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## **New Year! New Opportunities! New Taxes!**

**Written by Janine Purves, CFP, CPCA**

We all want to plan for an exciting future at this time of year, and that should be your focus. However, with so many tax changes, it's important to ensure your life plans work with your best financial future too.

What new budget issues are important to you?

- A reduced tax rate of 0.5-1.5% for those with income of \$40,000-90,000.
- An increase at the top tax bracket in 2016 to 53.35% in Ontario! Sound steep? It is. Based on the new rates, announced earlier this week, anybody earning over \$200,000 will pay approx. 4% more on earnings over that amount.
- TFSA limit has been reduced to \$5,500 for 2016. Less opportunity to build savings tax-free.
- More enforcement of US tax issues, for many Canadian residents who own US property, US stocks, or have a green card or citizenship. This means that more of you should be filing a US tax return.
- Small Business tax rates are being reduced, as was planned based on the 2015 budget from 11% to 9% over the span of 4 years. This helps the small business that is incorporated, but not the sole proprietor or the employee.

Don't think these affect you? The Final tax return (the one that's payable upon the death of your loved one) may also be subject to this extreme tax. It's usually the highest tax bill we ever pay. Do you want CRA to be your largest beneficiary in the future?

These new rules affect Testamentary Trusts, and Family Trusts which will now be taxed at the top tax rate. That means that you pay 53.5% tax on everything earned inside the trust.

So, what does this mean to you?

Well, it means that planning for your future has become more critical than ever.

It means considering after-tax planning is crucial to ensure a strong financial future.

More products, more rules, and higher taxes when you finally "make it" just add to the stress. You just want to work hard and enjoy life! This means getting help from an expert could be the best financial decision you make. Remember, you deserve to have a secure financial future, so take the steps to ensure it happens! Let a financial advisor help you keep more of your hard earned money.

For more ideas sign up for my "[Monthly Minute](#)" at [janinepurves.com](http://janinepurves.com), it will provide quick financial tips that can help you achieve the financial success that you deserve.