
CONTREN MANAGEMENT CONSULTANTS INC.

SUMMER 2009 NEWSLETTER

SUMMER OFFICE HOURS



As in the past, our office will be closed on Fridays for the summer, starting June 5, 2009 and ending September 4, 2009.

We will be reviewing our messages frequently whenever the office is closed.

STATUTORY (PUBLIC) HOLIDAYS

A reminder that Victoria Day, May 18, Canada Day, July 1 and Labour Day, September 7 are paid Public Holidays in Ontario. The Civic Holiday, August 3, is **not** a paid Public Holiday.

With Canada Day falling on a Wednesday most employers will need to decide to close on either the Monday prior or the Friday after. Businesses that fall under the *Retail Business Holidays Act* must close on the Wednesday. If the *Retail Business Holidays Act* doesn't apply to your business the employer can decide to close on an alternative day as long as the employee's agree in **writing** to the change prior to July 1. The employee's will be paid for the hours worked on July 1, at the normal rate of pay, and receive a substitute day off with their calculated public holiday pay.

FIRST TIME HOME BUYERS TAX CREDIT (HBTC)

The HBTC is a one time non refundable tax credit for eligible first time home buyers. The program operates as follows:

- The property purchased must be the first property owned and lived in by the buyer and their spouse or common law partner.
- The HBTC is *family* based, therefore only one spouse is eligible to claim the credit.
- The program allows for a \$5,000 federal non refundable tax credit, which reduces your federal personal tax liability at the lowest tax rate. As this rate is presently 15% the HBTC will **reduce** your taxes by as much as \$750 but will not create a federal personal tax refund.
- The program is administrated through the filing of your personal tax return.
- The program applies to qualifying property purchased after January 27, 2009.
- There is no immediate requirement to provide proof of home purchase however you may be required to provide documentation.
- There is not an expiration date for this program.

HOME RENOVATION TAX CREDIT (HRTC)

The HRTC is a one time non refundable tax credit for eligible expenditures on eligible dwellings. This program operates as follows:

- The HRTC is *family* based, therefore only one spouse is eligible to claim the credit.
- The HRTC is principal residence based, however expenditures at your cottage *may be* eligible but would eliminate any possibility of a claim for your home.
- The HRTC is calculated as a *non refundable tax credit*, calculated at 15% of the eligible expenditures. This means that the HRTC will **reduce** your federal taxes but will not create a federal personal tax refund.
- The HRTC is calculated on expenditures above \$1,000 up to \$10,000. The maximum credit will be 15% of \$9,000, therefore **\$1,350**.
- The HRTC only applies to expenditures of a permanent, capital nature to improve the premises. Maintenance items do not qualify.
- There is no immediate requirement to submit proof of purchase of goods and/or labour however you will need to keep receipts in the event of review by the CRA. This will eliminate any “cash” only contractors.
- The qualifying period for expenditures is January 27, 2009 to February 1, 2010 and only applies for the 2009 taxation year.
- The program is administrated through the filing of your 2009 personal tax return.

SIMPLY ACCOUNTING

Simply Accounting had updated their software package at the end of 2008. Their new version is Simply 2009 Pro. They have ceased supporting the Simply 2007 package and any Simply 2007 user will need to upgrade to Simply 2009 Pro in order to receive the payroll updates. Any user of Simply 2008 that has subscribed to the SimplyCare program will continue to receive payroll updates in calendar 2009.

The update to the 2009 has been very smooth, at least for our clients that switched, and we now recommend that all Simply Accounting users update their program to the Simply 2009 Pro version. We also suggest purchasing the SimplyCare program presently as the service will include the payroll updates for calendar 2010.



Subscribers to the SimplyCare program are be able to download the lastest payroll updates (April 2009) from their website, www.simplyaccounting.com.

CHARITABLE DONATIONS

As we processed our clients personal tax returns this year we noticed a number of donations paid by credit cards. A number of our clients included the copy of the credit card slip, printed off the charitable organizations website, as proof of their donation, however we didn't receive a copy of the **official** charitable donation receipt.

As an increasing number of donations are made on line it becomes somewhat confusing as to the availability of an official receipt. Some organizations will email the receipt to you, some organizations "create" the receipt when the credit card payment is processed and others will actually mail a receipt to you. Please remember to review the site when making a donation, to determine when and how you will obtain your donation receipt.

HOURS OF WORK



Most employee's and employer's are familiar with the "3 hour rule" phrase however it is usually misunderstood.

The actual application of the rule is that if the shift scheduled for the employee is 3 hours or longer but the employee *works less* than 3 hours the employer must pay the employee for at least 3 hours of work.

This rule has been interpreted, usually by employee's, to mean that an employer can't schedule shifts that are less than 3 hours in length and/or send an employee home during a shift. You **can** schedule shifts that are less than 3 hours in length and you **can** send an employee home. These decisions are at the employers' sole discretion.