

The Partner News

BC Partners In Planning's Client Newsletter

RRIFs, LIFs & OAS Oh My!

In this edition of The Partner News, we explore three important retirement vehicles that some of our readers might either be using today or could use in the future.

Registered Retirement Income Fund (RRIF)

Similar to RRSPs, RRIFs are registered funds that provide Canadians the ability to grow their money in a tax-deferred environment. RRSPs are converted to RRIFs when the holder of the RRSP turns 71 years old. At the end of that calendar year, they are no longer able to contribute to their RRSP and are given options on how to handle the accumulated funds; withdraw all of it, buy an annuity, transfer it to a RRIF.

The biggest advantage of a RRIF is that ideally one is able to withdraw the proceeds at a lower tax rate than what existed when the original contributions were made into an RRSP.

Life Income Funds (LIF)

LIFs are created from the funds transferred from a Locked-in Retirement Account (LIRA), or a Locked-in RRSP (LRSP), both arising from a previous employee pension plan. LIFs act similarly to RRIFs as the holder is subjected to annual minimum withdrawal amounts, but LIFs are more restrictive as they also set an annual maximum withdrawal amount. The maximum limit attempts to ensure that the recipient will have a sufficient source of income until at least turning 90 years old. These withdrawal rates are adjusted annually based on the market interest rates and the value of the fund rather than just the person's age.

Old Age Security (OAS)

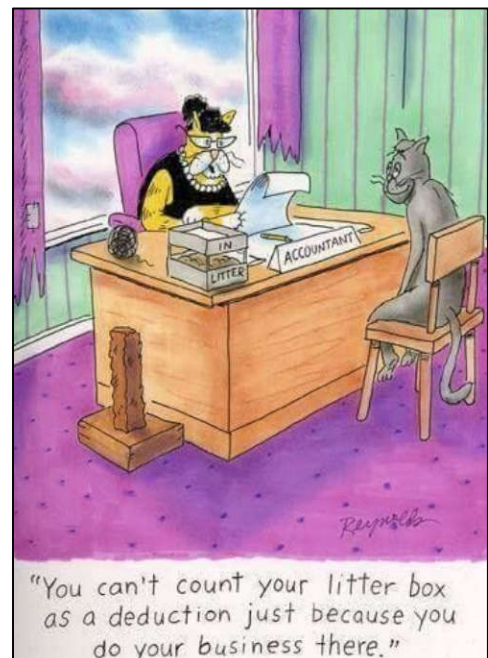
OAS is a taxable monthly pension benefit available to all Canadians 65 and older. To be eligible to receive this benefit, you must have resided in Canada for at least 10 years since turning 18. Once you meet this requirement, you will become eligible to receive a monthly benefit that is based on the number of years you have lived in Canada and the quar-

ter's monthly maximum benefit established by the government. The basic calculation for the eligible amount is:

$$\text{Monthly OAS} = \text{Quarter's Monthly Max} \times \frac{(40 - \# \text{ of yrs lived in Canada})}{40}$$

This amount is not set in stone as other factors could impact the amount of OAS you receive. Similar to your CPP, OAS allows Canadians the ability to delay their first OAS payment by 60 months after turning 65 years old. Each subsequent month after 65 is then multiplied by a factor of 0.6% and adjusted to your regular OAS amount. This decision is subjective to an individual's current situation. We advise that you consult with us before deciding to delay.

Another topic revolving around OAS is the recovery tax or "Clawback". OAS clawback occurs when an OAS recipient's annual income is higher than the minimum threshold set out by the government. This tax subjects them to repay a percentage of the net income they earned above the threshold in the previous tax year. The recovery tax and thresholds are reviewed and evaluated annually based on the individual's previous year's net income. Currently, clawback starts at an annual net income of \$79,054 and is fully clawed back at \$128,149.



Who's Behind the Books?

Tony - Accountant CPA, CGA.

Joining us in the summer of 2021, Tony is a new addition to the BCPIP team. After getting settled into the office, we jumped at the opportunity to learn more about him.

BCPIP: Welcome Tony to the BCPIP team! How has your experience been so far?

Tony: It has been great! I have found that this office has a different environment from my old job with a very strong team spirit. Overall, it has been a wonderful start to my journey here.

BCPIP: Tell us a little bit about yourself.

Tony: I was born in Taiwan and came to Canada as a young international student in 1995. I lived in Victoria for two years before moving to Toronto in 1997. After a few years, I found eastern Canadian winters too cold, so I decided to move to the lower mainland where I now live. I started my business degree in accounting at York University before transferring to Kwantlen Polytechnic University in Surrey. After finishing my degree, I worked towards my CGA and began my accounting journey at my old firm in Surrey. Initially, I worked mainly on assurance and CRA audit files which helped me develop a greater understanding of a business's process and the internal control of a business. Going through these files empowered me to think critically about the client's situation and ultimately created a foundation of transferrable soft skills that I now utilize in my specialty; tax planning. Once becoming a senior manager, I became involved in many of the tax planning activities for our clients which included reorganizations, and tax deferral and tax rate reduction strategies.

BCPIP: What attracted you to accounting?

Tony: I discovered that accounting was not just about numbers. Although number crunching is an important part of the job, a greater part is looking beyond those numbers and



asking further questions such as: How can I protect the client's best interest and reduce their risk; or How could they magnify their business potential? When I work with clients, I ask these types of questions to get a full picture of their situation. This provides me with the opportunity to be engaged in a variety of different situations where I am able to apply my expertise and knowledge. This is why I chose accounting as my career. I am able to be exposed to a combination of numbers, legislation, and critical thinking.

BCPIP: Very interesting. Now that you are at BCPIP, what does your job consist of?

Tony: Currently, I am working on the tax planning side of BCPIP and performing similar activities that I conducted at my old firm. So far, I have been involved with reorganizations, estate tax planning, corporate tax planning and personal taxes. Although it has been less than a year, I expect my workload will increase and I will eventually become involved with some of the financial planning files.

BCPIP: When you are out of the office, what type of activities do you enjoy doing?

Tony: Pre-Covid, I enjoyed attending social events and functions to expand my network. I am always up to do whatever activities my friends or colleagues enjoy doing. I actually learned how to ski this past season with my new co-workers. I had never skied before and after a few months I fell in love with it. It has been a lot of fun to go up the mountain, get fresh air, and be in the snow. Although I fell down a lot at first, at the end of the season I had learned to ski on blue runs, black runs and even tried a few double blacks.

BCPIP: Finally, what is your goal for your future at BCPIP?

Tony: My goal is to become a partner and help the firm to continue to grow.

BCPIP: Thank you Tony. We are excited to have you on our team!



Tony enjoying some fresh snow!

Lawyer Profile

Richard Kyle Paisley - Lawyer MSc, JD, LLM

In this issue's professional profile, we interviewed Richard Paisley. Besides his involvement with BCPIP Law, Richard's energy is directed toward projects focusing on the global environment.



BCPIP: Tell us a little bit about yourself.

Richard: Well, I am a fourth generation Vancouverite and grew up here on the North Shore. I obtained my undergraduate degree in bio-chemistry at UBC and then completed a Master's degree in resource management at the University of Washington. I have always had a fascination and interest in environmental issues and knew it was something I wanted to do in my career. While I was teaching a course in Oceanography to lawyers, I became convinced that the big decisions involving the environment and natural resources were not being made by scientists as much as they were being made by lawyers. So, I thought "If I can't beat them, I will join them!" I ended up getting a scholarship to law school at the Pepperdine University School of Law and later obtained my Master's in Law at The London School of Economics. After law school, I came back to Vancouver and worked at the largest law firms in Western Canada, doing very similar things that I do now at BCPIP Law. Also, during my time at that firm I was also given the opportunity to take a more academic twist to my career. I ended up teaching law at UBC for more than 20 years while keeping my hands in international environmental negotiations. Today, I am fortunate that I can continue practicing law at BCPIP Law Corp. while also being involved in national and international water and energy negotiations throughout the world.

BCPIP: Wow, it sounds like you have had quite the journey to where you are today. What does your job entail now?

Richard: I wear two hats. Hat one is working here at BCPIP

Law where I draw a lot from my experiences working at a large law firm. This involves helping our clients with reviewing and writing wills and estate documents such as Power of Attorneys and Representation Agreements, notarizing legal documents, and maintaining our clients' corporate minute books. Hat two is something that I am continuing to pursue today with international mediation and negotiation involving water and energy. Currently, I am on a part-time retainer with the U.N. Department of Political Peacekeeping Affairs. This side of my career allows me to work on international projects and join both my legal and environmental interests into one.

BCPIP: In addition to your work here and internationally, are you involved in any charities?

Richard: I am involved in a couple of African education charities. I am on the board for Power of Education Africa which has both a Canadian and African Affiliation to helping young girls in Africa get an education. I am also on the national board of Canadian Parks and Wilderness Society that helps preserve and protect Canada's natural public land and wildlife. More recently, I have been trying to help refugees, especially women, get out of Afghanistan since the government collapsed in August 2021.

BCPIP: What are your plans for the future?

Richard: I am still contemplating what I want to do in the next decade or so. For the near future I plan on continuing on as I am. I enjoy the diversification between my role at BCPIP Law and international environmental consulting. And of course, I also enjoy outdoor activities such as skiing and kayaking. So, we will see what the future brings.

BCPIP: Thank you Richard and we wish you the best with your international endeavors!



DAVE APPENDER

"No, I said 'paralegals'."

Client Profile

Tina and Chris Coulter - Accountant and Project Manager

In this issue, we catch up with an old BCPIP alumni and learn more about Tina Coulter and her husband Chris.

BCPIP: Tell us a little bit about yourselves.

Tina/Chris: We moved from Australia in 2004 when Chris was offered an opportunity to oversee a large infrastructure project in the lower mainland. Chris is a semi-retired Project Management Consultant and director. He was involved with a number of large infrastructure builds internationally and in BC. He managed all the moving parts and created and organized teams to execute these large projects. Tina is a CPA and had worked in the wine industry for about 15 years before coming to Vancouver. Once here, she found her way to BCPIP as a bookkeeper for a few years before leaving to Thunderbird Show Park where she is now the CFO.

BCPIP: Wow, how did you find your way to BCPIP?

Tina: Well, the kids were still young when we moved to West Vancouver and I knew I wanted a flexible work schedule. One rainy day, I was out with the dog and a friend told me about BCPIP. Since I had to stop at IGA anyway, I decided to nip up and ask for the general manager's card and then disappear. I walked in dripping wet in my rubber boots and asked the receptionist for the card. To my surprise, she said "Oh Marian is here, why don't you have a chat?" I met with Marian and she was so cool and open to having me join them, but she must have thought I looked a sight! That was

the start of my enjoyable relationship with BCPIP. Marian was a mentor to me, and she helped provide me with her amazing insight up until I left to join Thunderbird.

BCPIP: Do you have any hobbies?

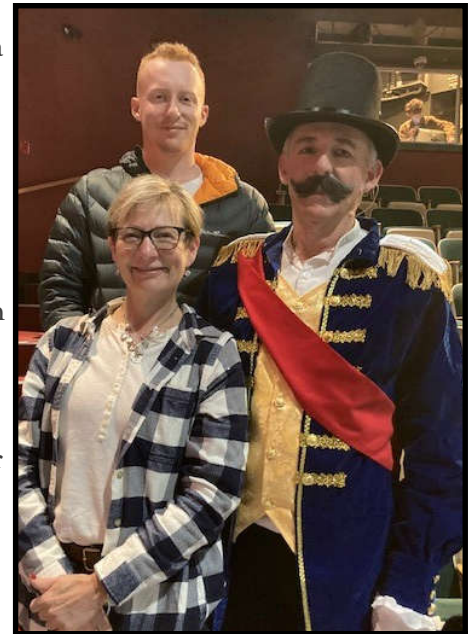
Tina: For me, I am basically working at my hobby. Thunderbird is an international equestrian show park so I am doing what I love. Living on the premises is an added bonus, which allows me to spend more time with the horses.

Chris: I also love horseback riding and that was how Tina and I met back in Australia. I am very active in tennis and amateur theatre has been a re-emerging passion of mine since I semi-retired in 2015. Pre-covid, I would try to do about two productions a year and was a part of Theatre Under The Stars in 2019. Also, late last year I performed a Pantomime called Frosted. We also both enjoy travelling and hope to do more of it.

BCPIP: Any plans for the future?

Tina/Chris: In the next five years, we hope to be working less and doing more of what we enjoy.

BCPIP: Thank you Tina & Chris!



Tina, Chris and son Tom after Chris's Frosted Performance

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