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## Smart Money for Self Employed Checklist



## Income Taxes

- Do you have a process to track your business income and expenses?
- Do you need to register for an HST account?
- Do you need to have a payroll account?
- Should you incorporate your business or operate as a partnership?
  - Single Owner non incorporated businesses will report their income and expenses in the Statement of Business Income Section of the personal tax return
  - Incorporated businesses must file T2 Corporate tax return
- How much money should you set aside to pay for income taxes
  - The Corporate tax rate for small businesses in Ontario is 12.5%
  - Personal Tax rates are outlined below:

2019 Taxable Income	2019 Marginal Tax Rates			
	Other Income	Capital Gains	Canadian Dividends	
			Eligible	Non-Eligible
first \$43,906	20.05%	10.03%	-6.86%	8.89%
over \$43,906 up to \$47,630	24.15%	12.08%	-1.20%	13.61%
over \$47,630 up to \$77,313	29.65%	14.83%	6.39%	19.93%
over \$77,313 up to \$87,813	31.48%	15.74%	8.92%	22.04%
over \$87,813 up to \$91,101	33.89%	16.95%	12.24%	24.81%
over \$91,101 up to \$95,259	37.91%	18.95%	17.79%	29.43%
over \$95,259 up to \$147,667	43.41%	21.70%	25.38%	35.76%
over \$147,667 up to \$150,000	46.41%	23.20%	29.52%	39.21%
over \$150,000 up to \$210,371	47.97%	23.98%	31.67%	41.00%
over \$210,371 up to \$220,000	51.97%	25.98%	37.19%	45.60%
over \$220,000	53.53%	26.76%	39.34%	47.40%

- Common Businesses Expenses include:
  - Office Rent
  - Business and professional liability insurance
  - Licensing and professional dues
  - Telephone and Internet
  - Continuing Education
  - Vehicle expenses (business use only)
  - Meals and entertainment (need to be with clients)
  - Office Supplies
  - Advertising and Marketing
  - Legal and Accounting Fees

## Protecting your Income

- Do you know the difference between a private disability insurance plan vs. those offered as a group plan with your professional association?
- Do you need Critical illness Insurance?
- Do you need Life Insurance?
- Do you need a Will?
- Do you need a Power of Attorney in case you become incapacitated?
- Are you aware of different health insurance options?
- Do you know what is covered under the Canada Pension Plan disability program?

## Investing for your Retirement

- Do you have a transition plan to monetize your business at retirement?
- Should you put money in an RRSP or Tax Free Savings Account?
- Should you setup a private pension plan?
- How much should you save for retirement?
- What investment options are suitable for me?

Have questions? Book a complimentary introduction session with me through my website [www.davidhwu.com](http://www.davidhwu.com)