

## ESTATE ADMINISTRATION TAX

Have you been asked to accept the job of executor of an estate? There are new rules effective January 1, 2015 that affect estate administration and the estate trustee.

Anyone who receives a certificate of appointment of estate trustee after January 1, 2015 must now file a new Estate Information Return with the Ministry of Finance.

When applying for a certificate of appointment an estimate of the assets of the estate (if an actual valuation is not available) must be submitted and the estate administration tax (formerly called Probate fee) paid.

Estate administration tax is charged on the total value of all assets of the deceased's estate owned at the time of death including:

- Real estate in Ontario less any mortgages
- Bank accounts and investments
- Vehicles and boats, ATVs, motorcycles
- All property of the deceased held in another person's name
- All other property wherever located including; goods, intangible property, business interests and insurance if proceeds pass through the estate.

Assets such as insurance payable to a beneficiary, assets where there is joint ownership with right of survivorship and real

estate not in Ontario should not be included in the value of the estate.

There is no estate administration tax payable if the estate value is \$1,000 or less, but there is a requirement to file an Information Return even if the value of the estate is equal to or less than \$1,000.

The initial information return must be received by the Ministry of Finance with 90 calendar days after an Estate Certificate is issued.

If the value of the estate was estimated when applying for the estate certificate and you need to acquire the actual values, you must provide the Ministry of Finance with at least two information returns.

1. The initial information return must be received within 90 calendar days of appointment and should include estimated values for any assets for which a final value is not yet available and a copy of the undertaking made to the court to obtain the final value.

2. An amended return showing the final value of the estate, details of the valuation of the estimated assets and any additional tax paid must be received by the Ministry of Finance within 30 calendar days of receiving the valuation.

Failure to file the information return or making false statements on the return may result in a conviction of the estate representative and they will be liable to a fine of at least \$1000 and up to twice the tax payable by the estate, or imprisonment of not more than two years, or both.

An information return that is filed after the deadline can be assessed or reassessed at any time, up to four years from the date the tax became payable.

Failure to file a return or to provide false information, will result in the assessment period remaining open indefinitely.

## Universal Child Care Benefit (UCCB)

The government of Canada introduced the Universal Child Care Benefit in 2006 . All families were entitled to receive \$100 a month for each child under the age of 6 . This is taxable in the hands of the lower-income spouse. This benefit is available to all families and is not contingent on income.



The government has announced an enhancement to the UCCB starting in January 2015. The new benefit will provide payments for children aged 6 to 17 as well as children under the age of 6. Payments will start in July 2015 but will include six months payments to cover the period from January to July. To be eligible for this new benefit, parents must complete an application form for the Canada child benefit. If you think you have not previously received benefits for children over the age of 6, file the form RC66 Canada Child Benefits Application . If you are unsure file the application to be safe. You can find the form on the government website @ [www.cra-gc.ca](http://www.cra-gc.ca) and use the search option for Form RC66.

## RECORD OF EMPLOYMENT— WHEN TO FILE?

A record of employment (ROE) provides important information to Service Canada on employment history. This information is then used to determine whether or not a person is eligible to receive EI benefits, determine the amount of benefits that will be received, and the length of time they are to be received.

As an employer, you are required to issue an ROE whenever one of your employees experiences an interruption of earnings. Service Canada defines an interruption of earnings as being a period of 7 consecutive calendar days where a full time employee has no work or insurable earnings. For part time, casual, or on call workers, a 30 day period of no work or insurable earnings must occur in order to be classified as an interruption of earnings.

An ROE must also be issued if any of the following situations arise:

- Service Canada requests an ROE
- An employee requests an ROE

When an employer declares bankruptcy  
When the pay period type changes (weekly to bi-weekly, etc.)

When an employee is transferred to another  
CRA payroll account number

An ROE must be submitted 5 calendar days from the end of the last pay period in which the employee worked.

For more information relating to ROEs you can visit the following website:

[www.servicecanada.gc.ca/eng/services/ei/employers/roe](http://www.servicecanada.gc.ca/eng/services/ei/employers/roe)

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