

FROM THE NORTH

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Should I Register Everything I Own with my Kids?

Are you thinking of re-registering your Credit Union accounts or real property in an effort to avoid probate. Beware of these pitfalls when registering property in joint names with a child or children:

Matrimonial Property - if the child has matrimonial problems, the property could be subject to a matrimonial division with that child's spouse.

Creditors - if the child has financial problems, the land could be the subject of a claim of creditors in bankruptcy or alternatively prevent the transfer of that property out of the child's name because of Land Titles registrations against the child.

Income Tax - the child may make a claim to the income generated off the property. Alternatively, CRA may claim that some of the income should be taxed in the child's hands.

Capital Gains - Transfer of property into joint names without an appropriate agreement bypasses the opportunity to crystallize the capital gains exemptions. By transferring land to a child at an adjusted cost base, the parent may be able to do so without tax consequences. However, a child cannot transfer the property without tax consequences.

GST - the transfers of an interest in land may require the new joint tenant to have been a GST registrant or pay 6% of the value of the property acquired.

Estate Planning - registration into joint names removes the property from your control for future estate planning.

Loss of Control - once you are no longer the sole owner of the land, you no longer have complete control of the property, including borrowing.

Costs - transferring property into joint names incurs costs at the present time whereas probate costs are incurred at some future date. The costs may prove totally unnecessary.

The advantage of avoiding probate costs at some date in the future is usually outweighed by the many potential disadvantages of transferring property into joint names with a child or children after serious consideration is given to all of the implications.

Based on an article written by Allan M. Haubrich of Robertson Stromberg, Saskatoon and distributed June 15, 2004 by Concentra Trust – a wholly owned subsidiary of Concentra Financial.

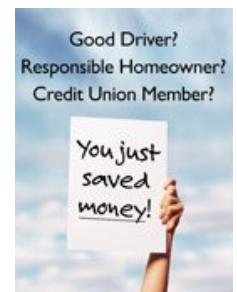
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Don't Become a Number - Become a Member

Income Tax Preparation

Northridge wishes to announce that Beverly Boyuk, Member Service Representative at the Second Avenue branch, has decided to retire after 28 years of service.

Congratulations Bev, we are sad to see you leave but we wish you the best.

Frustrated in doing your own income taxes. Northridge offers a fast and friendly service. Let Northridge prepare and e-file your income tax for you. Just come into either branch to drop off your information slips and we will call you when they are ready to be transmitted. There is no appointment necessary.

The cost to e-file a return hasn't changed for the past few years. The charge is \$35 for a single return and \$50 for a couple. Call the branch for more information at 566.2931 or 566.8540.



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Fruit Flies Becoming a Pest?

Ever wonder how fruit flies magically appear seemingly out of nowhere? These pesky creatures are perfectly adept in smelling food from great distances. With their great sense of smell and tiny bodies, fruit flies can manoeuvre into your kitchen through window screens, door jams, or any other crack in your home. Occasionally, they may catch a ride in your grocery bags or hatch from eggs laid in less than fresh food brought home from a grocery store. A congregation of fruit flies can become a nuisance. Fruit flies feed on alcohol, which is produced when fruits and vegetables begin to ferment. The alcohol in wine, beer and other alcoholic beverages is also appealing to fruit flies. Fruit flies not only feed on these foods, but also lay eggs in them that hatch into larvae in a matter of hours. In almost the blink of an eye, fruit flies can infest any kitchen. Removing the food source is the first step to eliminating fruit flies. Some non-food items, such as wet mops, dirty dishes and old sponges are able to support fruit flies, so be sure to clear these from your home as well. The remaining fruit flies can easily be trapped by constructing a paper funnel and placing it in a jar or bottle containing a small amount of wine, beer or decaying fruit. The fruit flies will enter the funnel to reach their feast and will not be able to find their way out.

