

# DMC Newsletter

October/November 2016



## What's New at DMC...

We are excited to announce that we are expanding our office. Starting this fall, we will begin renovations in the space above us to accommodate our growing team.

Aside from a little extra noise, there will be no interruptions to the services that we provide.

### **Tips for Preventing Colds and Flu in the Workplace**

It's that time of year again, there are many actions you can take to prevent the spread of cold and flu viruses at work.

#### **Cold and Flu Prevention in the Workplace:**

- Wash Your Hands for at least 15-20 seconds with soap many times a day.
- Following washing, turn off the faucet with a paper towel. Dry your hands with an air dryer or a clean paper towel, use a paper towel to open the bathroom door and dispose of paper towel in a trash bin outside of door.
- Use a hand sanitizer between washing.
- Avoid touching your face, eyes, or rubbing your nose.
- Wash out your water bottle daily.
- Clean shared items such as phones, keyboards, handles and door knobs with alcohol wipes or other sanitizer type wipes.
- Avoid close contact with anyone who has a cold or flu.
- Sneeze and cough into a tissue, throw the tissue away, and then wash your hands. If you don't have a tissue cough or sneeze into your elbow rather than your hand.
- Drink plenty of fluids, but do not share drinking cups or straws.
- Get lots of fresh air.
- Exercise regularly and frequently.
- Eat healthy foods such as whole grains, fresh fruits and vegetables.
- Don't smoke and decrease alcohol consumption.
- Relax – stress can decrease immunity.
- Avoid contact with known allergens - allergies affecting the nose or throat may increase the chances of getting a cold or flu.

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## **Changes to Eligible Capital Property Rules**

Changes in the Federal Budget are now in draft legislation form. They generally take effect on January 1, 2017.

The main changes provide that eligible capital property of a business – which includes intangibles such as goodwill, unlimited licenses, and customer lists – will no longer be subject to the cumulative eligible capital (CEC) depreciation rules. Instead, the property will form a new class 14.1 of the depreciable property, and will be subject to the regular capital cost allowance (CCA) rules that apply to other depreciable property.

### **Summary of new rules**

Under the new rules beginning in 2017, the full cost of property that is currently eligible capital property is added to the Class 14.1 undepreciated capital cost (UCC) pool of depreciable property. The cost of the property may be depreciated at an annual rate of 5% under the capital cost allowance rules.

When you sell a property, the lesser of the proceeds and your original cost of the property reduces your UCC pool. If the UCC pool becomes negative, the negative amount results in recapture under the existing depreciable property rules. If you sell the property for more than its original cost, the excess is a capital gain, which is then subject to the capital gains treatment.

### **Various transitional rules**

There are many transitional rules, and they are far too lengthy and complex to review here in detail, please contact DMC for more information.

### **Planning Points:**

Under the current rules, there is a significant tax deferral benefit when a Canadian Controlled Private Company disposes of Eligible Capital Property. This is due to the fact that half of the amount is taxed as active business income and the other half is added to the Capital Dividend Account. Active income is taxed utilizing the small business rates and the Capital Dividend Account has the ability to distribute a significant portion of cash to the shareholders on a tax-free basis.

Under the new rules, the tax treatment on the sale of Eligible Capital Property, as detailed above is eliminated and the sales are subject to capital gains treatment, which will make the sale of these types of property unattractive.

If you are considering selling your business, and your business has significantly internally-generated goodwill, or accrued gains on other types of Eligible Capital Property, consider having the sale close on or before December 31, 2016 at the fair market value to trigger those accrued gains, to maximize the taxable benefits under the old tax regime.



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## Tips for Preventing Colds and Flu in the Workplace



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### Prevention Myths:

According to the National Institute of Allergy and Infectious Diseases there are some common myths about preventing and treating colds and flu.

**Myth 1:** Take antibiotics Fact: Antibiotics only act on bacterial infections, and they do not work against viruses, including cold and flu viruses

**Myth 2:** Starve a cold and feed a fever/flu Fact: There is no conclusive evidence for withholding or increasing food or drink intake to reduce the symptoms or duration of a cold. The body needs adequate nutrition and fluids, especially during stress, to maintain body functions.

**Myth 3:** Vaccines prevent colds Fact: Vaccines only work against the specific type of influenza virus for which it was designed and there are no effective universal vaccines against the common cold viruses.

**Myth 4:** Take Vitamin C to prevent or stop colds Fact: Vitamin C trials have shown encouraging results for reducing some cold symptoms and reducing the duration of illness; however, it hasn't been proven to cure or prevent infection.

**Myth 5:** Dress warmly or you'll catch a cold. Fact: While it's important to keep warm, colds are spread person-to-person or from contact with a contaminated surface. Wash your hands! The single best thing you can do to prevent cold and flu.

### Treating a Cold or Flu:

- If you do get sick, stay at home if you can.
- Stay hydrated by drinking plenty of water or juices – between 9-13 cups per day)
- De-stress and avoid strenuous activity – physical, emotional, or mental stress can be major drains on the immune system
- Get plenty of rest – most people need seven to nine hours of sleep each night
- Drink green tea or ginger tea each stimulate the immune system to fight off infections
- Ask your doctor about over the counter drugs which may alleviate symptoms

### Have these Items Handy While at Work:

- Water, decaffeinated tea, or juice
- Tissues
- Eye drops Alcohol-based hand sanitizer
- Hand cream or lotion
- Over the counter drugs
- Cough drops/lozenges
- Vitamins

Reference: <https://www.simmons.edu/~media/Simmons/About/Center-for-Hygiene-and-Health/Documents/Tips-for-Preventing-Cold-and-Flu-in-the-Workplace>

## 8 Things Students Need to Know at Tax Time

Students: make sure you claim the tax credits, deductions, and benefits you are eligible for when you file your income tax and benefit return.

Here are some tips to help you do your taxes:

1. Remember to collect **all** T4s from **all** jobs, and be sure to report them on your tax return.
2. Know what you are eligible for in advance. As a student, there are many things you may be able to claim, including your:
  - Tuition fees
  - Education amount
  - Textbook amount
  - Interest paid on your student loans
  - Public transit amount
  - Eligible moving expenses
  - GST/HST credit; and
  - Your child care expenses.
3. Remember to keep your address up-to-date if you move for work or school. You can change your address easily in My Account.
4. You can let a parent or another person deal with the CRA on your behalf by using the Authorize my representative service in My Account. Your representative will have then access to your information and the online services to easily manage your account.
5. Sign up for CRA's online services to make taxes easier and get your refund faster. File your income tax and benefit return, make a payment, track your refund, receive your notice of assessment, and more. Also, sign up for direct deposit and get your refund deposited straight into your account. For more information, go to [cra.gc.ca/getready](http://cra.gc.ca/getready).
6. Get the myCRA mobile app and view your tax information anytime, anywhere. To easily keep track of any benefit payments, get the MyBenefits CRA mobile app.
7. The CRA has a YouTube channel full of videos that help you understand Canada's tax system. Check out two videos that will help you put cash back in your pocket this filing season: Filing your Tax Return and Filing by Yourself.

Reference: <http://www.cra-arc.gc.ca/nwsrm/txtps/2016/tt160914-eng.html?rss>