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Cole & Partners
CHARTERED BUSINESS VALUATORS

**The Tax Principles of
Family Law**



This is the sixteenth edition of *The Tax Principles of Family Law*, which we have prepared to assist family law lawyers in their daily practice.

If you have questions or would like to discuss specific business valuation, income tax, or any related financial aspect of a family law matter, please call or write any of the members of our firm listed below.

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We welcome any suggestions for topics you would like to have included in future issues.

Table of Contents

Click on the blue titles in the table of contents to open this selection.

- 1 Introduction**
 - Support Payments**
 - What Are They?
 - Features Required to be a Support Payment
 - Spousal Support**
 - Tax Treatment
 - Features Required to be Deductible
- 2 Child Support**
 - Definition
 - Tax Treatment
 - Commencement Day
 - Tax Treatment for Child Support Payments After a Commencement Day
 - Tax Treatment for Child Support Payments Before a Commencement Day
 - Features Required to be Deductible
 - Child Support Payments Not Deductible
- 3 Lump Sums**
 - What Are They?
 - Tax Treatment and Features
 - Income-Averaging of Lump Sum Arrears of Support
- 4 Arrears**
 - Tax Treatment
 - Features Required to be Deductible
 - Third Party Payments**
 - What Are They?
 - Tax Treatment
 - Features Required to be Deductible
 - Third Party Payments Not Deductible
- 5 Amounts Paid Prior to an Order or Written Agreement (“Prior Period Payments”)**
 - What Are They?
 - Tax Treatment
 - Features Required to be Deductible
 - Non-Resident Spouses**
 - Payments to a Non-Resident
 - Payments from a Non-Resident
 - Property Transfers for Non-Resident Residency
- 6 Transfers of Property**
 - Common Capital Property Transfers
 - Tax Impact of Capital Property Transfers
 - The Transferee’s Position
 - Tax Impact of Non-Capital Property Transfers
 - Can the Transferor Take Advantage of Any Tax Planning Opportunities?
 - Specific Property Transfers
 - Matrimonial Home
 - Registered Retirement Savings Plans
- 7 Registered Retirement Income Fund (RRIF)**
 - Definition
 - Transfer of a RRIF
 - Income Attribution**
 - What Is It?
 - Tax Treatment
 - How is the Income From Transferred Property Taxed?
 - As Between Separated Parties
 - As Between Not Separated Parties
 - How is the Capital Gain Taxed when the Transferred Property is Sold to a Third Party?
 - As Between Separated Parties
 - How to Elect
 - What Happens if the Election is Not Made?
 - As Between Not Separated Parties
 - Attribution Example
- 10 Unanticipated Joint and Several Tax Liabilities**
 - General Rules
 - Married Parties
 - Separated Parties
 - Impact
 - Recommendation
 - Legal Fees**
 - The Deductibility of Legal Fees
 - Legal Fees Paid by a Payor-Spouse
 - Legal Fees Paid by a Recipient-Spouse
- 11 Pot-Pourri**
 - Pre-judgement Interest
 - Tax Installments
 - Loss Carryforward Rules
 - Release of Marital and Support Rights
 - Capital Gains Exemption
 - Support Payments and Earned Income for RRSP Purposes
 - Support Payments and Estates
 - Taxation of Compensatory Support
- 12 Registered Education Savings Plans (RESPs)**
 - Definition
- 13 Relevant Corporate Tax Issues**
 - Corporate Distribution Taxes
 - Objectives in Marital Dissolution
 - Spouse and Common Law Partner**
 - Definition
- 14 Personal Tax Credits and Deductions**
 - Personal Credit
 - Eligible Dependent Credit
 - Spousal Credit
 - Child Credit
 - Tuition Credit
 - Dependent(s) Infirm Over 17
 - Age 65 And Over Credit
 - Disability Credit
 - Child Tax Benefit
- 15 Child Care Expenses**
 - Appendices
- 16 Appendix I – Combined Top Personal Marginal Income Tax Rates (5 Year Summary)**
- Appendix II – 2007 Personal Tax Credits, etc.**
- 17 Appendix III – Tax Treatment of Lump Sum Arrears Payments – Summary of Cases**
- 18 Appendix IV – Tax Treatments of Spousal and Child Support Cross-Border Payments**
- Appendix V – Separation Agreement Clause for Spousal Support Paid to American Resident**
- 19 Appendix VII – Federal Child Support Guideline Table Amounts for Ontario**
- 25 About Cole & Partners**

Please note, to go back to Table of Contents page click on Cole&Partners logo or Back to Table of Contents link.

Introduction

Income tax laws are extremely complex and their application to separation and divorce is not readily understood. Our intention here is not to duplicate detailed interpretive material available elsewhere¹ but to provide a practical and simple guide focusing on fundamental issues and practical solutions. It is not a substitute for the use of the Income Tax Act, R.S.C. 1985, c.1 (5th Supp.) as amended, or consultation with a specialist.

A financial expert should at least review and make an oral report with regard to each family law case involving other than the most routine of financial matters, particularly if there are significant assets or novel settlement arrangements. The expert's input at the commencement of a matter will provide clearer financial perspectives and a more direct route to a mutually acceptable settlement than if it is obtained in the late stages of negotiation.

This guide is based on the tax laws as at January 1, 2009 and include any relevant changes resulting from the Federal Budget of January 27, 2009.

The philosophy of the various provincial family law statutes recognizes that marriage is a form of economic partnership. When the partnership breaks up (upon separation or divorce), a unique set of family law, economic, financial and income tax problems arises.

The parties will often have different views as to how property and income are to be shared. The income tax implications of income and property sharing on marital breakup are discussed in this guide.

As the Income Tax Act is a Federal Statute, the tax principles in this guide apply to all provinces and territories.

Support Payments

WHAT ARE THEY?

- Support payments are amounts paid to a spouse, a former spouse or the natural parent of the payor's child.
- There are two types: spousal support (see below), and child support (see page 2).
- The tax rules with respect to each are different and must be carefully considered.
- The Canada Revenue Agency ("CRA") has issued an interpretation bulletin on Support Payments (IT-530R, dated July 17, 2003) which provides further technical information regarding the income tax rules relating to support payments.
- For the Income Tax Act's definition of spouse, see page 13. Since January 1, 2001 the definition of spouse has applied to same-sex partners.

FEATURES REQUIRED TO BE A SUPPORT PAYMENT

- To be considered a support amount, a payment must have the following features:
 1. the parties must be living separate and apart at the time the payment is made;
 2. the payments must be considered an allowance payable on a periodic basis;
 3. the payments were made for the maintenance of the recipient (spousal support) or children of the marriage (child support) or both, and the recipient has discretion as to how the support amount is used;
 4. the payments are made directly to the recipient spouse or are considered third-party payments (see page 4);
 5. where payments are made to a spouse or former spouse:
 - a) the parties must be living separate and apart by reason of the breakdown of their marriage; **and**
 - b) the payment must be made pursuant to an order of a competent tribunal or a written agreement.

Spousal Support

TAX TREATMENT

- Payments made in a particular calendar year will be deductible in determining the taxable income of the payor if they have the features noted across.
- Payments deductible by the payor will be taxable to the recipient.
- Spousal support payments paid by an estate are not taxable to the recipient or deductible by the estate.

FEATURES REQUIRED TO BE DEDUCTIBLE

- Spousal support payments received in a particular calendar year are taxable to the recipient and deductible to the payor if:
 1. the spousal support payments have the features listed in the support payment section 1
 2. the agreement or order must refer to the amount as "spousal support" or "spousal support amount"; and
 3. the payments were made pursuant to an order or written agreement (see page 5 for amounts paid prior to an order or written agreement).

¹ See the loose-leaf service by A. Freedman et al, "Financial Principles of Family Law", Carswell (2001).

Child Support

DEFINITION

- A “child support amount” is defined as a support amount that is not identified as being solely for the support of a spouse, a former spouse or the parent of the payor-spouse’s child. Therefore, all support paid will be treated as child support for tax purposes unless a portion of the payment is clearly identified as spousal support.

TAX TREATMENT

- Child support paid pursuant to orders or agreements commencing after April 30, 1997 will not be deductible to the payor nor taxable to the recipient.
- In order to accommodate orders or agreements that commenced before May 1, 1997, certain transitional rules were enacted. These are described on the following pages.

COMMENCEMENT DAY

A “commencement day” is a defined term under the Income Tax Act and refers to a fixed date provided in an agreement or court order.

- The actual day an agreement or court order is made will become the commencement day for post April 30, 1997 agreements or orders.
- Agreements or orders predating May 1, 1997 require careful attention when determining the applicable commencement day. The commencement day for these agreements or orders will be the earliest of four dates after April 30, 1997, as follows:
 1. the date specified in a joint election filed by both parties to have the new rules apply to child support payments. Form T1157 – Election for Child Support is available from the CRA for this purpose;
 2. the date on which the first payment of child support is required to be made pursuant to an agreement or order which has been varied;
 3. the date of another subsequent agreement or court order made after April 30, 1997 which changes the amount of child support payable; and
 4. the date specified in an agreement, court order or any variation thereof.
- If none of the conditions outlined above apply to pre May 1, 1997 agreements or orders, then there is no commencement day.
- If there is no commencement day, then child support paid will continue to be taxable/deductible. New or varied orders or agreements, that do not change the child support amount, will not trigger a commencement day. For example, a change in the amount of spousal support will not trigger a commencement day for child support purposes.

- Automatic changes in child support amounts that are built into the order or agreement (e.g., cost-of-living increase or an adjustment proportionate to a change in the payor-spouse’s income) are not considered by the CRA to result in a variation for tax purposes.

TAX TREATMENT FOR CHILD SUPPORT PAYMENTS MADE AFTER A COMMENCEMENT DAY.

- Child support payments that become payable after a commencement day are not deductible from income by the payor nor included in the income of the recipient (i.e. not taxable).
- If a court order or written agreement provides for both child and spousal support, payments made will be treated for tax purposes first as child support and then as spousal support. Therefore, all child support has to be paid before the payor can claim a deduction for spousal support.
- If support amounts are paid under a court order or a written agreement that does not clearly indicate a separate amount for the support of the spouse, then the full amount paid will be treated as a child support amount.
- If a court order or written agreement provides for payment of amounts to a third party (such as amounts to be paid directly to a dentist for dental bills), such payments will be treated as child support and not taxable nor deductible unless the payments are clearly identified as being only for the benefit of the recipient spouse.
- If a court order or written agreement requires only payment of spousal support or separate amounts for spousal and child support, it should be registered with the CRA by completing Form T1158, Registration of Family Support Payments, and sending it with a copy of the written agreement or court order directly to the CRA. Court orders or written agreements that provide for child support payments only are not required to be registered.

TAX TREATMENT FOR CHILD SUPPORT PAYMENTS MADE BEFORE A COMMENCEMENT DAY

- This section also applies to child support payments made pursuant to court orders or written agreements without a commencement day.
- Payments will be deductible in determining the taxable income of the payor if they have the features noted below.

FEATURES REQUIRED TO BE DEDUCTIBLE

- Child support payments are deductible from income by the payor and included in the income of the recipient (i.e. taxable) if:
 1. the child support payments meet the requirements outlined on page 1;
 2. the payments were made in the year of the court order or written agreement, or in the prior year; and
 3. the payments were made pursuant to the court order or written agreement.

CHILD SUPPORT PAYMENTS NOT DEDUCTIBLE

- In the following situations child support payments are not deductible:
- The court order or written agreement provides that child support payments to be made after a certain date (not earlier than May 1, 1997) are no longer taxable or deductible. These arrangements or court orders should be registered with the CRA by completing Form T1158, *Registration of Family Support Payments*, and sending it with a copy of the written agreement or court order to the CRA.
- The court order or written agreement is changed after April 30, 1997 to vary (increase or decrease) the amount of child support payable. These written agreements or court orders should also be registered with the CRA.
- The parties elect that the existing tax rules (i.e. child support payments are not taxable and not deductible) will apply after a certain date (not earlier than May 1, 1997) by signing the CRA's Form T1157, *Election for Child Support Payments*, and sending it with a copy of the written agreement or court order to the CRA.

Lump Sums

WHAT ARE THEY?

- A lump sum is a single amount, generally paid at once or in instalments over a specified time.

TAX TREATMENT AND FEATURES

- Lump sums are generally not deductible. The following examples illustrate the tax treatment of lump sum payments and receipts:

INCOME-AVERAGING OF LUMP SUM ARREARS OF SUPPORT

- Income-averaging is available to persons who have received certain types of lump sum payments in a particular year which were in fact attributable to amounts owing in prior years.
- Income averaging impacts those receiving lump sum taxable support payments (usually in the form of an arrears payment).
- The purpose of income-averaging is to ensure that the recipient of a lump sum taxable support payment in respect of arrears is in the same tax position as he or she would have been in if the payment had been received when it was due.
- Form T1198, Statement of Qualifying Retroactive Lump-Sum Payment, has to be completed so that the special tax calculation can be applied to retroactive lump sum payments.

Nature or Reason for Lump Sum Payment	Deductible to Payor/Taxable to Recipient
a) Paid to satisfy any and all future claims for support	No
b) An instalment payment on account of a specified larger sum. That is, an instalment paid on the amount owed as in (a) above	No
c) A series of annual payments for support pursuant to a court order or written agreement	* Yes (if series of payments is specified in order or agreement)
d) (i) Payment made in advance of several periodic payments <i>not yet due</i> (ii) Lump sum pursuant to an order in conjunction with an existing obligation to pay periodic spousal support. Payment represents the acceleration or advance of future support payable on a periodic basis for sole purpose of securing funds for recipient, will be deductible/taxable.	No** * Yes, if to secure funds ***
e) Payment made on account of past-due (arrears) periodic payments which were required pursuant to a court order or written agreement (see summary of cases in Appendix III)	* Yes
f) Paid subsequent to the date of the order or written agreement to satisfy claims for support in respect of a period prior to the date of the court order or written agreement which stipulates the payment; that is, a payment required by an agreement to "catch up" for support not made in periods prior to the date of the agreement	No (not periodic). See section on third party and prior period payments (pages 14 and 16)
g) A capitalized single payment of the support obligation (e.g. the present value of the next five years support paid in one amount)	No (see (a) above)
h) A payment to obtain a release from a liability imposed by an order or agreement whether such liability is in arrears of support payments, future payments or both	No (not made in accordance with the separation agreement)

* Lump sum support payments made after a commencement day and:

1. on account of child support are not taxable/deductible
2. on account of spousal support must be identified as spousal support to be taxable/deductible

** In *Jardine v. R* (1997), 97DTC3336 a lump sum paid reflecting spousal support payments due within one year was held to be deductible/taxable.

*** *Ostrowski v. R* (2002) 4CTC196, (2002) DTC7209(Fed. C.A.)

Arrears

TAX TREATMENT

- Payments will be deductible in determining the taxable income of the payor if they have the features noted below.
- Payments deductible by the payor will be taxable to the recipient.

FEATURES REQUIRED TO BE DEDUCTIBLE

- Support payments are deductible/taxable when paid/received. If the payment is considered to be on account of:
 - (a) child support payments made before a commencement day; or
 - (b) spousal support.
- Unpaid amounts that fall into arrears will not be deductible/taxable.
- A single catch-up payment of all the arrears is deductible when paid and taxable when received.
- Arrears may not always be paid in full. When the catch-up payment does not equal the total sum of the delinquent payments, there is some ambiguity as to the tax treatment of this lesser amount.

The CRA views this amount as a lump sum and not a periodic payment, therefore it is not deductible or taxable. However, certain court decisions have taken a different view and have permitted the deductibility of such arrears payments (see Appendix III).

- Where a written agreement or order has a commencement day and spousal support payments are in arrears at the time of payment, those payments on account of arrears will only be deductible/taxable if all child support amounts are paid in full at the time of the arrears payment.
- Payments on account of arrears owing pursuant to an agreement or order made before April 30, 1997 are taxable and deductible even if these arrears payments are varied pursuant to an order or agreement made after May 1, 1997.

Third Party Payments

WHAT ARE THEY?

- Payments made to a third party for the benefit of a spouse, former spouse or a child - for example, amounts paid directly to a private school for tuition or to a landlord for rent.

TAX TREATMENT

- Payments will be deductible in determining the taxable income of the payor if they have the features noted below.
- Payments deductible by the payor will be taxable to the recipient spouse.

FEATURES REQUIRED TO BE DEDUCTIBLE

- Third party payments will be deductible by the payor and taxable to the recipient if the payments have the following features:
 1. The nature of the third party payment must be specified in a court order or a written agreement.
 2. Both parties must agree that the third party payments will be deductible by the payor and taxable to the recipient.
 3. The court order or written agreement must specifically refer to the intention of the parties to have subsection 60.1(2) and 56.1(2) of the Income Tax Act apply to the payments. This specific reference to the Income Tax Act must be made in the court order or written agreement.*
 4. The payments are:
 - a) made before a commencement day or pursuant to court orders or written agreements without a commencement day and are for the maintenance of the spouse, former spouse or dependent children in the custody of the spouse or former spouse; or
 - b) made after a commencement day and are solely for the maintenance of the spouse or former spouse. **Further, the third party payments must be clearly identified in the order or agreement as being solely for the benefit of the spouse or former spouse.**
 5. The parties must be living separate and apart, not only when the payment is made, but also at the time the expense is incurred.

THIRD PARTY PAYMENTS NOT DEDUCTIBLE

- No deduction may be claimed for the following:
 1. Amounts paid in respect of a residence occupied by the payor, i.e. mortgage payments, utilities, taxes, maintenance expenses related to a home in which the payor resides, cannot be claimed under any circumstances.
 2. Generally, amounts paid for the purchase of tangible property. This does not include
 - a) medical or education expenses or expenses incurred for the maintenance of a residence in which the spouse, former spouse or the parent of the spouse's child lives, (e.g. property taxes or utilities); and
 - b) within certain limitations, expenditures for the purchase or improvement (as distinct from maintenance) of the residence in which the spouse, former spouse or the parent of the spouse's child lives.
- Payments that are reimbursed to a spouse that would otherwise qualify as third party payments receive the same tax treatment as third party payments.

* Specific reference may not be required provided that court order or written agreement contains a clear and unambiguous clause that the parties understand that the third party payments will be deductible/taxable.

Amounts Paid Prior to an Order or Written Agreement (“Prior Period Payments”)

WHAT ARE THEY?

- Payments made by one spouse to the other for the support of the recipient or children of the marriage prior to the signing of an order or a written agreement.

TAX TREATMENT

- Payments will be deductible in determining the taxable income of the payor if they have the features noted across.
- Payments deductible by the payor will be taxable to the recipient.

FEATURES REQUIRED TO BE DEDUCTIBLE

- Prior period payments will be deductible by the payor and taxable to the recipient if they have the following features:
 1. The payments are made in the same year an order is made or an agreement is signed or in the immediately preceding full calendar year. The payments may not be paid pursuant to a preceding agreement.
 2. Prior payments must have all the attributes of spousal support payments (i.e. they cannot be lump sums, they must be periodic and for the maintenance of the recipient, etc.), or they must be child support payments made prior to a commencement day.
 3. The agreement or order must refer to these payments and the parties must clearly indicate that these payments are to be deductible to the payor and included in the income of the recipient in the year in which the amounts were paid. Amended personal income tax returns for prior years will be necessary where there is retroactive deductibility.

Non-Resident Spouses

PAYMENTS TO A NON-RESIDENT

- Payments to a non-resident spouse or former spouse are not subject to withholding of non-resident tax.

PAYMENTS FROM A NON-RESIDENT

- When certain tax treaties with foreign countries are in place, payments generally will be taxed in the hands of the Canadian recipient only if they would have been taxed had the recipient been a resident of the source country (e.g. Canada/U.S. treaty).
- See summary of non-resident rules for other countries in Appendix IV.

PROPERTY TRANSFERS FOR NON-RESIDENTS

- Property transfers between a Canadian resident and a non-resident are subject to tax as if the parties are unrelated. There can be no rollover of capital property (transferring of property with no tax consequences) between a Canadian resident and a non-resident. For a more detailed discussion on property transfers, see Transfers of Property (page 6).
- Subject to rules outlined in the Transfers of Property – Specific Property Transfers – Registered Retirement Savings Plans (RRSP) (see page 7), it is possible for an RRSP to be transferred between spouses and former spouses with no tax consequences (i.e., on a tax-free basis) where the recipient-spouse’s RRSP is owned by a person who has become a resident of the U.S. Any withdrawals from such a plan would be subject to a 25 percent Canadian withholding tax.

RESIDENCY

- Residency for tax purposes is a question of fact in each case. Refer to the CRA’s interpretation bulletin IT-221R2 for guidelines in determining Canadian residency for tax purposes.

The following summarizes the Canada/U.S. non-resident rules.

Type of Payment	Payor Residence	Tax Treatment		
		Tax Treatment	Recipient Residence	Tax Treatment
Child support	Canada	not deductible*	U.S.	not taxable
Child support	U.S.	not deductible	Canada	not taxable
Spousal support	Canada	deductible	U.S.	taxable**
Spousal support	U.S.	deductible	Canada	taxable

* Child support paid by a Canadian to an American before a commencement day (see page 2) will be deductible to a Canadian payor.

** Under U.S. tax rules, married spouses may designate that payments otherwise qualifying as spousal support payments are not to be taxable or deductible in the U.S. by providing for this in their agreement. Using this approach, spousal support received by a U.S. recipient-spouse would not be taxable but remains deductible to a Canadian payor-spouse. This provides the parties with tax saving opportunities in both countries. An adjustment to the amount paid should also be considered. See Appendix V for an example of the clause that should be included in the separation agreement. The separation agreement must be filed with the recipient’s tax return for the first year in which the clause applies.

#Reg. S1.71-1T-Q#8

Transfers of Property

The settlement of marital property and support rights often requires the transfer of *capital* property between spouses or former spouses. Federal and Provincial governments have avoided the imposition of income taxes on such transfers as a matter of social policy. To impose an income tax cost on such transfers would be an unreasonable impediment to an equitable settlement of family property rights. Consequently, there are a variety of provisions in the Income Tax Act to permit separating spouses to transfer the tax cost to the spouse who ultimately disposes of the property to a third party.

COMMON CAPITAL PROPERTY TRANSFERS

- Matrimonial home
- Cottage
- Marketable securities
- Registered retirement savings plans
- Registered retirement income funds
- Shares in private and public companies
- Rental properties

TAX IMPACT OF CAPITAL PROPERTY TRANSFERS

- Capital property transfers between related or unrelated parties are generally considered to be taxable transactions. Notwithstanding that a property might be transferred to a related party for no consideration, or as a gift, except under special circumstances, it is treated as a “deemed sale” or “deemed disposition”, giving rise to tax consequences.
- When a transfer of capital property is as described below, there may be no tax consequences:
 - (i) between spouses who are married;
 - (ii) between spouses or former spouses if the transfer is in settlement of marital property rights.
- Inter-spousal transfers of capital property (such as private company shares or marketable securities) are deemed to take place at the transferor’s adjusted cost base (ACB) for tax purposes and therefore neither a capital gain nor a capital loss will result at the time of transfer.
- The term rollover is used to describe these transfers to reflect the fact that the transferee of the capital property is put in the same position as the transferor. That is to say, the tax status of the property “rolls over” from the transferor to the transferee.
- Capital property transfers between separating spouses pursuant to a written agreement or court order will automatically receive the rollover treatment. No election is required for the rollover to take place.
- Transfers of depreciable capital property (such as a rental property) are deemed to take place at the transferor’s undepreciated capital cost (UCC) for tax purposes and therefore a recapture of previously claimed capital cost allowance will not be triggered as a result of the transfer.

THE TRANSFEREE’S POSITION

- The transferor’s tax values of the capital property will be inherited by the transferee.
- When and if the capital property is sold any gain, loss or recapture will belong to the transferee spouse only if the parties sign a joint election agreeing not to have the capital gain attribution rules apply to the subsequent sale of the transferred property.

TAX IMPACT OF NON-CAPITAL PROPERTY TRANSFERS

- There is no relief from the immediate tax consequences when non-capital property is transferred between spouses or former spouses, whether or not it takes place before or after divorce or is pursuant to an agreement or court order. Therefore, if property such as inventory is transferred, then a sale at fair market value will be deemed to have occurred and the transferor must recognize any resulting gain or loss in the year of the transfer.

CAN THE TRANSFEROR TAKE ADVANTAGE OF ANY TAX PLANNING OPPORTUNITIES?

- The transferor may choose to have the property transferred at its fair market value for tax purposes. The transferor may prefer this treatment in order to trigger a capital gain, a capital loss or the recapture of capital cost allowance. Note that a capital loss will only be allowed between spouses that are separated or divorced. Capital losses on transactions between married parties are considered “superficial” and are disallowed. Where there are unused capital gains exemptions, capital loss carryforwards or other tax reasons, the transferor may elect, on a property by property basis, not to have the rollover apply.
- This election is made by indicating in the transferor’s tax return for the year in which the transfer takes place that the rollover provisions should not apply and that the transfer has taken place at fair market value.

SPECIFIC PROPERTY TRANSFERS

1. Matrimonial Home

- Generally speaking, an individual is permitted, for income tax purposes, to designate one home as their “principal residence” which is defined as a housing unit that is inhabited by the taxpayer or by his or her spouse, former spouse or child. The gain on the sale of a principal residence is completely tax free. There was a time when families were permitted to designate two principal residences for tax purposes. This is no longer the case. Clearly, because the gain on the sale of a principal residence is tax free, care must be taken to preserve this status. Generally, it is easy to do except where there is more than one dwelling.
- The titled spouse can transfer the matrimonial home to the other spouse without any tax consequences.
 - The transferee inherits the cost for tax purposes of the transferor.

- Where there is more than one dwelling only one can be designated as the principal residence for tax purposes. Care must be taken to ensure that the person receiving that property is able to designate it as their principal residence during the period of time that the parties were living together including the end of the calendar year in which an agreement is signed.

This is required to avoid the income inclusion of any possible capital gain when that property is sold by the recipient at a later date.

- The portion of the gain on the sale of a principal residence which is tax free is calculated by the following formula:

$$\frac{1 + \frac{\text{Number of taxation years property designated as the principal residence}}{\text{Number of taxation years property owned}}}{1} \times \text{Gain}$$

- After calculating the exempt portion of the gain, as above, deduct it from the actual gain to determine that portion of the gain that will be taxable.
- Where there are two or more principal residences, professional advice should be obtained to examine the results of various hypothetical sales.

2. Registered Retirement Savings Plans

- All or any part of one spouse's RRSP may be transferred to the RRSP of his or her spouse or former spouse without any tax consequences if the following conditions are met:
 - a) The transfer is made by the trustee of the payor's plan directly to the trustee of the recipient's plan. A direct deposit must be made from one bank or trust company to another. The CRA's information circular IC72-22R9 provides additional information.
 - b) The parties agree to sign the CRA's Form T2220. The form must be filed within 30 days of transferring the funds along with a copy of the written agreement or court order.
 - c) The transfer is made when the parties are living separate and apart pursuant to a decree, order or written separation agreement. The agreement must specifically require a division of property between the parties in settlement of rights arising out of or on a breakdown of the marriage or common law relationship.
- An RRSP may be transferred to the recipient spouse's or former spouse's RRSP on a tax-free basis as consideration for a lump sum spousal support payment if the lump sum is being paid to satisfy all future claims for spousal support. The RRSP transfer is considered to be a payment in settlement of a right² arising out of or on a breakdown of a marriage or common law relationship.
- An RRSP cannot be pledged to secure an obligation to pay support. An RRSP used in this fashion will be deemed to have been collapsed with the entire value included in income.

² Tax-free rollovers are permitted to settle all marital rights which include both property and support rights.

Registered Retirement Income Fund (RRIF)

DEFINITION

- A RRIF is basically a continuation of a registered retirement savings plan (RRSP). In most cases, the investments held in an RRSP are rolled into a RRIF plan in the year an RRSP owner turns age 71.
- The income earned in a RRIF is not taxable while it remains inside the plan. The difference between an RRSP and RRIF is that one cannot make tax deductible contributions to a RRIF and that one must receive a specified minimum amount out of the RRIF in each year following the year in which the RRIF was established.
- All amounts withdrawn from a RRIF are included in the income of the annuitant in the year withdrawn.
- The benefit of the RRIF is that it permits the RRSP holder to avoid having to include the entire value of an RRSP in one year, thus permitting additional tax deferral.

TRANSFER OF A RRIF

- All or any part of one spouse's RRIF may be transferred to the RRIF of his or her spouse without any tax consequences if the conditions outlined above for RRSP transfers are met.

Income Attribution

WHAT IS IT?

- The Income Tax Act has a variety of prohibitive rules. One set of these rules is referred to as the "Attribution Rules". These rules may attribute income previously ascribed to a particular spouse without regard to the actual ownership of the property. That is to say, notwithstanding that one spouse might own a property, the income from the property or the gain on its sale might be attributed or allocated to the other spouse for income tax purposes. These rules ensure that property income and gains cannot be artificially shifted between family members to minimize income taxes.
- Where income is attributed to one spouse for tax purposes but the other is in fact the recipient of the income or proceeds of sale, it is the former spouse that will have to carry the tax burden without the benefit of ownership. To ensure this result comes as no surprise, it is important to understand the attribution rules that follow.

TAX TREATMENT

- Attribution rules can be divided between those concerning:
 1. income from transferred property; and
 2. capital gain income arising on the sale of transferred property to a third party.

HOW IS THE INCOME FROM TRANSFERRED PROPERTY TAXED?

1. As Between Separated Parties

- Separated parties who transfer property as a result of marriage breakdown must consider the attribution rules.
- One must first examine the property transferred and determine if there is income produced by that property. For example, an apartment building would produce rental income, a savings bond would produce interest income.
- Where the property has been transferred pursuant a written agreement or court order, any income arising from the transferred property will be included in the taxable income of the transferee and not the transferor from the date the property is transferred as long as the parties remain separate and apart.
- This rule is automatic.

2. As Between Not Separated Parties

- Income arising from the transferred property will be included in the taxable income of the transferor and not the transferee.
- This rule is automatic.
- The attribution rules may be avoided on inter-spousal transfers in certain circumstances (for example, a sale for fair market value consideration). However, careful planning is necessary.

HOW IS THE CAPITAL GAIN TAXED WHEN THE TRANSFERRED PROPERTY IS SOLD TO A THIRD PARTY?

As Between Separated Parties

- When property is transferred pursuant to a written agreement or order, it is usually anticipated that any capital gain on a subsequent sale will belong to the transferee or recipient of the property.
- To ensure this result, both parties must:
 - a) be living separate and apart by reason of marriage breakdown and have not resumed co-habitation within the same year; and
 - b) sign a joint election whereby they agree not to have the capital gains attribution rules apply to any subsequent sale of the transferred property.

HOW TO ELECT

- A jointly signed election form must be filed by the transferring spouse with his or her personal income tax return for the taxation year the property is transferred.
- The election is usually signed by both parties upon the execution of a written agreement.
- As there is no formal election form, an election must be drafted for each agreement. A sample is included at Appendix VI.

WHAT HAPPENS IF THE ELECTION IS NOT MADE?

- Without the election, any capital gain arising from the subsequent sale of the transferred property by the transferee spouse will attribute back to the transferor if the parties are not yet divorced at the time of the sale to a third party.
Example – if a portfolio of stocks were transferred pursuant to a written agreement and subsequently sold, any gain or loss would attribute back to the transferring spouse if the parties were still married at the time of the sale. Filing the election prevents this unintended result.

As Between Not Separated Parties

- The capital gain arising from sale of the transferred property will be included in the taxable income of the transferor and not the transferee.
- This rule is automatic.

ATTRIBUTION EXAMPLE

The following example describes transactions and events involving Mr. and Mrs. Breakdown. Mr. Breakdown has owned a rental property for many years. The details with respect to this property are as follows:

Original capital cost	\$50,000
Undepreciated capital cost	40,000
Fair market value	100,000
Annual rental income	10,000

The following chart illustrates the operation of the applicable attribution rules as they relate to the separate courses of action contemplated by Mr. Breakdown with respect to his spouse.

Transaction Considered	Income Tax Consequences
1. a) Give the rental property to Mrs. Breakdown while married.	a) No capital gain or recapture to Mr. Breakdown on the transfer since the rollover of depreciable capital property will automatically apply. The capital cost and undepreciated capital cost assumed by Mrs. Breakdown will be her husband's. b) The rental income will be attributed to Mr. Breakdown (considered property income).
b) Give the rental property to Mrs. Breakdown while married, then the parties separate.	a) Same as above. b) The rental income will be attributed to Mrs. Breakdown from the date of separation onwards.
c) Give the rental property to Mrs. Breakdown after the parties are separated and are no longer living together.	a) No capital gain or recapture to Mr. Breakdown since the rollover of depreciable capital property will automatically apply. The capital cost and undepreciated capital cost assumed by Mrs. Breakdown will be her husband's. b) The capital gain is automatically deferred, but if the parties wish to trigger it, they can do so by electing under s. 73(1)(d). c) The rental income will cease to be attributed to Mr. Breakdown subsequent to the date of transfer. It will then be taxable to Mrs. Breakdown.
2. After Mr. Breakdown transfers the property to his spouse, Mr. and Mrs. Breakdown decide to separate formally.	a) All rental income will be included in Mr. Breakdown's income for that part of the year he is not separated from Mrs. Breakdown. Subsequent to separation, the rental income will be taxable in Mrs. Breakdown's hands.
3. Having been given the property by Mr. Breakdown, Mrs. Breakdown sells it on the open market while they are married and living together.	a) A capital gain of \$50,000 and a recapture of \$10,000 will be included in Mr. Breakdown's income. b) All rental income earned to the date of sale will be attributed to Mr. Breakdown.
4. a) Mrs. Breakdown decides to sell the property subsequent to separation and before divorce. Upon separation, both spouses jointly elected under s.74(3)(b) not to have the attribution of capital gains apply.	a) Mrs. Breakdown's income for the year will include: (i) a capital gain of \$50,000; (ii) recapture of \$10,000; and (iii) rental income to date of sale. Mr. Breakdown will not be affected by this transaction.
b) Mrs. Breakdown decides to sell the property subsequent to separation and before divorce. Upon separation, the spouses did not elect to avoid the attribution of capital gains.	b) Mrs. Breakdown's income for the year will include: (i) recapture of \$10,000 (because it is considered income); and (ii) rental income to the date of sale. Mr. Breakdown's income for the year will include a capital gain of \$50,000.
5. a) Mr. and Mrs. Breakdown obtain a certificate of divorce; the property is then transferred to Mrs. Breakdown, but not pursuant to any settlement agreement.	a) This transfer will be deemed to take place as if it were a sale between arm's length parties, at fair market value; no tax-free rollover is available. Mr. Breakdown must include a capital gain of \$50,000 and recapture of \$10,000 in his income in the year the property is transferred.
b) Mr. and Mrs. Breakdown obtain a certificate of divorce; the property is transferred to Mrs. Breakdown pursuant to an agreement entered into subsequent to the divorce, dealing with settlement of their marital rights.	a) This transfer will not result in any capital gain or recapture to Mr. Breakdown, as a rollover will automatically apply. The capital cost and undepreciated capital cost assumed by Mrs. Breakdown will be her former husband's. b) All rental income to the date of transfer will be included in Mr. Breakdown's income. Subsequent to the transfer, it will be included in Mrs. Breakdown's income.

Unanticipated Joint and Several Tax Liabilities

GENERAL RULES

The joint and several tax liability rules in the Income Tax Act are different for married and separated spouses.

1. Married Parties

- Married persons may be held responsible for their spouse's unpaid tax liabilities in the circumstances described below:
 - a) Where there has been a transfer of property from one spouse to the other and the transferor spouse had an existing tax liability at the date of transfer, the transferee may become liable for the tax.
 - b) When one spouse transfers property to the other whether by way of gift, by sale, or by any other direct or indirect means, there is a joint and several liability for the spouse's unpaid tax, but only to the extent that the fair market value of the property exceeded the amount paid for the property on the initial transfer.

2. Separated Parties

- When property is transferred pursuant to an order or written agreement and where parties to the transfer are living apart as a result of a breakdown of their marriage then there will be no liability to the transferee for the transferor spouse's unpaid income taxes.
- Any potential liability arising under these particular rules as a result of inter-spousal property transfers, is deemed to be discharged if the property is transferred on account of marital breakdown pursuant to an order or written agreement, and provided the parties were living separate and apart at the time the property was transferred.

IMPACT

- Transferee does not require an indemnity from the transferor in respect of the potential application of these rules in connection with property transferred upon marital breakdown.
- The rules continue to impose on separated spouses and former spouses liability for unpaid taxes of the spouse or former spouse when property transfers have taken place:
 - a) prior to the breakdown of the marriage, or
 - b) after the parties have commenced to live apart, but not pursuant to an order or written agreement, or
 - c) after legal separation and the transfer is not pursuant to an order or written agreement.

RECOMMENDATION

- Obtain a thorough understanding of both parties' tax liabilities and history of property transfers.
- Include the appropriate indemnity clauses in any written agreement to ensure that the transferor's tax liabilities do not become those of the transferee spouse.

Legal Fees

THE DEDUCTIBILITY OF LEGAL FEES

As a result of recent court decisions and changes to the CRA's assessing position, the tax treatment of legal fees paid in respect of a separation and/or divorce has been clarified. Set out below is our understanding of this issue.

LEGAL FEES PAID BY A PAYOR-SPOUSE

- Legal fees paid by the payor-spouse (whether on account of child or spousal support) are not deductible under any circumstances, see paragraph 21 of interpretation bulletin IT-99R5.³
- In *Bayer v. MNR*⁴, the court stated that legal expenses incurred by the **payor-spouse** to reduce the spousal support payments under an existing agreement were not deductible.
- In *Bergeron c. R.*⁵, the court stated that legal fees incurred by the **payor-spouse** to contest an application by the recipient spouse to have child support increased were not deductible.
- Taxpayers cannot claim legal fees relating to:
 - i) the custody of children;
 - ii) obtaining a divorce or negotiating a separation agreement;
 - iii) establishing a right to spousal support after divorce, even if subsequently provided for under a court order or written agreement; and
 - iv) lump sum spousal support amounts.

LEGAL FEES PAID BY A RECIPIENT-SPOUSE

The CRA's current position was announced in an October 10, 2002 Technical News release. Legal fees relating to the following types of procedures are now deductible by the recipient of support in the year the fees are paid:

- Obtain an order for child or spousal support.*
- Enforce an existing order for child or spousal support.
- Vary an existing order for child or spousal support.
- Defend a reduction of child or spousal support.

Legal expenses paid (and deducted from income) for the above must be reduced for any legal costs awarded by the court which are received by the recipient spouse.

³ Interpretation Bulletin on Legal and Accounting Fees (IT-99R5, dated December 11, 1998) with certain important revisions made, December 5, 2000.

⁴ [1991] 2 CTC 2304.

⁵ [1999] 99 D.T.C. 1265

*Our understanding is that legal fees would remain deductible notwithstanding that an action had not commenced or an actual order had not been obtained.

Pot-Pourri

PRE-JUDGEMENT INTEREST

Pre-judgement interest is generally taxable as income if it is in the nature of interest. Where an award is made either by court order or by agreement and an amount is explicitly identified to be interest in the award or settlement, such amount will be considered income in the hands of the recipient. Therefore, an amount specified as interest in respect of an equalization amount will be taxable to the recipient. It is not however deductible by the payor.

TAX INSTALLMENTS

Who Must Make Installments?

- All individuals resident outside Quebec are required to make quarterly installments if the difference between their total tax liability (federal and provincial) in both the current year and either of the two preceding years exceeds the amount of tax withheld at source (generally by an employer) by more than \$2,000.
- Most persons receiving spousal support or taxable child support are required to make tax installments.
- Individuals who are self-employed are also required to make tax installments.

Timing of Installment Payments

- Installments must be paid by the 15th day of the last month of each calendar quarter (i.e. the 15th day of March, June, September and December).

Penalties and Interest

- Interest at the prescribed federal rate of 6 percent (compounded daily) is charged on late or insufficient installment payments from the day the installment was due. This rate is effective January 1 – March 31, 2009 and is subject to change quarterly.
- A penalty may also be assessed, calculated using the following formula:
50 percent of the interest payable on installment shortfalls for a year, minus the greater of:
 - a) 25 percent of the interest that would have been payable if no installment payments had been made; or
 - b) \$1,000.

LOSS CARRYFORWARD RULES

What Are They?

- Certain types of losses that cannot be offset against income in the year in which they are incurred may be applied against income from prior or future years.
- There are two types of losses:
 - i) Non-Capital Losses**
 - A non-capital loss is essentially the amount of the taxpayer's losses from business sources in excess of the taxpayer's net income from all other sources.
 - Non-capital losses that are not utilized in the year they are incurred can be applied against income earned from other sources for the previous three years (including capital gains) or be applied against income to be earned over the next twenty years with the earliest losses being applied first (i.e. non-capital losses can be carried back twenty years and forward three).
 - ii) Net-Capital Losses**
 - A net-capital loss is the excess of allowable capital losses over taxable capital gains for that particular year plus allowable business investment losses not previously used.
 - Net-capital losses which are not utilized in the year they are incurred can only be applied against any net capital gains reported during the previous three years or be applied against any future net capital gains (i.e. capital losses can be carried back three years and forward indefinitely).

RELEASE OF MARITAL AND SUPPORT RIGHTS

- A spouse's release of marital and support rights in return for a property settlement (a lump sum settlement) does not give rise to a taxable disposition of property. The CRA's interpretation bulletin IT325R2⁶ provides additional information on property transfers after separation, divorce and annulment.

CAPITAL GAINS EXEMPTION

- The Income Tax Act provides a special \$750,000 capital gains exemption for individuals (other than trusts) in respect of capital gains realized on the disposition of shares of a qualified small business corporation and certain farm property.
- If a person has previously utilized the \$100,000 exemption (which was eliminated in 1994) available for capital gains arising from the disposition of other capital properties, then the exemption as it relates to a qualified small business corporation shares and farm property will be limited to \$650,000.
- A qualified small business corporation is a term defined by the Income Tax Act.
- Due to the technical complexity of these rules, professional advice is necessary to ensure that a corporation's shares qualify for the exemption.

SUPPORT PAYMENTS AND EARNED INCOME FOR RRSP PURPOSES

- Spousal support payments and taxable child support payments form part of "earned income" to the recipient for the purposes of calculating the level of RRSP contributions. These contributions are generally limited to 18% of earned income to a maximum of \$21,000 for 2009 and \$22,000 for 2010.
- The earned income of the payor of support for RRSP purposes will be reduced by the amount of the deductible support paid.
- Only taxable support received will be considered in earned income.

SUPPORT PAYMENTS AND ESTATES

- Support payments made by an estate to a recipient are not taxable to the recipient and are not deductible to the estate.
- The support payments do not meet the definition of "support amount" under the Income Tax Act. For an amount to be a support amount, the recipient must be the spouse or former spouse of the payor-spouse. In this case, the recipient is not the spouse or former spouse of the estate and therefore the payments are not support amounts and are not taxable nor deductible.

TAX FREE SAVINGS ACCOUNTS (TFSA)

- Effective January 1, 2009 all individuals over the age of 17 are permitted to contribute up to \$5,000 per year to a TFSA. Amounts contributed are not tax deductible however investment income of any kind (interest, dividends, capital gains) earned by the contributed funds will not be taxable, either as earned within the account or upon withdrawal. All funds held within a TFSA may be withdrawn at anytime, for any purpose, without any tax consequences.

TAXATION OF COMPENSATORY SUPPORT

- Where support is awarded to a spouse, or former spouse, to compensate him or her for a financial contribution that was made to the other spouse's career, the payment which is considered a lump sum will not be taxable to the recipient nor deductible to the payor. Support in these instances is based on "compensation" as opposed to "need". The CRA does not view these amounts as representing an allowance payable on a periodic basis for the maintenance of the recipient and therefore it is not considered to be taxable or deductible.

Registered Education Savings Plans (RESPs)

DEFINITION

- A RESP is a type of trust recognized by the CRA that facilitates in saving for a child's (or grandchild's) post secondary education. If the child does not pursue post secondary education, the principal paid into the plan is returned to the contributor but some of the earnings may be forfeited.
- Contributions to the plan up to a maximum of \$50,000 per beneficiary, are not tax-deductible but income accumulates within the plan on a tax deferred basis. When the funds are used in the prescribed manner, the income portion is considered the child's income and is taxed at his or her tax rate.
- To minimize the risk of forfeited income, contributors may receive RESP income directly under certain circumstances. If contributions have been made to a RESP that has existed for at least 10 years and none of the intended beneficiaries are pursuing a post secondary education by the age of 21, the contributor may receive the RESP income. This income (up to a lifetime maximum of \$50,000) may be transferred to a RRSP (or to a spousal RRSP) provided there is sufficient RRSP room to claim an RRSP deduction for the year of the transfer.
- Effective January 1998, there are government grants to RESPs for contributions made for children under the age of 19.

Relevant Corporate Tax Issues

CORPORATE DISTRIBUTION TAXES

- Corporate assets cannot be removed from a corporation without the imposition of tax. However, on marital dissolution, it is possible for each spouse to distribute corporate assets to other corporations.
- Distribution of corporate assets directly to individuals will generally trigger a tax of approximately 31% in Ontario of the value of those assets. The advantage of distributing the assets to a corporation owned by one of the spouses is that tax will not be immediately payable on the transfer to the corporation but will be deferred until such time as the assets are withdrawn from the corporate entity by the individual spouse.

OBJECTIVES IN MARITAL DISSOLUTION

- Where corporate assets are to be distributed as part of a financial settlement between separating spouses, the primary objective is to distribute such assets without incurring income taxes immediately.
- Just as there are rollover provisions for property transfers between separating individual spouses, there are rollover provisions for property transfers between corporate entities owned by spouses or separating spouses that allow property to be transferred to corporate entities owned by the appropriate spouse without tax consequences. Almost all types of property can be transferred in this fashion.
- To effect the distribution or transfer of properties owned by a corporation to corporate entities owned by the appropriate spouse, corporate restructuring techniques are required.
- The above-referred to techniques provide alternative mechanisms for funding amounts owed as between separated spouses. The corporate and tax mechanisms and procedures to achieve these results are extremely complex and should not be undertaken without professional advice.

Spouse and Common Law Partner

DEFINITION

- Since January 1, 2001, same-sex, common law couples have been treated the same as other couples for all purposes of the Income Tax Act.
- Same-sex common law couples will be eligible for the same tax benefits, and subject to the same obligations, as married couples and opposite sex, common law couples.
- The Income Tax Act defines common law partners as persons who:
 - Are the parents of the same child; or
 - Have been living together for at least 12 continuous months; or
 - Lived together previously for at least 12 continuous months and have resumed co-habitation.
- The above includes any period that the parties were separated for less than 90 days because of a breakdown of the relationship. Any period of separation lasting more than 90 days may affect whether the parties are considered common law partners for tax purposes.

Personal Tax Credits and Deductions

PERSONAL CREDIT

- A tax credit of \$537 is available in Ontario (see Appendix II for credits in other provinces) and \$1,548 federally.
- This credit is available to all taxpayers who throughout the year either carried on business in Canada or were resident in Canada.

ELIGIBLE DEPENDENT CREDIT (FORMERLY EQUIVALENT-TO-SPOUSE CREDIT)

- A tax credit of \$456 is currently available in Ontario (see Appendix II for credits available in other provinces) and \$1,515 federally to a single individual or separated spouse supporting a child under 18 (unless infirm) who is living with them (limited to 1 child). The credit is not available to an individual paying child support to another person. Therefore, it is the recipient of child support who can claim the eligible dependent credit.
- In situations where no child support is being paid, it may be possible for each parent to claim the credit in respect of different wholly dependent children. The meaning of wholly dependent does not necessarily mean dependent all year round. Parents having joint custody may each be able to demonstrate that the children were wholly dependent on them while they were living with each respective parent.
- The credit is reduced for federal purposes by the amount of the dependent's net income. For Ontario, the credit is reduced where the dependent's income exceeds \$754 and is not available where the dependent's income is greater than \$8,295.

SPOUSAL CREDIT

- A tax credit of \$456 in Ontario and \$1,515 federally may be claimed by a taxpayer who supports a spouse or common law partner at any time in the taxation year. If the spouse or common law partner's net income exceeds \$754, the credit is reduced for Ontario purposes. Any federal credit amount is reduced by the amount of the spouse's net income for the year. Where spousal net income exceeds \$8,295 for Ontario, no credit will be available.
- A taxpayer who separated during the year and is required to make support payments to a spouse or common law partner may choose to claim either the deductible support amounts paid for the year or the spousal credit.
- The credits available in other provinces (except Prince Edward Island) are identical to those for the eligible dependent credit which are set out in Appendix II.

CHILD AMOUNT

A tax credit of \$313 may be claimed on the federal return by either parent for a child born in 1991 or later who resides with **both** parents throughout the year. There is no parallel credit for Ontario tax purposes.

TUITION, EDUCATION AND TEXTBOOK CREDIT

- Tuition and education tax credits are available to full and part-time students.
- A tax credit of 15% is available for the total of the following:
 - Tuition fees in excess of \$100 paid by students to a university, college or other educational institution in Canada for post secondary school level courses.
 - An education amount calculated at \$400 per month and a textbook amount of \$65 per month for each month a student is enrolled in a qualifying educational program at a university or college on a full-time basis.
- If the student cannot utilize the credit any unused portion may be transferred to a student's spouse, parent or grandparent. Only a maximum amount of \$5,000 comprised of a combination of the above is eligible for transfer. The student is required to designate in writing the one parent or grandparent who will be entitled to claim the unused credit in respect of the student. The amount eligible for transfer cannot be shared, however, if there are two students then each parent can claim a credit for one of them. A certificate (Form T2202) issued by the educational institution must be filed by the person claiming the credit.

DEPENDENT(S) INFIRM OVER 17

- A tax credit of \$253 may be claimed in Ontario (see Appendix II for the amount of this credit available in other provinces) and \$630 federally by a taxpayer in respect of a relative who is dependent by reason of mental or physical infirmity. If the dependent's income exceeds \$5,950 in Ontario or \$5,956 federally then the credit is reduced.
- The CRA requires that the supporting person obtain a letter from a medical practitioner that confirms the dependent's infirmity.

AGE 65 AND OVER CREDIT

- A tax credit of \$262 may be claimed in Ontario (see Appendix II for the amount of this credit available in other provinces) and \$961 federally if a spouse turned 65 or older by December 31, 2009. The amount claimable is reduced by 15 percent of the taxpayer's net income in excess of \$32,280 (for Ontario) and \$32,212 (federal). The credit is not available for taxpayers whose income exceeds \$75,032 or in Ontario where the taxpayer's income exceeds \$61,187.
- In certain situations, an individual may not be able to take advantage of the credit. In these instances, it may be possible to transfer a portion of the credit not used by the individual to his or her spouse.

DISABILITY CREDIT

- An individual who is certified by a medical practitioner as having a severe and prolonged mental or physical impairment, may claim a tax credit of \$434 in Ontario (see Appendix II for the amount of this credit available in other provinces) and \$1,079 federally.
- In certain situations, an individual may not be able to take advantage of the credit. In these instances, it may be possible to transfer a portion of the credit not used to a supporting person.

CHILD TAX BENEFIT

- Family allowance payments, dependent child tax credits and refundable child tax credits were eliminated and replaced by a new child tax benefit scheme in 1993.
- The child tax benefit has three components the (1) Basic Benefit, (2) National Child Benefit Supplement and (iii) Child Disability Benefit. The benefit is calculated for a 12-month period beginning in July of one year and ending in the following June.
- Both the basic benefit and the Supplement are based on the number of children in a family, their ages, the taxpayer's province or territory of residence, family net income and any deduction claimed for child care expenses. The child disability benefit is based on the number of children in the family who are eligible for the federal disability amount, the number of children in the family for whom the Child Tax Benefit is received, and family net income.
- For the period January to June 2009, the basic benefit is equal to \$108.92 per month for each child under the age of 18, plus \$7.58 per month for the third and each subsequent child. The total benefit is reduced by a fixed percentage of family net income over \$37,885. The reduction is 2% for a one-child family and 4% for families with two or more children. (Note: The basic benefit amounts will differ for residents of Alberta.)
- The supplement for each child under the age of 7 was replaced after June 2007 by the Universal Child Care Benefit, a taxable \$100 per month payment for each child under the age of 6. This benefit is available to all families with a child under the age of 6, regardless of family income.
- For the period January to June 2009, the National Child Benefit Supplement amounts are \$168.75 for the first child, \$149.33 per month for the second child and \$142 per month for each additional child. The supplement is reduced where family net income exceeds \$21,287, with the percentage reduction dependent on the number of children in the family, and ranges from 12.2% to 33.3%.
- The Child Disability Benefit (CDB) is available for children in respect of whom the federal disability credit may be claimed, and is based on family net income. For the period January to June 2009 the maximum monthly CDB is \$199.58 per eligible child. The benefit is reduced for families where family net income exceeds \$37,885. The reduction is 2% for a one child family and 4% for families of two or more children.
- The child tax benefit is paid on a monthly basis to the taxpayer who has primary responsibility for the care of the children.
- In joint custody cases where the parties cannot decide between themselves, the CRA will determine who has primary responsibility and make payments to that person.
- All child tax benefits received except for the Universal Child Care Benefit.

Child Care Expenses

- Annual child care expense deduction limits are set at:
 - i) \$7,000 for each child who is under 7;
 - ii) \$4,000 for each other child between the ages of 7 and 16 or a dependent child over 16 who has a mental or physical infirmity but is not eligible for the disability tax credit;
 - iii) \$10,000 for a dependent child of any age who is eligible for the disability tax credit (the deduction is available in the year the child turns 16). Claims for child care expenses cannot exceed two-thirds of earned income for the year.
- The deduction limit is \$10,000 for each child 16 or under at the end of the year for whom a disability tax credit may be claimed.
- While married, the spouse with the lower income is entitled to claim child care expenses. In the year of marriage breakdown (assuming that the breakdown is for a period of at least 90 days and the parties were living separate and apart at the end of the year), the higher income spouse may claim child care expenses that he or she has incurred. When the parties have been living separate and apart for an entire year, both parties have a potential claim for child care expenses incurred by each of them in respect of the same children.
- The CRA will scrutinize the nature of the child care expenses to ensure that they relate to the children and are incurred while the children are living with each respective parent. For example, the costs of a full-time nanny may be prorated to cover the six months of the year during which the children live with each parent.

Appendix I

COMBINED TOP PERSONAL MARGINAL INCOME TAX RATES (5 YEAR SUMMARY)

	2005	2006	2007	2008	2009
British Columbia	43.7%	43.7%	43.7%	43.7%	43.7%
Alberta	39.0%	39.0%	39.0%	39.0%	39.0%
Saskatchewan	44.0%	44.0%	44.0%	44.0%	44.0%
Manitoba	46.4%	46.4%	46.4%	46.4%	46.4%
Ontario	46.4%	46.4%	46.4%	46.4%	46.4%
Quebec	48.2%	48.2%	48.2%	48.2%	48.2%
New Brunswick	46.8%	46.8%	46.8%	47.0%	47.0%
Nova Scotia	48.2%	48.3%	48.3%	48.3%	48.3%
Prince Edward Island	47.4%	47.4%	47.4%	47.4%	47.4%
Newfoundland	48.6%	48.6%	48.6%	45.5%	45.5%
Yukon Territory	42.4%	42.4%	42.4%	42.4%	42.4%
Northwest Territories	43.1%	43.1%	43.1%	43.1%	43.1%
Nunavut	40.5%	40.5%	40.5%	40.5%	40.5%

Appendix II

2009 PERSONAL TAX CREDITS – FEDERAL AND PROVINCIAL VALUES

Type of Credit	Federal	B.C.	Alta.	Sask.	Man.	Ont.	N.B.	N.S.	P.E.I.	Nfld.	Que.	NWT	Nuna.	Yukon
Personal (Basic)	1,548	474	1,678	1,460	878	537	871	702	755	599	2,091	747	466	711
Eligible Dependent	1,515	406	*	1,460	878	456	741	596	617	489	**	***	****	****
Dependent(s) Infirm and over 17	630	208	971	923	389	253	411	231	240	190	**	248	168	296
Age 65 and over	961	213	468	603	403	262	425	343	369	281	450	366	349	381
Disability	1,079	356	1,294	923	667	434	705	417	675	404	476	606	466	507

*The Alberta eligible dependent amount is calculated as 10% x (\$16,775 less the dependent's net income for the year).

**Effective January 1, 2005 the tax credit for dependent children was replaced by quarterly child assistance payments.

***Eligible dependent credit for the NWT is calculated as 5.9% x (\$12,664 minus the dependent's net income for the year).

****Eligible dependent credit for the Yukon is calculated as 7.04% x (\$10,100 minus the dependent's net income for the year).

*****Eligible dependent credit for Nunavut is calculated as 4% x (\$11,644 minus the dependent's net income for the year).

CHILD TAX BENEFIT

1. Basic Benefit:

\$1,283 per child

+ \$90 for third and subsequent children

+ The benefit is reduced by a fixed percentage if family net income is over \$37,178.

The reduction is 2% for a one-child family and 4% for families with two or more children.

2. National Child Benefit Supplement:

This benefit is reduced by a percentage of the amount of family net income which exceeds \$20,883. This supplement is calculated as follows:

- first child = \$1,988 per year
- second child = \$1,758 per year
- third child = \$1,673 per year
- additional supplement of \$1,200 per child under the age of 7 taxable, regardless of family income.

The reduction is 2% for a one-child family and 4% for families with two or more children.

3. Child Disability Benefit:

\$2,351 per year for each child who qualifies for the federal disability amount.

This benefit is reduced for families where family net income exceeds \$37,178. The reduction is 2% for a one child family and 4% for families of two or more children.

RRSP MAXIMUM CONTRIBUTION LIMITS

1996-2002	13,500
2003	14,500
2004	15,500
2005	16,500
2006	18,000
2007	19,000
2008	20,000
2009	21,000
2010	22,000

After 2010, the maximum limits are indexed to increases in the average industrial wage.

Appendix III

TAX TREATMENT OF LUMP SUM ARREARS PAYMENTS SUMMARY OF DECISIONS CONCERNING DEDUCTIBILITY OF AMOUNTS PAID AND TAXABILITY OF AMOUNTS RECEIVED

Case	Court	Amount of Arrears Paid as a Lump Sum vs Amount Owed	Court Decision and Reason	CRA's or Appellants' Argument
N.C. Soldera v. M.N.R. (1991) 2 CTC 2097 (TCC)	Tax Court of Canada	\$7,500 paid vs. \$14,000 owed	<ul style="list-style-type: none"> deductible - represents a portion of arrears that were periodic under prior order a simple reduction of a liability – no change to its substance (i.e. periodic allowances) 	<ul style="list-style-type: none"> lump sum, not periodic a discharge of a liability not for maintenance of children
The Queen v. B.D. Sills (1985) 1 CTC 49 85 DTC 5096	Federal Court of Appeal	\$3,000 paid vs \$4,400 owed (approx.)	<ul style="list-style-type: none"> taxable to wife related to periodic amounts payable pursuant to a prior agreement do not change nature of payment just because they are not made on time payments do not have to be received exactly as specified fulfilling a pre-existing obligation 	<ul style="list-style-type: none"> lump sum of arrears not a periodic allowance represents reimbursement for maintenance for an earlier period
I.E. Burnes v. M.N.R. (1983) CTC 2399 83 DTC 338 (TRB)	Tax Review Board	\$6,000 paid vs \$11,900 owed	<ul style="list-style-type: none"> not taxable - not received pursuant to an order lump sum payment not a periodic allowance payment made to satisfy claim for arrears and not payment of maintenance 	<ul style="list-style-type: none"> received pursuant to an order on account of an allowance payable on a periodic basis
M.A. McGuire v. M.N.R. (1982) CTC 2830 82 DTC 1813 (TRB)	Tax Review Board	\$4,000 paid to settle arrears and to settle any future support obligations	<ul style="list-style-type: none"> not taxable - not payable pursuant to court order a lump sum, not periodic 	<ul style="list-style-type: none"> arrears paid pursuant to court order
M.A. McNeely v. M.N.R. (1981) CTC 2886 81 DTC 796 (TRB)	Tax Review Board	\$3,000 paid vs. \$11,620 owed	<ul style="list-style-type: none"> not taxable – lump sum was not for maintenance but made to obtain release from all alimony and maintenance liabilities not received pursuant to separation agreement 	<ul style="list-style-type: none"> paid pursuant to a written separation agreement on a periodic basis as an allowance only required to have amounts payable periodically but need not be paid on that basis
D.J. Bertram v. M.N.R. (1970) Tax ABC 759 70 DTC 1510	Tax Appeal Board	\$8,000 paid vs in excess of \$8,000 (actual amount owed not determinable)	<ul style="list-style-type: none"> taxable to wife - represents a portion of arrears that were a periodic allowance under a previous court order adopted Sills reasoning re: late payments agreement to pay arrears not a final release of liability to make future support payments 	<ul style="list-style-type: none"> original periodic payments lost their character as such therefore not taxable
S.A. McDonald v. M.N.R. (1968) Tax ABC 1271	Tax Appeal Board	\$7,000 paid vs \$29,996 owed	<ul style="list-style-type: none"> not deductible - lump sum, not periodic lump sum based on a compromise settlement made on arrears - not a new separation agreement 	<ul style="list-style-type: none"> lump sum comprised of arrears which, if paid on time, would have been periodic not changing nature of payments, just method of payment
J.J. Armstrong v. M.N.R. (1956) CTC 93 56 DTC 1044	Tax Appeal Board	\$4,000 paid vs all future payments - payment not for arrears but to release husband from future payments	<ul style="list-style-type: none"> not deductible - a lump sum Supreme Court of Canada agreed on appeal, payment not pursuant to the divorce decree payment in full settlement of all payments due or to become due paid to obtain a release from a liability 	<ul style="list-style-type: none"> amount paid pursuant to agreement

Appendix IV

TAX TREATMENTS OF SPOUSAL AND CHILD SUPPORT CROSS-BORDER PAYMENTS*

Type of Payment	Payor Residence	Tax Treatment	Recipient Residence	Tax Treatment	Type of Payment	Payor Residence	Tax Treatment	Recipient Residence	Tax Treatment
Child support	Canada	Not deductible	Australia	Not taxable	Child support	Canada	Not deductible	Japan	Not taxable
Child support	Australia	Not deductible	Canada	Not taxable	Child support	Japan	Not deductible	Canada	Not taxable
Spousal support	Canada	Deductible	Australia	Not taxable	Spousal support	Canada	Deductible	Japan	Not taxable
Spousal support	Australia	Not deductible	Canada	Taxable	Spousal support	Japan	Not deductible	Canada	Taxable
Child support	Canada	Not deductible	France	Partially taxable	Child support	Canada	Not deductible	Korea	Not taxable
Child support	France	Deductible	Canada	Not taxable	Child support	Korea	Not deductible	Canada	Not taxable
Spousal support	Canada	Deductible	France	Taxable	Spousal support	Canada	Deductible	Korea	Not taxable
Spousal support	France	Deductible	Canada	Taxable	Spousal support	Korea	Not deductible	Canada	Taxable
Child support	Canada	Not deductible	Germany	Not taxable	Child support	Canada	Not deductible	Mexico	Not taxable
Child support	Germany	Limited deduction	Canada	Not taxable	Child support	Mexico	Not deductible	Canada	Not taxable
Spousal support	Canada	Deductible	Germany	Taxable	Spousal support	Canada	Deductible	Mexico	Not taxable
Spousal support	Germany	Limited deduction	Canada	Taxable	Spousal support	Mexico	Not deductible	Canada	Taxable
Child support	Canada	Not deductible	Israel	Not taxable	Child support	Canada	Not deductible	Spain	Not taxable
Child support	Israel	Limited credit	Canada	Not taxable	Child support	Spain	Deductible	Canada	Not taxable
Spousal support	Canada	Deductible	Israel	Not taxable	Spousal support	Canada	Deductible	Spain	Taxable
Spousal support	Israel	Limited credit	Canada	Taxable	Spousal support	Spain	Deductible	Canada	Taxable
Child support	Canada	Not deductible	Italy	Taxable	Child support	Canada	Not deductible	United Kingdom	Not taxable
Child support	Italy	Deductible	Canada	Not taxable	Child support	United Kingdom	Not deductible**	Canada	Not taxable
Spousal support	Canada	Deductible	Italy	Taxable	Spousal support	Canada	Deductible	United Kingdom	Not taxable
Spousal support	Italy	Deductible	Canada	Taxable	Spousal support	United Kingdom	Not deductible**	Canada	Taxable
					Spousal support	Hong Kong	Not deductible	Canada	Taxable

*For treatment concerning payments between Canada and the U.S., see page 5

** Post-April 6, 2000. A limited deduction in the U.K. for child and spousal support payments was allowed pre-April 6, 2000.

Appendix V

SAMPLE CLAUSE

FOR SEPARATION AGREEMENTS REGARDING SPOUSAL SUPPORT PAID BY CANADIAN RESIDENT TO UNITED STATES RESIDENT

We hereby designate the amounts listed in section/paragraph X of this agreement as payments which are not includible in gross income under section 71 and not allowable as a deduction under section 215 of the United States Internal Revenue Code. This designation is made pursuant to IRC § 71 (b)(1)(B) and Reg. § 1.71- IT and is not to have any effect for any other purpose.

DATED this _____ day of _____, 20____.

Witness as to the wife's signature

Wife

Witness to the husband's signature

Husband

Appendix VII

FEDERAL CHILD SUPPORT TABLES (ONTARIO ONLY) – ONE CHILD

Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)		
From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over
0	7999	0			57000	57999	529	0.96	57000	107000	107999	932	0.79	107000
8000	8999	0	0.95	8000	58000	58999	538	0.96	58000	108000	108999	939	0.79	108000
9000	9999	9	1.89	9000	59000	59999	548	0.96	59000	109000	109999	947	0.79	109000
10000	10999	28	1.89	10000	60000	60999	557	0.91	60000	110000	110999	955	0.79	110000
11000	11999	47	1.89	11000	61000	61999	566	0.87	61000	111000	111999	963	0.79	111000
12000	12999	66	1.89	12000	62000	62999	575	0.87	62000	112000	112999	971	0.79	112000
13000	13999	85	1.89	13000	63000	63999	584	0.87	63000	113000	113999	979	0.78	113000
14000	14999	104	1.89	14000	64000	64999	592	0.87	64000	114000	114999	987	0.74	114000
15000	15999	123	1.68	15000	65000	65999	601	0.93	65000	115000	115999	994	0.74	115000
16000	16999	140	0.81	16000	66000	66999	610	0.92	66000	116000	116999	1001	0.74	116000
17000	17999	148	0.81	17000	67000	67999	620	0.90	67000	117000	117999	1009	0.74	117000
18000	18999	156	0.81	18000	68000	68999	629	0.90	68000	118000	118999	1016	0.74	118000
19000	19999	164	0.81	19000	69000	69999	638	0.90	69000	119000	119999	1024	0.74	119000
20000	20999	172	0.77	20000	70000	70999	647	0.77	70000	120000	120999	1031	0.74	120000
21000	21999	180	0.77	21000	71000	71999	654	0.65	71000	121000	121999	1039	0.74	121000
22000	22999	188	0.77	22000	72000	72999	661	0.54	72000	122000	122999	1046	0.74	122000
23000	23999	195	0.77	23000	73000	73999	666	0.65	73000	123000	123999	1053	0.74	123000
24000	24999	203	0.77	24000	74000	74999	673	0.74	74000	124000	124999	1061	0.74	124000
25000	25999	211	1.13	25000	75000	75999	680	0.79	75000	125000	125999	1068	0.74	125000
26000	26999	222	1.20	26000	76000	76999	688	0.79	76000	126000	126999	1076	0.74	126000
27000	27999	234	1.20	27000	77000	77999	696	0.79	77000	127000	127999	1083	0.74	127000
28000	28999	246	1.20	28000	78000	78999	704	0.79	78000	128000	128999	1091	0.74	128000
29000	29999	258	1.16	29000	79000	79999	712	0.79	79000	129000	129999	1098	0.74	129000
30000	30999	270	1.13	30000	80000	80999	719	0.79	80000	130000	130999	1106	0.74	130000
31000	31999	281	1.13	31000	81000	81999	727	0.79	81000	131000	131999	1113	0.74	131000
32000	32999	293	1.13	32000	82000	82999	735	0.79	82000	132000	132999	1120	0.74	132000
33000	33999	304	1.17	33000	83000	83999	743	0.79	83000	133000	133999	1128	0.74	133000
34000	34999	316	0.94	34000	84000	84999	751	0.79	84000	134000	134999	1135	0.74	134000
35000	35999	325	0.81	35000	85000	85999	759	0.79	85000	135000	135999	1143	0.74	135000
36000	36999	333	0.82	36000	86000	86999	767	0.79	86000	136000	136999	1150	0.74	136000
37000	37999	341	0.84	37000	87000	87999	774	0.79	87000	137000	137999	1158	0.74	137000
38000	38999	350	0.86	38000	88000	88999	782	0.79	88000	138000	138999	1165	0.74	138000
39000	39999	358	0.90	39000	89000	89999	790	0.79	89000	139000	139999	1173	0.74	139000
40000	40999	367	0.93	40000	90000	90999	798	0.79	90000	140000	140999	1180	0.74	140000
41000	41999	377	0.96	41000	91000	91999	806	0.79	91000	141000	141999	1187	0.74	141000
42000	42999	386	0.96	42000	92000	92999	814	0.79	92000	142000	142999	1195	0.74	142000
43000	43999	396	0.96	43000	93000	93999	822	0.79	93000	143000	143999	1202	0.74	143000
44000	44999	405	0.96	44000	94000	94999	829	0.79	94000	144000	144999	1210	0.74	144000
45000	45999	415	0.96	45000	95000	95999	837	0.79	95000	145000	145999	1217	0.74	145000
46000	46999	425	0.96	46000	96000	96999	845	0.79	96000	146000	146999	1225	0.74	146000
47000	47999	434	0.96	47000	97000	97999	853	0.79	97000	147000	147999	1232	0.74	147000
48000	48999	444	0.85	48000	98000	98999	861	0.79	98000	148000	148999	1240	0.74	148000
49000	49999	452	0.96	49000	99000	99999	869	0.79	99000	149000	149999	1247	0.74	149000
50000	50999	462	0.96	50000	100000	100999	877	0.79	100000	150000 or greater		1254	0.74	150000
51000	51999	471	0.96	51000	101000	101999	884	0.79	101000					
52000	52999	481	0.96	52000	102000	102999	892	0.79	102000					
53000	53999	490	0.96	53000	103000	103999	900	0.79	103000					
54000	54999	500	0.96	54000	104000	104999	908	0.79	104000					
55000	55999	510	0.96	55000	105000	105999	916	0.79	105000					
56000	56999	519	0.96	56000	106000	106999	924	0.79	106000					

FEDERAL CHILD SUPPORT TABLES (ONTARIO ONLY) – TWO CHILDREN

Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)		
From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over
0	7999	0			57000	57999	857	1.49	57000	107000	107999	1489	1.22	107000
8000	8999	0	1.75	8000	58000	58999	872	1.49	58000	108000	108999	1501	1.22	108000
9000	9999	17	4.34	9000	59000	59999	887	1.49	59000	109000	109999	1514	1.22	109000
10000	10999	61	4.34	10000	60000	60999	902	1.44	60000	110000	110999	1526	1.22	110000
11000	11999	104	4.20	11000	61000	61999	916	1.39	61000	111000	111999	1538	1.22	111000
12000	12999	146	3.73	12000	62000	62999	930	1.39	62000	112000	112999	1550	1.22	112000
13000	13999	184	3.65	13000	63000	63999	944	1.39	63000	113000	113999	1563	1.21	113000
14000	14999	220	2.21	14000	64000	64999	958	1.39	64000	114000	114999	1575	1.16	114000
15000	15999	242	1.04	15000	65000	65999	972	1.45	65000	115000	115999	1586	1.16	115000
16000	16999	253	1.39	16000	66000	66999	986	1.44	66000	116000	116999	1598	1.16	116000
17000	17999	267	1.39	17000	67000	67999	1001	1.40	67000	117000	117999	1609	1.16	117000
18000	18999	281	1.39	18000	68000	68999	1015	1.40	68000	118000	118999	1621	1.16	118000
19000	19999	294	1.39	19000	69000	69999	1029	1.40	69000	119000	119999	1633	1.16	119000
20000	20999	308	1.33	20000	70000	70999	1043	1.24	70000	120000	120999	1644	1.16	120000
21000	21999	322	1.33	21000	71000	71999	1055	1.10	71000	121000	121999	1656	1.16	121000
22000	22999	335	1.33	22000	72000	72999	1066	0.94	72000	122000	122999	1667	1.16	122000
23000	23999	348	1.33	23000	73000	73999	1075	1.10	73000	123000	123999	1679	1.16	123000
24000	24999	362	1.33	24000	74000	74999	1086	1.18	74000	124000	124999	1690	1.16	124000
25000	25999	375	1.39	25000	75000	75999	1098	1.22	75000	125000	125999	1702	1.16	125000
26000	26999	389	1.39	26000	76000	76999	1110	1.22	76000	126000	126999	1714	1.16	126000
27000	27999	403	1.39	27000	77000	77999	1122	1.22	77000	127000	127999	1725	1.16	127000
28000	28999	417	1.39	28000	78000	78999	1135	1.22	78000	128000	128999	1737	1.16	128000
29000	29999	431	1.33	29000	79000	79999	1147	1.22	79000	129000	129999	1748	1.16	129000
30000	30999	444	1.29	30000	80000	80999	1159	1.22	80000	130000	130999	1760	1.16	130000
31000	31999	457	1.54	31000	81000	81999	1171	1.22	81000	131000	131999	1772	1.16	131000
32000	32999	472	1.63	32000	82000	82999	1184	1.22	82000	132000	132999	1783	1.16	132000
33000	33999	488	1.65	33000	83000	83999	1196	1.22	83000	133000	133999	1795	1.16	133000
34000	34999	505	1.66	34000	84000	84999	1208	1.22	84000	134000	134999	1806	1.16	134000
35000	35999	521	1.54	35000	85000	85999	1220	1.22	85000	135000	135999	1818	1.16	135000
36000	36999	537	1.55	36000	86000	86999	1232	1.22	86000	136000	136999	1829	1.16	136000
37000	37999	552	1.58	37000	87000	87999	1245	1.22	87000	137000	137999	1841	1.16	137000
38000	38999	568	1.61	38000	88000	88999	1257	1.22	88000	138000	138999	1853	1.16	138000
39000	39999	584	1.68	39000	89000	89999	1269	1.22	89000	139000	139999	1864	1.16	139000
40000	40999	601	1.72	40000	90000	90999	1281	1.22	90000	140000	140999	1876	1.16	140000
41000	41999	618	1.75	41000	91000	91999	1294	1.22	91000	141000	141999	1887	1.16	141000
42000	42999	636	1.49	42000	92000	92999	1306	1.22	92000	142000	142999	1899	1.16	142000
43000	43999	651	1.49	43000	93000	93999	1318	1.22	93000	143000	143999	1910	1.16	143000
44000	44999	665	1.49	44000	94000	94999	1330	1.22	94000	144000	144999	1922	1.16	144000
45000	45999	680	1.49	45000	95000	95999	1343	1.22	95000	145000	145999	1934	1.16	145000
46000	46999	695	1.49	46000	96000	96999	1355	1.22	96000	146000	146999	1945	1.16	146000
47000	47999	710	1.49	47000	97000	97999	1367	1.22	97000	147000	147999	1957	1.16	147000
48000	48999	725	1.33	48000	98000	98999	1379	1.22	98000	148000	148999	1968	1.16	148000
49000	49999	738	1.49	49000	99000	99999	1391	1.22	99000	149000	149999	1980	1.16	149000
50000	50999	753	1.49	50000	100000	100999	1404	1.22	100000	150000 or greater		1992	1.16	150000
51000	51999	768	1.49	51000	101000	101999	1416	1.22	101000					
52000	52999	783	1.49	52000	102000	102999	1428	1.22	102000					
53000	53999	798	1.49	53000	103000	103999	1440	1.22	103000					
54000	54999	813	1.49	54000	104000	104999	1453	1.22	104000					
55000	55999	827	1.49	55000	105000	105999	1465	1.22	105000					
56000	56999	842	1.49	56000	106000	106999	1477	1.22	106000					

FEDERAL CHILD SUPPORT TABLES (ONTARIO ONLY) – THREE CHILDREN

Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)		
From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over
0	7999	0			57000	57999	1120	1.91	57000	107000	107999	1935	1.57	107000
8000	8999	0	1.88	8000	58000	58999	1139	1.91	58000	108000	108999	1951	1.57	108000
9000	9999	19	4.68	9000	59000	59999	1158	1.91	59000	109000	109999	1967	1.57	109000
10000	10999	66	4.68	10000	60000	60999	1177	1.86	60000	110000	110999	1983	1.57	110000
11000	11999	112	4.52	11000	61000	61999	1196	1.81	61000	111000	111999	1998	1.57	111000
12000	12999	158	4.02	12000	62000	62999	1214	1.81	62000	112000	112999	2014	1.57	112000
13000	13999	198	3.93	13000	63000	63999	1232	1.81	63000	113000	113999	2030	1.56	113000
14000	14999	237	3.90	14000	64000	64999	1250	1.81	64000	114000	114999	2045	1.49	114000
15000	15999	276	4.21	15000	65000	65999	1268	1.86	65000	115000	115999	2060	1.49	115000
16000	16999	318	4.23	16000	66000	66999	1287	1.85	66000	116000	116999	2075	1.49	116000
17000	17999	361	1.95	17000	67000	67999	1305	1.79	67000	117000	117999	2090	1.49	117000
18000	18999	380	1.86	18000	68000	68999	1323	1.79	68000	118000	118999	2105	1.49	118000
19000	19999	399	1.86	19000	69000	69999	1341	1.79	69000	119000	119999	2120	1.49	119000
20000	20999	417	1.78	20000	70000	70999	1359	1.61	70000	120000	120999	2135	1.49	120000
21000	21999	435	1.78	21000	71000	71999	1375	1.46	71000	121000	121999	2149	1.49	121000
22000	22999	453	1.78	22000	72000	72999	1390	1.25	72000	122000	122999	2164	1.49	122000
23000	23999	470	1.78	23000	73000	73999	1402	1.46	73000	123000	123999	2179	1.49	123000
24000	24999	488	1.78	24000	74000	74999	1417	1.53	74000	124000	124999	2194	1.49	124000
25000	25999	506	1.86	25000	75000	75999	1432	1.57	75000	125000	125999	2209	1.49	125000
26000	26999	525	1.86	26000	76000	76999	1448	1.57	76000	126000	126999	2224	1.49	126000
27000	27999	543	1.86	27000	77000	77999	1464	1.57	77000	127000	127999	2239	1.49	127000
28000	28999	562	1.86	28000	78000	78999	1479	1.57	78000	128000	128999	2254	1.49	128000
29000	29999	580	1.77	29000	79000	79999	1495	1.57	79000	129000	129999	2269	1.49	129000
30000	30999	598	1.72	30000	80000	80999	1511	1.57	80000	130000	130999	2283	1.49	130000
31000	31999	615	1.72	31000	81000	81999	1527	1.57	81000	131000	131999	2298	1.49	131000
32000	32999	632	1.72	32000	82000	82999	1542	1.57	82000	132000	132999	2313	1.49	132000
33000	33999	650	1.61	33000	83000	83999	1558	1.57	83000	133000	133999	2328	1.49	133000
34000	34999	666	1.55	34000	84000	84999	1574	1.57	84000	134000	134999	2343	1.49	134000
35000	35999	681	1.41	35000	85000	85999	1590	1.57	85000	135000	135999	2358	1.49	135000
36000	36999	695	1.88	36000	86000	86999	1605	1.57	86000	136000	136999	2373	1.49	136000
37000	37999	714	1.92	37000	87000	87999	1621	1.57	87000	137000	137999	2388	1.49	137000
38000	38999	733	1.96	38000	88000	88999	1637	1.57	88000	138000	138999	2403	1.49	138000
39000	39999	753	2.05	39000	89000	89999	1652	1.57	89000	139000	139999	2417	1.49	139000
40000	40999	773	2.11	40000	90000	90999	1668	1.57	90000	140000	140999	2432	1.49	140000
41000	41999	795	2.17	41000	91000	91999	1684	1.57	91000	141000	141999	2447	1.49	141000
42000	42999	816	2.17	42000	92000	92999	1700	1.57	92000	142000	142999	2462	1.49	142000
43000	43999	838	2.17	43000	93000	93999	1715	1.57	93000	143000	143999	2477	1.49	143000
44000	44999	860	2.17	44000	94000	94999	1731	1.57	94000	144000	144999	2492	1.49	144000
45000	45999	881	2.17	45000	95000	95999	1747	1.57	95000	145000	145999	2507	1.49	145000
46000	46999	903	2.17	46000	96000	96999	1762	1.57	96000	146000	146999	2522	1.49	146000
47000	47999	925	2.17	47000	97000	97999	1778	1.57	97000	147000	147999	2536	1.49	147000
48000	48999	946	1.96	48000	98000	98999	1794	1.57	98000	148000	148999	2551	1.49	148000
49000	49999	966	2.02	49000	99000	99999	1810	1.57	99000	149000	149999	2566	1.49	149000
50000	50999	986	1.91	50000	100000	100999	1825	1.57	100000	150000 or greater		2581	1.49	150000
51000	51999	1005	1.91	51000	101000	101999	1841	1.57	101000					
52000	52999	1024	1.91	52000	102000	102999	1857	1.57	102000					
53000	53999	1043	1.91	53000	103000	103999	1872	1.57	103000					
54000	54999	1063	1.91	54000	104000	104999	1888	1.57	104000					
55000	55999	1082	1.91	55000	105000	105999	1904	1.57	105000					
56000	56999	1101	1.91	56000	106000	106999	1920	1.57	106000					

FEDERAL CHILD SUPPORT TABLES (ONTARIO ONLY) – FOUR CHILDREN

Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)		
From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over
0	7999	0			57000	57999	1335	2.26	57000	107000	107999	2300	1.86	107000
8000	8999	0	2.01	8000	58000	58999	1358	2.26	58000	108000	108999	2319	1.86	108000
9000	9999	20	5.01	9000	59000	59999	1380	2.26	59000	109000	109999	2338	1.86	109000
10000	10999	70	5.01	10000	60000	60999	1403	2.21	60000	110000	110999	2356	1.86	110000
11000	11999	120	4.84	11000	61000	61999	1425	2.15	61000	111000	111999	2375	1.86	111000
12000	12999	169	4.31	12000	62000	62999	1446	2.15	62000	112000	112999	2393	1.86	112000
13000	13999	212	4.22	13000	63000	63999	1468	2.15	63000	113000	113999	2412	1.84	113000
14000	14999	254	4.18	14000	64000	64999	1489	2.15	64000	114000	114999	2430	1.76	114000
15000	15999	296	4.51	15000	65000	65999	1511	2.20	65000	115000	115999	2448	1.76	115000
16000	16999	341	4.53	16000	66000	66999	1533	2.18	66000	116000	116999	2465	1.76	116000
17000	17999	386	4.53	17000	67000	67999	1555	2.12	67000	117000	117999	2483	1.76	117000
18000	18999	432	4.53	18000	68000	68999	1576	2.12	68000	118000	118999	2501	1.76	118000
19000	19999	477	2.92	19000	69000	69999	1597	2.12	69000	119000	119999	2518	1.76	119000
20000	20999	506	2.14	20000	70000	70999	1618	1.91	70000	120000	120999	2536	1.76	120000
21000	21999	528	2.14	21000	71000	71999	1637	1.76	71000	121000	121999	2553	1.76	121000
22000	22999	549	2.14	22000	72000	72999	1655	1.51	72000	122000	122999	2571	1.76	122000
23000	23999	570	2.14	23000	73000	73999	1670	1.76	73000	123000	123999	2589	1.76	123000
24000	24999	592	2.14	24000	74000	74999	1688	1.82	74000	124000	124999	2606	1.76	124000
25000	25999	613	2.24	25000	75000	75999	1706	1.86	75000	125000	125999	2624	1.76	125000
26000	26999	636	2.24	26000	76000	76999	1724	1.86	76000	126000	126999	2641	1.76	126000
27000	27999	658	2.24	27000	77000	77999	1743	1.86	77000	127000	127999	2659	1.76	127000
28000	28999	680	2.24	28000	78000	78999	1762	1.86	78000	128000	128999	2677	1.76	128000
29000	29999	703	2.14	29000	79000	79999	1780	1.86	79000	129000	129999	2694	1.76	129000
30000	30999	724	2.08	30000	80000	80999	1799	1.86	80000	130000	130999	2712	1.76	130000
31000	31999	745	2.08	31000	81000	81999	1817	1.86	81000	131000	131999	2729	1.76	131000
32000	32999	766	2.08	32000	82000	82999	1836	1.86	82000	132000	132999	2747	1.76	132000
33000	33999	786	1.96	33000	83000	83999	1855	1.86	83000	133000	133999	2764	1.76	133000
34000	34999	806	1.90	34000	84000	84999	1873	1.86	84000	134000	134999	2782	1.76	134000
35000	35999	825	1.70	35000	85000	85999	1892	1.86	85000	135000	135999	2800	1.76	135000
36000	36999	842	1.72	36000	86000	86999	1910	1.86	86000	136000	136999	2817	1.76	136000
37000	37999	859	1.76	37000	87000	87999	1929	1.86	87000	137000	137999	2835	1.76	137000
38000	38999	877	1.81	38000	88000	88999	1947	1.86	88000	138000	138999	2852	1.76	138000
39000	39999	895	1.97	39000	89000	89999	1966	1.86	89000	139000	139999	2870	1.76	139000
40000	40999	915	2.42	40000	90000	90999	1985	1.86	90000	140000	140999	2888	1.76	140000
41000	41999	939	2.49	41000	91000	91999	2003	1.86	91000	141000	141999	2905	1.76	141000
42000	42999	964	2.49	42000	92000	92999	2022	1.86	92000	142000	142999	2923	1.76	142000
43000	43999	989	2.49	43000	93000	93999	2040	1.86	93000	143000	143999	2940	1.76	143000
44000	44999	1014	2.49	44000	94000	94999	2059	1.86	94000	144000	144999	2958	1.76	144000
45000	45999	1039	2.49	45000	95000	95999	2077	1.86	95000	145000	145999	2976	1.76	145000
46000	46999	1064	2.49	46000	96000	96999	2096	1.86	96000	146000	146999	2993	1.76	146000
47000	47999	1088	2.49	47000	97000	97999	2115	1.86	97000	147000	147999	3011	1.76	147000
48000	48999	1113	2.25	48000	98000	98999	2133	1.86	98000	148000	148999	3028	1.76	148000
49000	49999	1136	2.49	49000	99000	99999	2152	1.86	99000	149000	149999	3046	1.76	149000
50000	50999	1161	2.49	50000	100000	100999	2170	1.86	100000	150000 or greater		3064	1.76	150000
51000	51999	1186	2.49	51000	101000	101999	2189	1.86	101000					
52000	52999	1211	2.49	52000	102000	102999	2207	1.86	102000					
53000	53999	1235	2.49	53000	103000	103999	2226	1.86	103000					
54000	54999	1260	2.49	54000	104000	104999	2245	1.86	104000					
55000	55999	1285	2.49	55000	105000	105999	2263	1.86	105000					
56000	56999	1310	2.47	56000	106000	106999	2282	1.86	106000					

FEDERAL CHILD SUPPORT TABLES (ONTARIO ONLY) – FIVE CHILDREN

Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)		
From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over
0	7999	0			57000	57999	1498	2.76	57000	107000	107999	2605	2.10	107000
8000	8999	0	2.01	8000	58000	58999	1526	2.76	58000	108000	108999	2626	2.10	108000
9000	9999	20	5.01	9000	59000	59999	1554	2.76	59000	109000	109999	2646	2.10	109000
10000	10999	70	5.01	10000	60000	60999	1581	2.71	60000	110000	110999	2667	2.10	110000
11000	11999	120	4.84	11000	61000	61999	1608	2.65	61000	111000	111999	2688	2.10	111000
12000	12999	169	4.31	12000	62000	62999	1635	2.65	62000	112000	112999	2709	2.10	112000
13000	13999	212	4.22	13000	63000	63999	1661	2.65	63000	113000	113999	2730	2.07	113000
14000	14999	254	4.18	14000	64000	64999	1688	2.53	64000	114000	114999	2751	1.98	114000
15000	15999	296	4.51	15000	65000	65999	1713	2.48	65000	115000	115999	2771	1.98	115000
16000	16999	341	4.53	16000	66000	66999	1738	2.46	66000	116000	116999	2791	1.98	116000
17000	17999	386	4.53	17000	67000	67999	1763	2.39	67000	117000	117999	2811	1.98	117000
18000	18999	432	4.53	18000	68000	68999	1786	2.39	68000	118000	118999	2830	1.98	118000
19000	19999	477	4.53	19000	69000	69999	1810	2.39	69000	119000	119999	2850	1.98	119000
20000	20999	522	4.35	20000	70000	70999	1834	2.16	70000	120000	120999	2870	1.98	120000
21000	21999	566	4.35	21000	71000	71999	1856	2.00	71000	121000	121999	2890	1.98	121000
22000	22999	609	4.35	22000	72000	72999	1876	1.73	72000	122000	122999	2910	1.98	122000
23000	23999	653	2.55	23000	73000	73999	1893	2.00	73000	123000	123999	2930	1.98	123000
24000	24999	678	2.45	24000	74000	74999	1913	2.06	74000	124000	124999	2950	1.98	124000
25000	25999	703	2.56	25000	75000	75999	1934	2.10	75000	125000	125999	2969	1.98	125000
26000	26999	728	2.56	26000	76000	76999	1955	2.10	76000	126000	126999	2989	1.98	126000
27000	27999	754	2.56	27000	77000	77999	1976	2.10	77000	127000	127999	3009	1.98	127000
28000	28999	779	2.56	28000	78000	78999	1997	2.10	78000	128000	128999	3029	1.98	128000
29000	29999	805	2.44	29000	79000	79999	2018	2.10	79000	129000	129999	3049	1.98	129000
30000	30999	829	2.37	30000	80000	80999	2039	2.10	80000	130000	130999	3069	1.98	130000
31000	31999	853	2.37	31000	81000	81999	2060	2.10	81000	131000	131999	3088	1.98	131000
32000	32999	877	2.37	32000	82000	82999	2081	2.10	82000	132000	132999	3108	1.98	132000
33000	33999	900	2.26	33000	83000	83999	2102	2.10	83000	133000	133999	3128	1.98	133000
34000	34999	923	2.18	34000	84000	84999	2122	2.10	84000	134000	134999	3148	1.98	134000
35000	35999	945	1.97	35000	85000	85999	2143	2.10	85000	135000	135999	3168	1.98	135000
36000	36999	965	1.99	36000	86000	86999	2164	2.10	86000	136000	136999	3188	1.98	136000
37000	37999	984	2.04	37000	87000	87999	2185	2.10	87000	137000	137999	3208	1.98	137000
38000	38999	1005	2.09	38000	88000	88999	2206	2.10	88000	138000	138999	3227	1.98	138000
39000	39999	1026	2.20	39000	89000	89999	2227	2.10	89000	139000	139999	3247	1.98	139000
40000	40999	1048	2.27	40000	90000	90999	2248	2.10	90000	140000	140999	3267	1.98	140000
41000	41999	1070	2.34	41000	91000	91999	2269	2.10	91000	141000	141999	3287	1.98	141000
42000	42999	1094	2.34	42000	92000	92999	2290	2.10	92000	142000	142999	3307	1.98	142000
43000	43999	1117	2.49	43000	93000	93999	2311	2.10	93000	143000	143999	3327	1.98	143000
44000	44999	1142	2.76	44000	94000	94999	2332	2.10	94000	144000	144999	3347	1.98	144000
45000	45999	1170	2.76	45000	95000	95999	2353	2.10	95000	145000	145999	3366	1.98	145000
46000	46999	1197	2.76	46000	96000	96999	2374	2.10	96000	146000	146999	3386	1.98	146000
47000	47999	1225	2.76	47000	97000	97999	2395	2.10	97000	147000	147999	3406	1.98	147000
48000	48999	1253	2.48	48000	98000	98999	2416	2.10	98000	148000	148999	3426	1.98	148000
49000	49999	1277	2.76	49000	99000	99999	2437	2.10	99000	149000	149999	3446	1.98	149000
50000	50999	1305	2.76	50000	100000	100999	2458	2.10	100000	150000 or greater		3466	1.98	150000
51000	51999	1333	2.76	51000	101000	101999	2479	2.10	101000					
52000	52999	1360	2.76	52000	102000	102999	2500	2.10	102000					
53000	53999	1388	2.76	53000	103000	103999	2521	2.10	103000					
54000	54999	1415	2.76	54000	104000	104999	2542	2.10	104000					
55000	55999	1443	2.76	55000	105000	105999	2563	2.10	105000					
56000	56999	1471	2.76	56000	106000	106999	2584	2.10	106000					

FEDERAL CHILD SUPPORT TABLES (ONTARIO ONLY) – SIX OR MORE CHILDREN

Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)			Income (\$)		Monthly Award (\$)		
From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over	From	To	Basic Amount	Plus (%)	of income over
0	7999	0			57000	57999	1637	2.99	57000	107000	107999	2862	2.30	107000
8000	8999	0	2.01	8000	58000	58999	1666	2.99	58000	108000	108999	2885	2.30	108000
9000	9999	20	5.01	9000	59000	59999	1696	2.99	59000	109000	109999	2908	2.30	109000
10000	10999	70	5.01	10000	60000	60999	1726	2.93	60000	110000	110999	2931	2.30	110000
11000	11999	120	4.84	11000	61000	61999	1756	2.88	61000	111000	111999	2954	2.30	111000
12000	12999	169	4.31	12000	62000	62999	1784	2.88	62000	112000	112999	2977	2.30	112000
13000	13999	212	4.22	13000	63000	63999	1813	2.88	63000	113000	113999	3000	2.27	113000
14000	14999	254	4.18	14000	64000	64999	1842	2.88	64000	114000	114999	3023	2.18	114000
15000	15999	296	4.51	15000	65000	65999	1871	2.95	65000	115000	115999	3044	2.18	115000
16000	16999	341	4.53	16000	66000	66999	1900	2.94	66000	116000	116999	3066	2.18	116000
17000	17999	386	4.53	17000	67000	67999	1930	2.91	67000	117000	117999	3088	2.18	117000
18000	18999	432	4.53	18000	68000	68999	1959	2.91	68000	118000	118999	3110	2.18	118000
19000	19999	477	4.53	19000	69000	69999	1988	2.91	69000	119000	119999	3131	2.18	119000
20000	20999	522	4.35	20000	70000	70999	2017	2.39	70000	120000	120999	3153	2.18	120000
21000	21999	566	4.35	21000	71000	71999	2041	2.21	71000	121000	121999	3175	2.18	121000
22000	22999	609	4.35	22000	72000	72999	2063	1.91	72000	122000	122999	3197	2.18	122000
23000	23999	653	4.35	23000	73000	73999	2082	2.21	73000	123000	123999	3218	2.18	123000
24000	24999	696	4.35	24000	74000	74999	2104	2.27	74000	124000	124999	3240	2.18	124000
25000	25999	740	4.53	25000	75000	75999	2127	2.30	75000	125000	125999	3262	2.18	125000
26000	26999	785	4.53	26000	76000	76999	2150	2.30	76000	126000	126999	3284	2.18	126000
27000	27999	830	3.27	27000	77000	77999	2173	2.30	77000	127000	127999	3305	2.18	127000
28000	28999	863	2.83	28000	78000	78999	2196	2.30	78000	128000	128999	3327	2.18	128000
29000	29999	891	2.70	29000	79000	79999	2219	2.30	79000	129000	129999	3349	2.18	129000
30000	30999	918	2.62	30000	80000	80999	2242	2.30	80000	130000	130999	3371	2.18	130000
31000	31999	945	2.62	31000	81000	81999	2265	2.30	81000	131000	131999	3392	2.18	131000
32000	32999	971	2.62	32000	82000	82999	2288	2.30	82000	132000	132999	3414	2.18	132000
33000	33999	997	2.50	33000	83000	83999	2311	2.30	83000	133000	133999	3436	2.18	133000
34000	34999	1022	2.43	34000	84000	84999	2334	2.30	84000	134000	134999	3458	2.18	134000
35000	35999	1046	2.19	35000	85000	85999	2356	2.30	85000	135000	135999	3479	2.18	135000
36000	36999	1068	2.21	36000	86000	86999	2379	2.30	86000	136000	136999	3501	2.18	136000
37000	37999	1090	2.27	37000	87000	87999	2402	2.30	87000	137000	137999	3523	2.18	137000
38000	38999	1113	2.33	38000	88000	88999	2425	2.30	88000	138000	138999	3545	2.18	138000
39000	39999	1136	2.45	39000	89000	89999	2448	2.30	89000	139000	139999	3566	2.18	139000
40000	40999	1161	2.52	40000	90000	90999	2471	2.30	90000	140000	140999	3588	2.18	140000
41000	41999	1186	2.60	41000	91000	91999	2494	2.30	91000	141000	141999	3610	2.18	141000
42000	42999	1212	2.60	42000	92000	92999	2517	2.30	92000	142000	142999	3632	2.18	142000
43000	43999	1238	2.60	43000	93000	93999	2540	2.30	93000	143000	143999	3653	2.18	143000
44000	44999	1264	2.60	44000	94000	94999	2563	2.30	94000	144000	144999	3675	2.18	144000
45000	45999	1290	2.60	45000	95000	95999	2586	2.30	95000	145000	145999	3697	2.18	145000
46000	46999	1316	2.60	46000	96000	96999	2609	2.30	96000	146000	146999	3719	2.18	146000
47000	47999	1342	2.84	47000	97000	97999	2632	2.30	97000	147000	147999	3740	2.18	147000
48000	48999	1370	2.69	48000	98000	98999	2655	2.30	98000	148000	148999	3762	2.18	148000
49000	49999	1397	2.99	49000	99000	99999	2678	2.30	99000	149000	149999	3784	2.18	149000
50000	50999	1427	2.99	50000	100000	100999	2701	2.30	100000	150000 or greater		3806	2.18	150000
51000	51999	1457	2.99	51000	101000	101999	2724	2.30	101000					
52000	52999	1487	2.99	52000	102000	102999	2747	2.30	102000					
53000	53999	1517	2.99	53000	103000	103999	2770	2.30	103000					
54000	54999	1547	2.99	54000	104000	104999	2793	2.30	104000					
55000	55999	1577	2.99	55000	105000	105999	2816	2.30	105000					
56000	56999	1607	2.99	56000	106000	106999	2839	2.30	106000					

About Cole & Partners

INTRODUCTION

In business for over 30 years, Cole & Partners is one of Canada's leading independent financial advisory practices, earning a reputation for candid opinions and the provision of solutions to complex financial and business issues in clear, concise terms.

FINANCIAL ADVISORY SERVICES

Cole & Partners provides a broad range of financial advisory services including:

- Financial Litigation Support and Damage Quantification
- Forensic Accounting Investigations
- Business and Intellectual Property Valuation
- Transaction Services including Mergers, Acquisitions and Corporate Finance

Our valuations practice encompasses businesses, securities, IP and other intangible for a diversity of purposes including:

- shareholder and partner agreements
- business and strategic planning
- estate, tax and corporate planning/reorganizations
- public securities and intellectual properties
- financial reporting including purchase price allocation and annual impairment testing
- fairness opinions

FINANCIAL LITIGATION SUPPORT AND ALTERNATIVE DISPUTE RESOLUTION

Cole & Partners provides:

- expert evidence
- valuation opinions
- damage and economic loss quantification
- competition analysis
- class action support
- forensic and investigative accounting services
- financial analysis and interpretation of accounting matters
- mediation and arbitration
- net family property and income calculations and settlement solutions for equalization claims.

FORENSIC & INVESTIGATIVE ACCOUNTING

Cole & Partners' team have extensive forensic and investigative accounting experience assisting management, Boards of Directors and outside counsel with crisis management and damage control - quickly quantifying the matter, keeping the issues in perspective and restoring confidence to the whole business. We act as both litigation consultants and expert witnesses.

OUR PHILOSOPHY

INDEPENDENCE & OBJECTIVITY

Cole & Partners' approach and work product is independent and objective. Our reports are very focused and reflect the unique blend of theory, litigation experience and business judgement.

INTERGRATED ENGAGEMENT APPROACH

We bring to our clients the breadth of the firm's experience and expertise. Each engagement integrates the following perspectives and experience.

- Business valuation
- M&A and corporate finance
- Litigation and expert testimony
- Financial and management accounting
- Business savvy
- Strong technology support systems

PRACTICE PHILOSOPHY

We accept only those assignments to which we can make a meaningful contribution to success and which are consistent with our practice philosophy of:

- Developing original insights and solutions that intergrate both market values and sound business judgment
- Providing candid opinions
- Making clear, concise reports and presentations
- Adhering to best practices
- Maintaining and independent, objective perspective while working with clients and professional colleagues

CLIENTS

Our client base is diverse and includes corporate clients ranging from North America's largest publicly listed companies to private companies and early stage technology start-ups; legal and accounting firms; individuals and senior executives; entrepreneurial families, Boards of Directors and Special Committees.

PERSONNEL AND OWNERSHIP

Our firm includes professionals from a broad range of disciplines – chartered accountants, engineers, chartered financial analysts, chartered business valuators, investigative forensic accountants and economists. Our Support staff is highly skilled and integral to the practice.

Cole & Partners is broadly owned by those who work in the firm

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