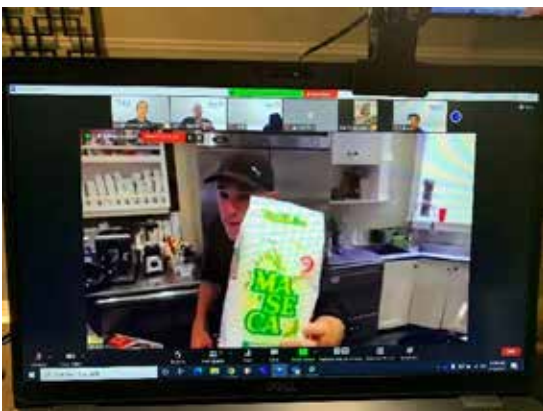


BDCA

CHARTERED PROFESSIONAL
ACCOUNTANTS

Dear Valued Clients and Friends:

With a blink of the eye, the end of the summer is approaching. The staff here at BDCA have been able to enjoy some time off. Below are a couple of pictures from our post tax season team-building cooking event. Lots of fun was had as we cooked our hearts out Mexican taco style!



CEWS and CRHP - Update

But getting back to business, lots continues to happen in the economy, the world, and the Canadian taxation and subsidy system. Statistics Canada released in June 2021 that \$5.6 billion in wage subsidies were distributed

to support employers in rural areas and \$50 billion to those in urban areas for the period March 15 to October 24, 2020. The federal government also advised the extension of the CEWS (Canada Emergency Wage Subsidy) to October 2021 and released the new CRHP (Canada Recovery Hiring Program) commencing with the claim period ending July 3, 2021. Canadian businesses may choose which ever method results in the greatest refund. Basic changes to the rules include the following:

- For the period ending July 31, 2021 and onwards, there must be at least 10% revenue drop to qualify for either program
- CEWS rate will gradually decline
- Eligible remuneration paid to employees on leave with pay is no longer included in the CEWS calculation as of claim period 20

Did you miss a CWS filing deadline? There is a possibility CRA will re-open the period for your business.

- If you missed the deadline for a claim period, you may now ask the CRA to review your late request to apply for the subsidy (or increase your previously-claimed subsidy amount) under certain circumstances. You have a limited time to send a late request, and you must contact the CRA first to see if you qualify.

CERS, CRB, CRCB, and CRSN

Consistent with the extension of the CEWS/CRHP, the government also extended the deadline to October 23, 2021 for these subsidies:

- Canada Emergency Rent Subsidy
- Canada Recovery Benefit
- Canada Recovery Caregiving Benefit
- Canada Recovery Sickness Benefit

BDCA continues to assist its clients with the above subsidy claims. Please do not hesitate to reach out to us for assistance with the above.

CRA Updates

Mail: The mail system proves to continue to have its deficiencies, with certain packages taking much longer in transit and/or simply never arriving as

intended. For any documentation you mail to the CRA, please ensure to have it registered with signed receipt to ensure its delivery as intended and on a timely basis. Wherever possible, upload your documents directly into CRA's system via its "submit documents" feature directly into your personal and/or business accounts. We encourage you to obtain online access to your accounts to alleviate the mail concerns above as well as to help avoid the wait times noted below.

Wait Times: Although we are 2 years into this pandemic, we still continue to encounter telephone wait times with the CRA of approximately 1.5 hours. Certain CRA divisions have a call back feature available currently which did not exist before.

PD27: The CRA is slowly processing the PD27 forms that were submitted with the year-end T4s for those businesses that claimed the CEWS or the TWS subsidies for the 2020 calendar year. Please ensure to check your RP account from time-to-time to ensure they have been approved as filed. Some businesses have been asked for further information to substantiate the claims, those that did not submit the form that should have will find a \$25,000 amount owing, and others have either been accepted as filed or continue to wait for final determination. Please notify your BDCA representative if you need assistance with the above.

CRA Personal Tax Installments: CRA has recently sent out its personal tax reminders for the September 15 suggested installments. It is difficult for anyone including the CRA to determine in advance what each and every taxpayer's liability will be for this 2021 personal tax year. As a result, the CRA uses the "no calculation option" which essentially uses the 2020 tax liability as an estimate for 2021. BDCA typically takes an average of the prior 2 years to determine the suggested instalments reported to our personal tax clients. As income does fluctuate yearly and sometimes is difficult to determine in advance, using CRA's instalment notice to pay your tax balance as a rule of thumb is the most conservative (not necessarily the most accurate). CRA will charge instalment interest if your final balance owing is greater than it's estimate using its posted rate of interest (currently 5% per annum). Instalment penalties are applied by the CRA if the interest charged for 2021 is greater than \$1,000 (if you underpaid instalments by

\$20,000 essentially). What if you know your income will be much lower for 2021 as compared to 2020? Do you still need to pay the full instalments to avoid interest? No you do not..... call us to assist you with determining an appropriate amount to pay if you do not want to pay the potentially larger amounts suggested by the CRA.

NEW Statutory Holiday!

Did you know that September 30 is a statutory holiday? National Day For Truth and Reconciliation received royal assent on June 3, 2021. This holiday only applies to Federal Government Agencies (ie. Banks, Federal corps etc...). Ontario has not adopted this statutory holiday at this time.

Staff Update

We are excited to share with you that our tax team continues to grow. Our new Senior Manager of Taxation Services will be joining the firm during September and brings to the Organization complementary strengths and significant years of experience in many areas including corporate and personal tax planning, restructuring, and more that are aligned with the goal of maximizing your wealth.

John Stewart has joined our valued client in the role of president. The strong well-established relationship, knowledge of the business, opportunity and challenge made the perfect match for both. He will be sadly missed but we are truly thrilled for both and their exciting future ahead.

Prabhjot Sandhu (aka "PJ") and Ade Adewunmi have both been promoted to Senior Accountants. We are proud of the growth that they and the BDCA team continues to experience as well as the quality service that they do provide.



Estate Planning and Probate Minimization Webinar

Please block your calendars September 21, 10:30 – 11:30 am for a most valuable estate planning and Probate Reductions strategies Seminar. This seminar is back by popular demand and is full of updates that will most definitely guide you and your loved ones with critical planning. Valuable tips will be provided to you, and

for those attendees that join and remain for the full presentation, you will be entered into a draw to win some BDCA “swag” including cooler bags, designer t-shirts, and more.

As BDCA wraps up the summer, and heads into fall, the team begins to prepare for the next “busy season” by attending numerous professional development courses. Various tax updates, seminars, conferences and more are attended to ensure the team is well equipped on legislative changes in order to deliver you the utmost of quality.

Last note for this summer communication, the BDCA family continues to grow. Below is our newest assistant Sadie. Just 8 weeks old, she is full of energy and ready to take on the world! Have a great week everyone.

