

## TAXATION OF PROFESSIONALS FRONT-PAGE NEWS

WHAT IS THE FUTURE OF MY CORPORATION?



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### COULDN'T ATTEND ONE OF OUR INFORMATION SESSIONS OR THE WEBINAR?

You can now view our **What is the future of my corporation?** webinar on our website at your convenience.

The taxation of professionals is a highly complex matter. Governed by the internal rules of the various professional associations and subject to the legislative amendments of the different levels of government, it evolves with the parties in power and political pressures, but is also impacted by the economic situation and societal issues. Over the past decade, many changes have been made to the tax rules, so professionals holding a private corporation have had to review some of their corporate practices.

It is in this context that, as a client of the Financial, you were recently invited to participate in our information session tour: **What is the future of my corporation?** On July 18, 2017, federal Finance Minister Bill Morneau's announcement of proposed changes to the tax practices of private corporations raised many concerns among professionals. To reassure them and explain to them in concrete terms the significance of this announcement, we had to react quickly and put in place ways of reaching them. We did so, and the response from professionals exceeded our expectations: in just a few weeks, more than 1,000 professionals registered for our 13 information sessions across the province, as well as our two webinars.

### HOW TO COPE WITH THE CHANGES?

The announcement of changes to the tax measures affecting private corporations raised many questions: "Is that the end of my incorporation plans? What should I do with my existing corporation? Can the government backtrack?" Our specialists wanted to answer these questions with a thorough analysis of the situation and a perspective of the issues, but above all by suggesting options to consider and actions to take in the foreseeable future. Their clear explanations were tailored to the reality of Quebec professionals, since it is they who will have to make at times difficult choices in the years to come. This support is essential for them, so that they can make well-informed decisions to ensure their and their family's well-being.

### PROXIMITY AND TRUST

An issue like tax measures concerning corporations, which affects a large percentage of our clients, deserves our full attention. The proximity that we develop with our clients and our understanding of their professional and personal challenges have always been a key part of our relationship with them and continue to be at the heart of our interactions. Thanks to regular contact with our shareholders – ties that in some cases were forged close to four decades ago –, we have become familiar with their professional reality and the decisions their members face at different stages of their life. Whether it's starting a practice, mid-career options or retirement planning, their valuable collaboration has pointed up the importance of developing an acute sensitivity to their concerns, as well as a financial guidance offer that is tailored to the particularities of each profession. It has enabled

us to identify the urgent needs of their members and to develop actions to respond to them. For example, in light of the changes announced by Minister Morneau, our tax specialists prepared possible solution scenarios for incorporated professionals to consider and assess.

### How can we help you, guide you and protect you, at each stage of your life or your personal situation?

### OUR COMMITMENT

We are keeping a close eye on all developments in this regard and we are ready to react quickly to the announcements that will be undoubtedly be made in the coming weeks and months. With their analyses, our tax specialists will be able to assess the impact of government decisions and guide you accordingly. Present at your side, and with access to the firm's comprehensive expertise, your advisor will be able to provide you with customized financial guidance, responding to the impact of the new rules with targeted actions according to your career stage and your personal situation.

We are and will remain on top of this matter, as we are determined to do for all issues that directly or indirectly affect your wealth. At all times and in all circumstances, you can count on our assistance. Your and your loved ones well-being is our sole priority and we are committed to protecting it.

Contact one of our advisors today to discover the added value of our customized services. ■■

### SHAREHOLDERS



ASSOCIATION DES  
CHIRURGIENS DENTISTES  
DU QUÉBEC



Corporation  
de service des notaires  
du Québec



Association  
des Architectes  
en pratique privée  
du Québec



AQPQ  
Association québécoise  
des pharmaciens  
propriétaires

### SHAREHOLDER OF



### AFFILIATED COMPANIES



### PARTNERS



# FINANCIAL DIGEST

Market trends and developments in the past quarter and their impact on your portfolio

RISK OF RECESSION INDICATOR



professionalsf.com

## MORE NEW FEATURES IN YOUR CLIENT AREA!

To make your client area even more user-friendly, we are currently developing new features that will be online by year-end 2017. We will then be able to share with you even more relevant information, and make it easier for you to access it.



**/ Don't have your password yet?** The procedure for getting one will be simplified and automated, and highly secure. The same goes if you want to change your password.

**/ My investments page** – It will be enhanced with new navigation menu options and a revamped consolidated statement that's even easier to understand.

**/ Do you access your client area on your smartphone?** It will be fully adapted to this type of interface, so you can view your accounts however you want, whenever you want.

**Don't wait any longer. Take advantage of the many benefits of your client area and stay informed at all times! To learn more, contact your advisor. ■**

OVERVIEW

**Stock markets** – After outperforming other equity markets, **emerging economies** ended the quarter with a slightly negative return. In the **United States**, stock markets continued to rise. Fueled by corporate profits, European equity markets strengthened, after a slight pullback in August. In **Canada**, after a poor performance almost entirely attributable to the energy sector, the S&P/TSX Index rebounded 400 points, driven by higher prices for oil and energy stocks, as well as bank issues.

**Global growth** – For the first half of the year, global growth was **3.5%**, the best performance since 2014. The key drivers of this growth were consumer demand and foreign trade. In the **United States**, gross domestic product (GDP) reached **3.0%**, despite the uncertainty as to whether the current administration will be able to implement its agenda. The repercussions of the weather catastrophes that hit some American states are already being felt in the economy, although in the medium term, we can expect an increase in demand for consumer goods.

**Policy rate** – The **Fed** intends to raise its benchmark rate in December, but subsequent hikes will depend on the economic fundamentals and inflation. The **Bank of Canada** raised its policy rate to 1% in September. This second rate hike in the space of a few months signaled the imminent end of the emergency measures implemented in 2015. **Except for Japan**, most of the G7 central banks will no longer continue such accommodative monetary policies.

GEOLOGICAL SITUATION

**Geopolitical tensions** – Internationally, tensions with **North Korea** are still present, and although their impact is felt more directly in the United States, China and Japan, it is raising concerns worldwide. In **Germany**, Angela Merkel was re-elected for a fourth term. However, she leads a minority government and an extreme right political movement now has seats in the Bundestag. The **NAFTA** renegotiations may have negative consequences for Canadian exporters.

### HOW ARE WE MANAGING OUR PRIVATE PORTFOLIO MANAGEMENT AND PRIVATE SECURITY MANAGEMENT APPROACHES?

- / We are maintaining a **slight overweight position in equities**, considering attractive corporate revenue and earnings growth and the slight risk of recession.
- / We are reducing our Canadian equity weighting by 5% and increasing our exposure to emerging markets, which are enjoying stronger economic and earnings growth.
- / **Bond yields remain low. ■**

## THE FINANCIAL AND THE AAPPQ AT THE WORLD DESIGN SUMMIT



Professionals' Financial and the Association des architectes en pratique privée du Québec joined forces at the **World Design Summit**, held at Montreal's Palais des congrès from October 16 to 25, 2017.

Celebrating innovation and quality, the event was an excellent opportunity to speak with architects and to strengthen our ties with the AAPPQ, our shareholder since 1986. Since we shared a space in the section next to Archello's HOW IT'S MADE exhibit, one of the highlights of the **World Design Summit**, we had a chance to promote the expertise behind the solutions and advice that we have developed for architects.

The Financial and the AAPPQ also presented one of the keynote speakers at the event, Jan Gehl. Bravo to this first **Summit** and continued success!

## RETIREMENT EXPERIENCE WEEKEND: A PERSPECTIVE ON A NEW STAGE OF LIFE!



Retirement isn't what it used to be! Professionals approaching this phase of life no longer think only of rest, but also of the freedom they will soon have to engage in their favourite activities: travel, sports, volunteering, culture, research or to discover new ones!

It is with this in mind that we organized our two **2017 Retirement Experience Weekends** and that we designed our workshops: How to put in place the best conditions to get the most out of this fulfilling stage of life?

During each weekend (Baie Saint-Paul, from September 22 to 24, and North Hatley, from September 29 to October 1), ten specialists from the Financial, Sogemec Assurances and MultiD shared their expertise during the eight hours of dynamic and interactive workshops offered to the participants.

Enchanting settings, magnificent weather, gourmet dinners: it was a perfect opportunity to put into perspective the reality of retirement in the company of other professionals who have reached a similar stage in their professional and personal life. Something new this year: all the workshop material was made available to the participants on our website, to review at their convenience. Now that they have started to think about retirement, they can engage in further reflection! **||**

“ **Excellent workshop! Very satisfied and completely met our needs!** ”

Pierre Vachon

“ **Excellent conferences. Very useful and relevant. Idyllic setting.** ”

Louise Cyrenne

“ **Excellent weekend! Good analysis of the past and of how to prepare for retirement.** ”

Paul Germain

### MISSED THIS YEAR'S EDITION OF OUR RETIREMENT EXPERIENCE WEEKEND?

Subscribe to our mailing list and we'll notify you when registration begins for the fall 2018 edition! Visit [fprofessionnels.com/en/evenement/retirement-experience-weekend](http://fprofessionnels.com/en/evenement/retirement-experience-weekend).

## MY CAREER, MY FINANCES: FACING YOUR PROFESSION WITH CONFIDENCE!

Last spring, future physicians and those starting their practice had the opportunity to meet with experts from the Professionals' Financial during two weekends of dynamic seminars.

For the 9th edition of our tour (presented in French), we invited young professionals from the Montreal and Québec City areas to eight different events, each dealing with a hot topic relating to the first years of practice, namely debt management, incorporation, insurance, accounting management, life projects, purchasing a property, building an investment portfolio, and much more!

**New this year!** Some seminars were **targeted for specific professionals**, such as the start-of-practice seminar for physicians or the self-employed worker seminar for pharmacists.

In the relaxed ambiance of a well-known restaurant in each of the host cities, experts from the Financial, MultiD, and Sogemec Assurances and Sogedent Assurances demystified a number of financial topics in order to help 165 young professionals take charge of their own affairs



with confidence and optimism. The dynamic presentations and numerous interactions between participants and lecturers created a very friendly atmosphere that facilitated knowledge transfer. **||**

## COME AND MEET OUR SPECIALISTS

Events in French unless otherwise stated

### CONFERENCES

/ **Retrospective, perspectives and strategies**  
February 5 to 23, 2018  
In 10 cities throughout Quebec  
Info: [fprofessionnels.com/perspectives](http://fprofessionnels.com/perspectives)

### LIFE-LONG LEARNING

/ **JFI – Journées de formations interdisciplinaires organized by the FMSQ**  
November 17 and 18, 2017 – participation and presentation of two conferences in French on short- or long-term retirement planning:

- **Les aspects financiers**  
Lecturer: Benoit Chaurette, Tax Specialist and Financial Planner
- **Les assurances et les aspects juridiques**  
Lecturer: Nathalie B. Poisson, notary, and Roxane Rondeau-Daoust, from Sogemec Assurances

### WE'LL BE AT THESE CONVENTIONS

Stop by to see us!

/ **Convention of the Association québécoise des pharmaciens propriétaires (AQPP)**  
November 22 and 23, 2017 – Palais des congrès de Montréal

/ **Cours de perfectionnement de la Chambre des notaires – with Sogemec Assurances**  
November 25 and 26, 2017 – Palais des congrès de Montréal

### ACTIVITIES AND EVENTS FOR YOUNG PROFESSIONALS

We'll be there!

/ **Dentists' panel – in collaboration with the ACDQ and Sogedent Assurances**  
November 22, 2017 – Montego Resto-Club, Québec City  
January 25, 2018 – Le Saint-Houblon, Montréal

/ **OMEGA Weekend – with Sogemec Assurances**  
November 24 to 26, 2017 – Hôtel Montfort, Nicolet  
January 26 to 28, 2018 – Estrimont Spa and Resort, Orford

/ **Journée carrière AGEP**  
December 4, 2017 – Québec City

Be on the lookout for the various financial presentations that will be taking place in several universities and student associations.

[professionnelsf.com](http://professionnelsf.com)

IF YOU'RE INTERESTED IN PARTICIPATING IN ONE OR MORE SEMINARS OF OUR 2018 TOUR, get on our mailing list and you'll be notified as soon as registration opens. Visit [fprofessionnels.com/en/evenement/myfinances](http://fprofessionnels.com/en/evenement/myfinances).

## IF YOU ARE AN EMPLOYER: OPT FOR THE GROUP RRSP FROM THE FINANCIAL!

Many professionals are business owners. If you fall into this category and your business has more than four employees, know that you are subject to the Voluntary Retirement Savings Plans (VRSP) Act.



CHANTAL FAUCHER, B.A.A., CIM<sup>®</sup>  
Manager, Investment Services

Passed in 2013, this act makes it mandatory to set up a **retirement savings plan for your employees using payroll deductions**. Compliance deadlines were established according to the number of employees in your company, the last of which is in 2018.

**20 employees or more** → December 31, 2016

**10 to 19 employees** → December 31, 2017

**5 to 9 employees** → After January 1, 2018

### CONSIDER YOUR OPTIONS

Failing another option, you must set up a VRSP. But you do have an alternative: the **group RRSP from the Financial**. It's a simple and customized retirement plan that is much more flexible than a VRSP.

Let's first look at the differences between a group RRSP and a VRSP:

#### Group RRSP

It's a **group of individual RRSPs** whose contributions are managed together by the employer.

- / The plan is easy to set up.
- / Employees are free to enrol or not.
- / An employee's account is opened only when they enrol.

#### VRSP

It's a retirement plan set up by an employer.

- / Enrolment is automatic and mandatory.
- / Employees can opt out by notice in writing, but only within 60 days following the first year of membership, failing which they lose this right.

### WHAT ARE THE BENEFITS OF THE FINANCIAL'S GROUP RRSP?

THE PLAN CAN BE EASILY SET UP IN YOUR COMPANY,  
IN FOUR STEPS:

Employer enrolment → Information meeting with employees → Individual enrolment meeting with each employee → Implementation of the payroll deduction process

#### For the employer

- / There are no administration or management fees for your company.
- / Managing contributions is simple and easily fits into your current payroll process.
- / There is no minimum number of enrolled employees required.
- / The employer does not have to contribute.
- / The plan allows for the payment of periodic bonuses.
- / The group RRSP can become an employee retention tool.

#### For the employee

##### Each employee owns their own RRSP.

- / They can access their account information at any time via the secure client area of our [professionalsf.com](http://professionalsf.com) website.
- / They have access to government programs like the HBP<sup>1</sup> or the LLP<sup>2</sup>.
- / They obtain an immediate tax reduction, since contributions are deducted at source from their gross salary.
- / They decide the amount of their contributions.
- / They can make additional contributions.
- / They can consolidate their savings by transferring in RRSPs held at other institutions.

Thanks to you, your employees have access to **our range of mutual funds**, whose management fees are among the most competitive on the Canadian market.

And above all, your employees benefit from the **advisory services of an investment services advisor** to build their portfolio, monitor their investments and guide them in their savings plan and in various aspects of their finances.

#### A WELL-CONSIDERED DECISION

If you weigh the benefits of the Financial's group RRSP against those of a VRSP, you will realize that our option puts you a step ahead: **you save time and avoid the headaches of managing a plan, while benefiting from the assistance of your advisor through each step of the set-up process**. We're there for you and your employees, to smooth the transition and for the well-being of all concerned!

**To learn more about the Financial's group RRSP, contact one of our advisors! //**

<sup>1</sup> Home Buyers' Plan

<sup>2</sup> Lifelong Learning Plan

OFFER YOUR EMPLOYEES A CUSTOMIZED RETIREMENT PLAN THAT WILL EVOLVE WITH THEM  
AND THAT WILL ENABLE THEM TO LOOK TO THE FUTURE WITH CONFIDENCE.