



# Balance

The Group Health Forum

Issue 1 Volume 2

WINTER 2008

## The Baicorp Buzz

We wish Claudia Sweeney all the best as she pursues a new career opportunity. We thank Claudia for her great contributions to the Baicorp and BaiTrack teams!

Baicorp Financial Inc. & BaiTrak Benefit Administrators are pleased to welcome Teresa Montemurro to the team as the Office Manager. Teresa brings over 18 years of insurance experience in the Group Insurance and Individual Disability & Life Insurance. Teresa can be reached at 905-844-8820 or by email at [teresa@baicorp.ca](mailto:teresa@baicorp.ca).



## T4 Tips; Reporting Taxable Benefits

With the end of the 2007 tax reporting period upon us, it's a good time to ensure that you are properly reporting employee benefit contributions on T4's. 100% of plan sponsor contributions for Life and Dependant Life Insurance must be reported as taxable benefits and be allocated in Box 14 of the T4 each year. For detailed information on taxable benefits reporting, visit the Canada Revenue Agency's website at [www.cra.gc.ca](http://www.cra.gc.ca) or call them directly at 1-800-959-5525.



## Quarterly Quote

The world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow.

*Rupert Murdoch*



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## Tax Optimization

When plan members are co-contributors to your employee benefits plan, you, as the plan sponsor, can ensure those employee dollars are allocated in a tax-preferred manner for employees. As a rule of thumb, when you have a non-taxable LTD benefit, employee contributions will be allocated first to cover this premium, including retail sales taxes. Any employee contributions remaining should be allocated to cover their Life and Dependant Life Benefits. This form of employee-contribution allocation enables employees to optimize their benefit investment by avoiding a taxable benefit that is incurred when the employer funds the Life and Dependant Life Insurance.

*For more information on Tax Optimization, please call Steve Langdon or Darrin Johns at 905 844-8820*

### Overview of Tax Changes 2007/2008

CPP	Maximum CPP contribution for 2007 \$1,989.90.
EI	Maximum EI contribution for 2007 \$720.00.
GST	Effective January 1 GST lowered to 5%.
Personal Income Tax	Retro to January 1 2007 taxable income up to \$37,178. Federal tax rate decreased from 15.5% to 15%.
Basic Personal Amount	January 1 2007, an individual can earn \$9600 without paying federal personal income tax. Up from \$8839 in 2006. Further increase to \$10,100 for January 1st 2009.
Lifetime Capital Gains	Increased to \$750,000 from \$500,000 for gains realized on disposition of qualified farm and fishing property.
RRSP Age Limit	Seniors are now allowed to convert their RRSP to a RRIF at age 71, instead of 69.
RRSP Contribution Limit	January 1 2007 maximum RRSP contribution limit is now \$19000, \$1000 higher than 2006.
RRSP Future Limits	January 8 2008, limit will be set at \$20,000. In 2010 the ceiling will be \$22,000.

## COLD AND FLU SEASON

### Tips and Tricks to Beat the Bug!

1. Wash your Hands! Keep your office well stocked with hand-sanitizers and reminders for employees to regularly wash their hands. Many of the bugs that get passed throughout the office can be avoided simply by practicing good personal hygiene.
2. Get the Shot! Encourage your employees to get the flu shot. Speak with your local health unit about up-coming public vaccinations, allow employees time off to get their shot, or have a public health nurse come direct to your office to administer the shot.
3. Allow sick employees time off! Creating a culture where employees are encouraged to stay at home when they are sick will help curb the spread of illness. A sick employee who drags themselves around the office is rarely productive and often infects co-workers.

*We trust you all had a wonderful holiday season and may 2008 bring you good health and many successes!*



**We'd appreciate your comments!**

Please email any feedback, questions or article suggestions for Balance: The Group Health Forum to: Tony Poverelli at [Tony@baicorp.ca](mailto:Tony@baicorp.ca)

