
CONTREN MANAGEMENT CONSULTANTS INC.

DECEMBER 2008 NEWSLETTER

OFFICE CHRISTMAS HOURS

As always, in the spirit of the Christmas season, our office will be closed to allow our many staff members to enjoy time with their families. The office will be closed from December 24, 2008 and will reopen the morning of January 5, 2009.



We will be checking our messages on a timely basis throughout the Christmas holidays and will respond as required.

SIMPLY ACCOUNTING

Simply Accounting has, as they do every year, updated their software package, 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.

Any Simply Accounting user of an older version who has been upgrading their version by using another companies' payroll updates will need to purchase Simply 2009 Pro with Payroll in order to stay current for 2009.



Subscribers to the SimplyCare program will be able to download payroll updates from their website, www.simplyaccounting.com, at the end of December 2008.

EMPLOYEE EXPENSES DEDUCTION

Qualified trade employees are able to deduct legitimate tool costs from their income for the 2008 taxation year. The employee must be a registered tradesperson and **must** provide an itemized list of purchases for the employer to approve.



In practical terms this means that each employee must keep their receipts for any tool purchases and provide this information to their employer. The employer will then need to complete a **T2200** for the employee to sign. Both the employee and employer will need to keep a copy.

STATUTORY (PUBLIC) HOLIDAYS

A reminder that Christmas, December 25, Boxing Day, December 26, New Years Day, January 1 and Family Day, February 16 are paid Public Holidays in Ontario.

If your employee works any public holiday they are entitled to 1.5 times their regular pay **plus** their Public Holiday pay. Dependent on your companies work schedule your employees **can** be paid for the Public Holiday on a substitute day chosen by the employer. The substitute day needs to be designated and honoured within three months of the actual Public Holiday.



PAYROLL INFORMATION

For calendar 2009 the CPP deduction rate has remained constant at 4.95% however the maximum earned income amount has increased to \$46,300. This increase means that the maximum CPP deduction for an employee will be \$2,118.60 for 2009.

For calendar 2009 the EI deduction rate has remained constant at 1.73% however the maximum earned income amount has increased to \$42,300. This increase means that the maximum EI deduction for an employee will be \$731.79 for 2009.

Effective January 2007 the CRA no longer provides payroll tables in a paper format and will be limiting the number of CD's. All information for manual payroll calculations will be available at www.cra-arc.gc.ca/tx\bsnss\tpcs\pyrll\tbls-eng.html

The new basic personal exemptions for 2009 are as follows:

Federal	\$10,100
Provincial	\$8,881



Please adjust your personnel information accordingly if you process payroll internally.

Please note that the CRA has an online payroll calculator, which allows an employer to prepare pay cheque's online using the current rates and information. If you are processing payroll for three or less employee's this is an excellent method to provide an accurate payroll calculation and information.

ONTARIO MINIMUM WAGES

A reminder that the minimum wage rates for Ontario increase effective March 31, 2009, details as follows;

- General Minimum Wage: \$9.50 per hour,
- Student Minimum Wage: \$8.90 per hour,
- Liquor Servers Min Wage: \$8.25 per hour.



TAX FREE SAVINGS ACCOUNTS



A reminder that effective January 1, 2009 all Canadians 18 years and older will be eligible to contribute \$5,000 annually to a TFSA, with any unused contribution room being carried forward to the next year.

Any income, gains and/or losses from the investments made in your TFSA will not be reported on your personal tax returns and will not impact any income tested Federal benefit programs (ie: OAS, GST, Child Tax Benefits).

Please talk to your investment advisor prior to establishing a TFSA.

APPRENTICESHIP INCENTIVE GRANT (AIG)

In 2007 the Federal government announced the AIG as a reward for first and second year apprentices. Each eligible apprentice enrolled in a *Red Seal Trade* can receive a \$1,000 grant upon completion of their first and second year of the program. *Red Seal Trades* include Automotive Service Technicians, Carpenters, Hairstylists, Machinists, Painters, Welders and another 40 trades.

If you employ a first or second year apprentice please direct them to this website for further information:

www.servicecanada.gc.ca/en/goc/aig

Please note that these grants are considered taxable income so they need to be reported on the apprentice's personal tax return.

MPAC ASSESSMENT NOTICES

Any property owner, both commercial and residential, will have received a Property Assessment for 2008. This assessment will have the *market* value of your property as of January 1, 2008. This new value will be the basis for your 2009 property taxes.

Our properties' new value was 46% higher than our Property Assessment for 2006. This means, basically, that our property taxes would be 46% higher for 2009. We immediately filed a Request For Reconsideration (RFR), with a couple of facts outlining that the market value for 2008 was too high. As a result of our filing an RFR we received an updated Assessment where our market value was only 6% higher than the 2006 value.

We strongly recommend that all *commercial* property owners file an RFR if their 2008 value is 10% higher than their 2006 value as this process is free.