

# HODGE PODGE

June 2016

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## **Canada Child Benefit**

Starting July 2016, the Government of Canada is replacing the Canada Child Tax Benefit, National Child Benefit Supplement, and the Universal Child Care Benefit with a new Child Benefit. This new child benefit is a monthly tax-free payment designed to help low- and middle-income families with children under the age of 18.

### **Do I need to apply to get the Child Care Benefit?**

If you already receive Child Care Benefits, you do not need to apply to receive the new benefit. Just ensure that you and your spouse/common law partner file a 2015 tax return. CRA will send you a notice in July letting you know if you are eligible to receive the Child Care Benefit and how much your payment will be.

*\*\* Income taxes and benefit returns must be filed every year to continue receiving the benefit.*

### **How much of the Child Care Benefit will I receive?**

The payment is based on how many children are in care as well as family net income.

Families with net income less than \$30,000 will receive the maximum benefit and families with net income over \$150,000 receive less benefits received under the old system.

### **What are the maximum benefits?**

- \$6,400 per year (\$533 per month) for each child under age of 6
- \$5,400 per year (\$450 per month) for each child aged 6-17
- additional \$2,730 per year if child qualifies for disability amount

CRA website contains a child and family benefits calculator for those who wish to calculate an estimate of how much their payments may be: <http://www.cra-arc.gc.ca/benefits-calculator/>

### **When do the benefit payments begin?**

July 20, 2016 is when the first of the Child Care Benefits will be issued. Following payments will be issued on the 20th of each month.



## **Employee vs. Self-Employed – Understanding the Difference**

When determining if a worker is an employee or self-employed, there are many different factors to consider. Among other things, it is important to think about the amount of control a payer has over the worker, ownership of tools/equipment used on the job, degree of financial risks, benefits provided, and whether or not the worker incurs costs that could be associated with running a business. Below are some more specific questions that often help determine whether or not the worker is actually self-employed.

- Can the worker accept/refuse work?
- Does the worker typically choose their own hours?
- Does the payer directly manage the worker in day to day operations?
- Does the worker provide their own tools and equipment with no reimbursement by the payer?
- Is the worker required to repair and maintain the tools used on the job?
- Can the worker hire subcontractors/assistants without permission from the payer?
- Does the worker incur financial costs such as a desk rental, advertising, etc.?
- Does the worker have a business number associated with the work they are performing?
- Does the worker have an opportunity to realize profit or loss?
- Does the worker receive benefits, vacation pay, insurance, bonuses, etc.?

If the answer to most of the above questions are yes, then it is likely that the worker is in fact self-employed. The CRA also has a more in depth guide called an RC4110 available if your situation is more complex – it can be found at the following address:

<http://www.cra-arc.gc.ca/E/pub/tg/rc4110/rc4110-15e.pdf>

If you are still unsure if the worker is an employee or self-employed, you can request a ruling from CRA by filling out form CPT1 found at the following address:

<http://www.cra-arc.gc.ca/E/pbg/tf/cpt1/cpt1-08b.pdf>

## **HAPPY CANADA DAY!!**

### **Ingredients**

1 small seedless watermelon, rind removed, flesh cut into large chunks

1 lb(s) strawberries, hulled and sliced, 1 cup reserved for garnish

1 bottle rose wine, cold

1 cup vodka

1 cup fresh orange juice

½ cup orange liqueur

1 orange, sliced

1 lime, sliced



### **Directions**

1. Combine the watermelon and strawberries in a blender and blend until smooth; add a splash of the vodka if needed to get the fruit pureed.

2. Strain into a large pitcher; you will need about 4 cups total juice. Add the rose, vodka, orange juice and liqueur and stir to combine. Add the orange and lime slices, cover and refrigerate for at least 1 hour and up to 24 hours. Just before serving, add the reserved strawberries. Serve in glasses over ice.

<http://www.foodnetwork.ca/recipe/watermelon-strawberry-sangria/16090/#jc6YrKHOaCJzdJw0.99>



## **Small Business Rules Changing**

The recent March 22, 2016 federal budget included significant changes to the existing small business deduction rules.

The rules are proposed to apply to taxation years beginning on or after March 22<sup>nd</sup>, 2016.

The legislation impacts association rules and the sharing of the small business deduction amongst groups of related corporations. Under the new rules profit earned from revenue sourced from a related corporation is not eligible for the small business deduction. In order to capture these amounts, accounting systems will need to be revamped to isolate both revenue and expenses from a specific customer. This becomes even more challenging to calculate as profit for income tax purposes may be different than profit for accounting purposes. In addition indirect ownership of related corporations becomes a factor in calculating the impact on the small business deduction.

Monitoring these transactions will need to be done continuously to consider the tax implications.

More information on this subject will follow in our upcoming budget synopsis.



## **Changes to the Integrated Accessibility Standards Regulation**

The Ministry of Economic Development, Employment and Infrastructure have made changes to the accessible customer service standard that will come into effect on July 1, 2016. All organizations in Ontario with one or more employees must comply with such changes.

*What are some of the main changes?*

- All employees/volunteers must be trained on accessible customer service.
- Regulated health professionals can now provide documentation of a need for a service animal.
- If a support person is required to accompany someone with a disability, the fee or fare for the support person must be waived.
- Private sector and non-profit organizations with 20-49 employees do not need to document policies going forward.

For more details about this change, please visit <http://medei.s3.amazonaws.com/Quick-Reference-Guide.pdf>



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