Hello Clients and Friends! We have made additions to our client portfolio and website to serve you better.

AR Jaffer Professional Corporation
Chartered Professional Accountant
KNOWLEDGE · VALUE · TRUST

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Dear Clients and Friends,

As another year draws to an end we at AR Jaffer Professional Corporation would like to wish you a Safe and Happy Holiday Season!

Because the goodwill of those we serve is the basis of our success, we would like to say thank you for the confidence you place in us. Our firm continues to grow largely as a result of the number of referrals our satisfied clients make throughout the year. The highest compliment you can give us is the referral of a new client. We are experienced in dealing with clients in various industries and you can rest assured we will go out of our way to take care of any new clients you refer to our services. We look forward to your referrals.

Here is a list of items we will cover in this edition:

1. Updates to Website
2. Summary of Tax Changes
3. Year End TAx Planning Tips
4. Important Tax Deadlines
5. Year end Cash Flow Saving Tips
6. Our Professionals

If you have any questions or comments, do not hesitate to contact us. The Financial Tools on our website will continue to assist you in your everyday financial and tax planning needs.

If you missed it in our last newsletter, our website is now mobile ready! You can now visit our site on your Blackberry, Ipad, Samsung or Android devices. The latest Tax information is now at your fingertips wherever you are!

Yours truly,

Ali Raza Jaffer, CPA, CGA, MBA, BComm
President, AR Jaffer Professional Corporation
Chartered Professional Accountant

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1. Updates to Website

Our website is always being updated. Please take the time to visit us at http://www.alicga.ca/ for information on individuals and businesses.

We are also available on our social media platforms:

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2. Summary of Tax Changes

1. Personal Tax Rate Changes

- a reduction in the federal tax rate for income between $45,283 and $90,563 to 20.5% (from 22%), starting January 1, 2016
- An increase of 4% in the tax rate for income over $200,000 to 33% (from 29%), starting January 1, 2016.

New Federal Rates

Taxable income	2016
Up to $45,282	15.0%
$45,283 to $90,563	20.5%

$90,564 to $140,388	26.0%
$140,389 to $200,000	29.0%
Over $200,000	33.0%

This tax relief is worth up to $670 per person, per year – or $1,340 for a two-income household.

2. TFSA Limit

The Contribution limit for Tax-Free Savings Accounts will be reduced to $5,500 per year (from $10,000 per year), starting in 2016.

The annual contribution limit for calendar 2016 and subsequent years will be $5,500, subject to an annual indexing review. The 2015 contribution limit will remain at $10,000.
Since its inception in 2009, the annual contribution limits were $5,000 in 2009 to 2012, $5,500 in 2013 and 2014, $10,000 in 2015. The cumulative contribution limit for 2016 is $46,500 for an individual who was 18 or older on 1 January 2009.

3. Canada Child Tax Benefit

- Proposed of about $490 per month for two child family with income of $90,000.
- Replace the Universal Child Care Benefit with the Canada Child Benefit. This new plan will increase funds to those families with a household income between $90,000 and $150,000. The Canada Child Benefit will not apply to families with a household income of $200,000 or more.

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3. Year End Tax Planning Tips

1. Income acceleration into 2015:If you are affected by the federal tax rate increase, you may want to consider accelerating income into 2015 versus 2016 (or, where possible, deferring expenses or deductions until 2016) to realize tax savings.

2. Maximize TFSA contributions, specifically the $10,000 limit in 2015

3. Tax Loss Selling With the year coming to an end, taxpayers look at opportunities to optimize their tax position. One of the strategies that can be used is called Tax Loss Selling. The strategy involves triggering a loss on a non-registered investment that's worth less than its original cost. If an individual has capital gains that could result in taxes payable, a review of all of the investments that are losing money could be offset against these gains to reduce taxes payable.

Example: Any excess losses can be applied against losses from the past three tax years or carried forward to be used in future years. If you have a $10,000 capital gain from 2015 and realize in December that you have accumulated a loss of $6,000 on another investment, you can sell that second investment to trigger a loss resulting in a net capital gain of $4,000. Per the tax rules, 50% of that gain is taxable. One of the conditions of this rule is that the same stock cannot be repurchased for at least 30 days. The transaction must also be settled before year end

4. Optimize Medical Expenses:

The rule is that qualifying medical expenses (a list of which can be found on the Canada Revenue Agency website) in excess of 3% of the taxpayer's net income, or $2,171, whichever is less, can be claimed for purposes of the medical expense tax credit.

The taxpayer can claim qualifying medical expenses incurred during any 12-month period which ends in the current tax year, meaning that each taxpayer must determine which 12-month period ending during 2015 will produce the greatest credit amount

5. Deductions and credits:

- Maximize RRSPs
- Contribute to charities by December 31
- Maximize business expenses
- Take advantage of income deferring (bonuses, billing)

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4. Important Tax Deadlines

We have put together a number of important dates that will assist you in your tax and personal finance planning. There are also a number of calculators available on www.alicga.ca.

- •2015 Source Deduction deadline: January 15, 2016
  •E-filing deadline for filing of 2014 tax returns: January 15, 2016
  •T4/T5 Filing deadline: February 29, 2016
  •RRSP deadline: February 29, 2016
  •Tax Filing and payment deadline (individuals): April 30, 2016
  •Tax Filing deadlines (sole proprietor): June 15, 2016 (Payment, if any, due April 30, 2016)

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5. Year End Cash Flow Savings Tips

1) Complete a cash flow forecast weekly – don't wait until the end of the month, quarter or year
2) Determine the key drivers of your business (eg. Is it time, is it raw materials, is it units)
3) Find the root cause of variances to budget. Don't just adjust the numbers going forward
4) Make sure you capture 1 time large events
5) Prepare a rolling forecast 6 months into the future
6) Don't use high level estimates. Spend the time to prepare an accurate cash flow forecast
7) Make sure you include cumulative cash flows

8) Consider seasonality when preparing your cash flow forecast
9) Pay off your credit card and take a line of credit if you absolutely need to borrow
10) Prepare a tax plan!

6. Our Professionals

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