general nature and is not intended to construe an opinion. As each taxpayer's situation is unique, no one should act upon any of the above without first obtaining professional advice, from a Chartered Accountant, concerning the particular facts of their situation.

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