

COMMENT BACKGROUND



NUMBER 231 – MAY/JUNE 2005

PLANNING IN ADVANCE HELPS TO MINIMIZE CONFLICT

RRSPs – Income Tax Act references:

- subsection 146(1) – definition of “refund of premiums”
- subsection 146(8.1) – election to treat RRSP proceeds paid to estate as a refund of premiums

INSURED REDEMPTION STRATEGY

Income Tax Act references:

- subsection 84(3) – taxable dividend on share redemption
- subsection 83(2) – capital dividend election
- section 54 – definition of “proceeds of disposition”
- subsection 112(3.2) – stop-loss rules
- subsection 164(6) – carryback of loss from estate to terminal return