

Canadian Spring 2024



TAX & IMMIGRATION

PERSONAL TAX GUIDE, BE IMMIGRATION READY - LICO 2024

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President's Message

Thank you for your overwhelming response to the last three editions of Assentt Wealth. This encourages our team to work harder and make it even better.

This edition is also filled with very useful information. Our designer team has done an awesome job and have set the new standards.

April is a very busy month. The weather is more pleasant and economic activity also picks up. People take new adventures and start new business and do investments. There are many tax reporting requirements.

We are excited to share that there is a new section in Assentt Wealth about construction projects and financing. In case you are considering to make your own custom home, there is a dedicated team to hold your hand and guide every step of the way. This will help you to complete your project in time and save tonnes of money in construction and financing.

Our team is working hard to file your Personal Tax Returns. Those who have not filed it yet, please fill our online Canadian Tax Filing Checklist and get it done.

You are welcome to share your feedback at email info@assentt.com to make Assentt Wealth better.

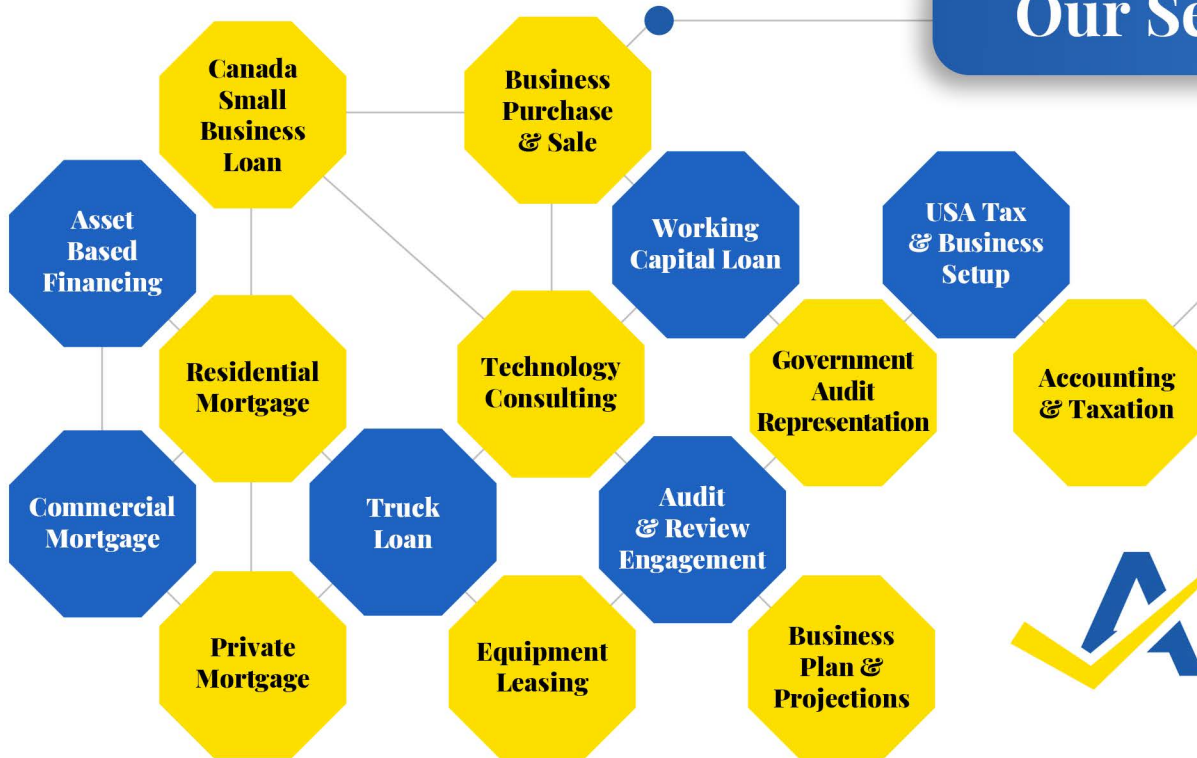
Thank you for your consideration.

Sincerely

Balbir Singh Gaini



Our Services



LICO 2024 – Income Requirements for Immigration and Super Visa

In order to sponsor your parents or grandparents for a Super Visa or PR, you need to meet certain income requirements set by the Canadian government. Importantly, by showcasing that you have enough financial resources to support your loved ones during their stay, you can increase the chances of a successful sponsorship application.

In this article, let's discuss some of the Frequently Asked Questions (FAQs) to help you better understand the process of Super Visa Application.



What's not included in Qualifying Income – Social Assistance Payments, EI Regular Benefits, Old Age Security, Guaranteed Income Replacement Payments.

Timeline for Income Threshold Documents

When applying for a Super Visa, the Income threshold check relies on the current or previous year's return. On the other hand, when applying for Permanent Residency, the Income threshold check is based on the previous three years' returns.

What are additional Financial Requirements?

In addition to meeting the minimum income threshold, you may also be required to provide proof of financial resources to support your parents or grandparents during their stay in Canada. This can include bank statements, investment portfolios, or property deeds. The government wants to ensure that your loved ones will not become a burden on social services while they are in the country.

What if you don't meet the Income Requirements?

If you do not meet the income requirements to sponsor your parents or grandparents for a Super Visa, there is an option, you can consider co-signing with your spouse. Combining your income with that of your spouse to meet the minimum threshold.

Watch the Video

Immigration Support Segment

- Super Visa Income Requirements
- How to Calculate your Income
- Timeline of documents required for Income Threshold
- What are additional Financial Requirements?
- What happens if you do not meet the Income Requirements?

What are the Super Visa Income Requirements?

To be eligible to sponsor your parents or grandparents for a Super Visa, you must meet a minimum income threshold. The income requirement is based on your family size, including the family members you are planning to sponsor. The government wants to ensure that you have enough financial resources to support your loved ones during their stay in Canada.

Refer to the low-income cut-off (LICO) table below to know that exact income requirements.

FEDERAL INCOME TABLE FOR PARENTS & GRANDPARENTS SPONSORSHIP							
Size of Family Unit	Super Visa		Income for Parents / Grandparents Immigration				
	2024 Estimated	2023	2023 Estimated	2022	2021	2020	2019
2 Persons	35,967	34,254	44,450	43,082	32,898	32,270	41,007
3 Persons	44,205	42,100	54,730	52,965	40,444	39,672	50,414
4 Persons	53,684	51,128	66,466	64,306	49,106	48,167	61,209
5 Persons	60,887	57,988	75,384	72,935	55,694	54,630	69,423
6 Persons	68,670	65,400	85,020	82,259	62,814	61,613	78,296
7 Persons	76,455	72,814	94,658	91,582	69,934	68,598	87,172
>7 Persons, add for each	7,783	7,412	9,636	9,324	7,120	6,958	8,876
Included Income							
Regular Employment Benefits	No	No	No	No	Yes	Yes	No
Maternity Employment Benefits	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CERB / CRB	No	No	No	No	Yes	Yes	No
Other Covid Benefits	No	No	No	No	Yes	Yes	No

How to Calculate Your Income?

To calculate your income, you will need to provide proof of your annual earnings. This can include your Notice of Assessment from the Canada Revenue Agency, pay stubs, and employment letters. The government looks at your total income before taxes to determine if you meet the minimum threshold.

What's included in Qualifying Income – Salary Income, Business Income, Investment Income, EI Maternity Benefits.



Construction Mortgage

Construction Mortgage as the name goes is a type of mortgage that allows you to finance the construction of your home. The concept is that it allows you to finance the purchase of a home that may not even exist yet – whether you are designing it or purchasing a pre-build in a development project.

Construction mortgage unlike traditional mortgage where funds are paid in a single payment to the seller on the closing day, here you are paid out in smaller increments (referred as draw) as each phase of construction is completed. That is, as the construction keeps proceeding, the funds keep getting released.

This kind of mortgage is most common with people who already have a plot of land and looking to build on it their dream house.

How Construction Mortgage Works?

If you are planning to build your home from scratch on an already purchased plot or planning to buy one then Construction Mortgage is the ultimate financing solution. If you already have a plot of land then first advance is available as equity take-out and if you haven't yet bought a piece of land then it assists you with the purchase of a vacant lot.

Construction mortgage like most loans requires a down payment. They come in fixed or variable-rate options with the possibility of converting to a traditional mortgage once construction is complete and certificate of occupancy is received.

Draw Schedules for a Construction Mortgage

Construction Mortgage requires inspections with each step. The borrower owes the inspection costs which may be deductible from each draw. Till the construction isn't complete, some lenders may require your to pay the interest on the amount borrowed and once construction is complete, you are required to make payments of both principal and interest.

Draw	Required % of Completion	Construction State	% of Total Mortgage Amount Advanced
1	15%	Excavation & foundation completed	15%
2	40%	Roofing is on and building is being weather-protected with access secured	25%
3	65%	Plumbing & Wiring have been started. Drywall and plaster are completed. Furnace has been installed, exterior wall cladding has been completed	25%
4	85%	Kitchen cupboards have been installed, Bathrooms are complete, doors have been hung.	20%
5	100%	Ready for occupancy. Seasonal & Exterior work complete.	15%

Challenges in Securing a Construction Mortgage

Construction mortgages are not as readily accessible as traditional mortgages as they aren't high in demand. Thus these are hard to get and are more complicated as they require multiple inspection checks in the construction.

Further, prior to each draw being advanced, an inspector will go to the property to ensure the builder is following the NHW (New Home Warranty) policies and to ensure each stage is completed with accuracy before releasing funds.

Due to the higher risk associated with construction mortgages, approval may require the availability of larger down payment up to 30% of the total amount, meeting stricter criteria beyond the typical minimum credit score and dependable income needed for a traditional mortgage.

Therefore, it is highly advisable to seek the expertise of a mortgage broker or bank familiar with this type of mortgage to help navigate the complexities and clarify each step involved.

Read the Full Article on our Website

Secure your Construction Mortgage

- How Construction Mortgage Works
- Draw Schedules for a Construction Mortgage
- Challenges in Securing a Construction Mortgage

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US TAX RETURN

BY BALBIR SINGH SAINI



- Preparation and e-filing of personal income tax return 1040 & 1040 NR
- Preparation and e-filing of corporate tax returns 1120
- Preparation and e-filing of partnership tax returns 1065
- Rental income, Capital gains and Dividend income tax returns
- Tax planning on move from Canada to U.S. and vice versa
- U.S. and Canada treaty tax implications
- Cross Border tax implications and tax planning for businesses & professionals

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TAXES

Personal Tax Guide

Canada's personal tax filing process is an annual requirement for residents to report their income and claim deductions or credits. The Canada Revenue Agency (CRA) oversees this process, setting deadlines for submission and providing guidelines for accurate reporting.

Understanding your tax obligations, including types of income such as employment, investments, and rental income, is crucial in ensuring compliance with tax laws. Additionally, knowing which deductions and credits you are eligible for can help minimize your tax liability.

By staying informed about changes in tax regulations individuals can navigate the personal tax filing process efficiently and accurately. Read our Personal Tax Guide for all the tax-related information and should you have any questions, feel free to reach our office.

What are T Slips?

T-slips are information slips submitted to CRA by employers and institutions.

T-Slips include the following :

- T4 (employment income)
- T4A (self-employment/pension/annuity income)
- T5013 (partnership income)
- T4A-P (Canada Pension Plan)
- T4E (employment insurance benefits)
- T3, T5, T5008 (interest, dividends, capital gains)
- T4A-OAS (Old Age Security)
- T4RSP (RRSP income)
- T4RIF (RRIF income)

Some More Slips

Other forms that you can use to summarize income and expenses for your taxes:

- T2125 (statement of business or professional activities)
- T776 (rental income and expenses)
- T2200/T2200S (employment expenses)
- Other income details, such as tips

Other Income Receipts include:

- Registered Retirement Savings Plan (RRSP) contributions
- School-related costs and income
- Childcare
- Medical expenses
- Charitable donations
- Home buying expenses
- Sale of assets and more

Penalties if you miss the Deadline

Failure to meet the tax deadline will result in interest charges on the unpaid taxes. The current late-payment interest rate for taxes is 7%. Additionally, there is a late-filing penalty of 5% of the balance owed, and an additional 1% will be added for each full month the payment is late, to a maximum of 12 months. If there is a history of late filing and payment in previous years, these penalties will double to 10% and 2%, respectively.

Tax Brackets

Below is a convenient compilation of the tax brackets in Canada. By identifying your income level, you can use this information to estimate your potential tax liabilities.

The tax rates are as follows:

- 15% on taxable income up to \$50,197
- 20.5% on taxable income from \$55,867 to \$111,733
- 26% on taxable income from \$111,733 to \$173,205
- 29% on taxable income from \$173,205 to \$246,752
- 33% on taxable income exceeding \$246,752



Which Income is Taxable in Canada?

Not all income is taxable, so it is important to be aware of which types of income are subject to taxation when filing taxes. Knowing the difference can prevent overpayment to the government unknowingly.

Income that is taxable includes:

- ✓ **Employment Income:** Earnings obtained from work performed in any job.
- ✓ **Self-Employment Income:** Earnings acquired by offering services or selling goods as a sole proprietor or business partner.
- ✓ **Interest:** Income generated from funds in a bank account, GIC, or bonds. If interest income exceeds \$50 in the tax year, the payer (e.g. a bank) typically provides a T5 slip for tax return purposes.
- ✓ **Investments:** Income derived from the sale of stocks, bonds, or investment property.
- ✓ **RRSP Withdrawals:** Funds obtained when withdrawing money from a Registered Retirement Savings Plan (RRSP), either in retirement or beforehand.
- ✓ **Pension Income:** Income received during retirement, such as payments from the Canadian Pension Plan.

Which Income is not Taxable in Canada?

Not all income that you receive is subject to taxation by the government. Certain earnings are considered tax-exempt, which means they do not need to be reported on your income tax return. Examples of tax-exempt income include:

- ✓ **Canada child benefit and/or GST/HST credit:** The Canadian government provides these benefits to help offset living costs for residents, without requesting any repayment.

✓ **TFSA withdrawals:** Withdrawals from Tax-Free Savings Accounts in Canada are not subject to tax. It is important to stay within the contribution limits to avoid facing taxation on any excess amount withdrawn.

✓ **Educational scholarships:** Money received from educational scholarships can be used to invest in a bright future without taxation implications.

✓ **Life insurance payouts:** In most cases, the money from a life insurance policy goes to the beneficiary tax-free. However, there may be circumstances where a portion of the payout goes towards taxes. It is recommended to consult with our expert team for clarification.

✓ **Inheritances and gifts:** In Canada, most inheritances and gifts are not subject to income tax. This includes birthday cash, graduation gifts, and inheritances from deceased individuals (except to cover any outstanding taxes owed by the deceased).

✓ **Lottery and gaming:** In Canada, winners of lottery and gaming activities, whether through lucky numbers or at the casino, get to keep all their winnings.

How to Reduce Income Taxes?

Despite the advantages of living in Canadian society, paying taxes is still an unpopular task for many. This is why there are numerous methods available to lower income tax payments. Some of the most frequently used strategies for reducing income taxes in Canada are TFSA, RRSP, Eligible Expenses, etc.

What are the Tax Deadlines?

1. Netfile Opening for Filing 2023 Taxes	Feb 21, 2024
2. Deadline to File Individual Tax Returns	Apr 30, 2024
3. Deadline to Pay Outstanding Taxes	Apr 30, 2024
4. Deadline to File 2023 Tax if Self-Employed	June 17, 2024
5. Deadline for Employers to issue T4	Feb 29, 2024
6. RRSP Contribution Deadline for 2023 (up to 70 Yrs of Age)	Feb 29, 2024
7. RRSP Contribution Deadline for 2023 (above 70 Yrs of Age)	Dec 31 <small>of the year you turn 70 years old</small>
8. RDSP Contribution Deadline for 2024	Dec 31 <small>of the year you turn 20 years old</small>
9. Deadline for one-time top-up to Canada Housing Benefit	Mar 31, 2024

Read the full Article

Personal Tax Guideline

- ✦ What are T4 Slips
- ✦ Deadlines, Penalties if you miss the deadline
- ✦ Tax brackets
- ✦ Which income is taxable and which is not
- ✦ How to reduce tax and more



Planning to Buy a Business in Canada?

Are you considering purchasing a business in Canada? It can be an exciting and rewarding opportunity, but it's essential to do your due diligence before putting in an offer.

There are several key points to consider when buying a business in Canada to ensure a smooth and successful transition. From financial considerations to legal requirements, here are some important factors to keep in mind.

Financial Considerations

One of the first things to evaluate when buying a business in Canada is the financial health of the company. Make sure to review financial statements, tax returns, and cash flow projections to get a clear picture of the business's financial stability.

Industry Analysis

Before making an offer on a business, it's crucial to conduct a thorough analysis of the industry in which the company operates. Research market trends, competition, and potential growth opportunities to assess the business's long-term viability.

Legal & Regulatory Requirements

Buying a business in Canada involves navigating complex legal and regulatory requirements. Make sure to work with qualified lawyers & accountants who specialize in business acquisitions to help you understand the legal implications of the transaction.

Due Diligence

Performing due diligence is a critical step in the business buying process. Conducting comprehensive due diligence will help you identify any red flags or hidden issues that could affect the value of the business and allow you to make an informed decision before finalizing the purchase.

Strategic Planning

Once you've completed your due diligence, it's time to develop a strategic plan for the business. Define your goals, objectives, and key initiatives to drive growth and profitability.

In conclusion, buying a business in Canada can be a rewarding endeavor, but it's essential to carefully consider all the factors involved before making an offer. Taking the time to thoroughly evaluate the opportunity will set you up for success in your new business venture.

Points to highlight in your Offer

1. Leasehold Improvements
2. Equipment
3. Inventory
4. Goodwill
5. Appraisal Clause
6. List of Chattel

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- ✓ Business Equipment
- ✓ Inventory
- ✓ Goodwill
- ✓ Lease deposit
- ✓ Marketing cost

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Building a Custom Home in Canada

If you are considering building a custom home in Canada, you are embarking on an exciting journey that offers endless possibilities for creating your dream living space. From choosing the perfect location to designing every detail of your home to suit your lifestyle, building a custom home allows you to bring your vision to life. In this article, we will discuss the key steps you need to take when planning to build a custom home in Canada.

Choosing the Right Location

The first step in building a custom home is selecting the perfect location. Consider factors such as proximity to amenities, school districts, and commute times to ensure that the location aligns with your lifestyle and future plans. Additionally, research the zoning regulations and building codes in the area to ensure that your dream home can be built according to local regulations.

Designing your Dream Home

Once you have selected a location, it's time to start designing your custom home. Work with an experienced architect or designer to create a floor plan that meets your needs and desires. Consider factors such as the number of bedrooms and bathrooms, open-concept living spaces, and outdoor living areas.

Setting a Budget

Before breaking ground on your custom home, it's essential to establish a realistic budget for the project. Consider factors such as construction costs, permits, landscaping, and interior finishes when creating your budget. Be sure to include a contingency fund for unexpected expenses that may arise during the building process. Working with a reputable builder or contractor can help you estimate the costs accurately.

Choosing a Consultant or Builder

Selecting the right builder is crucial to the success of your custom home project. Look for a builder with experience in constructing custom homes and a solid reputation for quality craftsmanship. Check references and visit completed projects to ensure that the builder's style aligns with your vision for your home. Communication is key, so choose a builder who listens to your ideas and communicates effectively throughout the building process.

Selecting Materials & Finishes

One of the most enjoyable aspects of building a custom home is selecting materials and finishes that reflect your personal style. From flooring and cabinetry to fixtures and appliances, every detail contributes to the overall look and feel of your home. Consider factors such as durability, maintenance, and aesthetics when choosing materials for your custom home. Work closely with your builder and designer to create a cohesive design scheme that reflects your taste.

Building your Dream Home

Once all of the planning and design work is complete, it's time to break ground and start building your custom home. Stay involved in the building process by visiting the site regularly and communicating with your Consultant, builder and contractor. Be prepared for unexpected delays or challenges, and trust in the expertise of your building team to overcome any obstacles that may arise.

In conclusion, building a custom home in Canada is a rewarding experience that allows you to create a living space tailored to your unique needs and preferences. By following these key steps and working with experienced professionals, you can bring your dream home to fruition and enjoy a personalized living space that reflects your style and personality.

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📌 Variable Rate - 6.40%

📌 Fixed Rate - 5.14%

Prime Mortgage (Conventional)

📌 Variable Rate - 6.75%

📌 Fixed Rate - 5.49%

Alternative Mortgage

📌 1 year - 6.94%

📌 2 Year - 6.64%

Private Mortgage

📌 First Mortgage - 8%

📌 Second Mortgage - 12%

Commercial Mortgage

📌 Prime - 7%

📌 Alternative - 9%

Business Loan

📌 Business Purchase
(Variable Open Loan)
10.20%

* Rates are general in nature and subject to change. You can book an appointment with our office to review your file.

Canada Tax Deadlines

➤ WSIB Filing - 30th April 2024

Personal Tax Filing

➤ Employed - 30th April 2024

➤ Self-Employed - 17th June 2024

USA Tax Deadlines

➤ Individual Form 1040 - April 15th, 2024

➤ C Corporation Form 1120 - April 15th, 2024



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