

Winter 2019

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the newsletter of Prentice Yates & Clark

The Value of Estate Planning and Charitable Giving

Dying is not a popular topic of discussion, for obvious reasons, but it is a reality of life. However, planning ahead for your estate could prove to be very rewarding, as it would provide both you and your loved ones with added security and peace of mind.

Minimizing taxes

While you are still working and collecting an income, a typical strategy you might employ is tax minimization, with a focus on reducing annual income tax bills. With estate planning, the theme of tax reduction should remain the same, with the only difference being that the beneficiary of the tax savings will change from yourself to your selected beneficiaries.



Tax minimization strategies

The following strategies, when properly planned for ahead of time, can ensure that your family and preferred charity are the recipients of your wealth when you pass away:

- bequest in will
- gift of publicly traded securities
- registered account beneficiary designation
- life insurance beneficiary designation

Which two of the three beneficiaries would you like to leave your estate to?

Note: You must pick at least two.

I want to leave my wealth to ...

Family

Government (tax)

Charity

Choosing beneficiaries

Many clients don't realize that they have a choice of three beneficiaries to their wealth:

1. family
2. government (tax)
3. charity

When a person dies, the default beneficiaries selected for them are family and government. However, people typically prefer to bequeath their wealth to family and charity, which requires proper estate planning. There are many tax-efficient ways to achieve this desired estate allocation, but they all require forward-planning while the individual is still alive.

The simplest approach is often to update your will and/or registered account beneficiaries. Making a charity a beneficiary in your will requires that you coordinate these details with your legal professional. On the other hand, designating a charity as a beneficiary to your Registered Retirement Savings Plan (RRSP) or Registered Retirement Income Fund (RRIF) requires that you coordinate with your financial institution.

The newest option for tax-efficient charitable giving is a gift of publicly traded securities to a registered charity. When a person dies, the estate may opt to avoid the tax on the capital gains on the deemed-to-be-disposed-of appreciated securities, while still receiving a tax receipt for the full market value of the contribution. Lastly, by using the powerful multiplication effect of tax-exempt life insurance, a significant gift can be created for charity while reducing or eliminating estate taxes. In addition, life insurance can have the added benefit of reducing annual income taxes while you are still alive, as premiums paid where the beneficiary of the policy is a registered charity are eligible for a tax credit.

Creating an estate plan that designates beneficiaries for registered accounts and life insurance has the added benefit of reducing or eliminating probate and estate administration costs. As a result, the estate may be settled faster and more assets may be retained in your estate, allowing greater wealth to be distributed to your loved ones and preferred charity. ♦

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Workplace Accommodations: Choosing to See Ability in Disability

When most people think of a disability, the image of a wheelchair or prosthetic comes to mind. Yet, for those with an invisible disability, the mental image is often less kind and many people tend not to disclose their disability for fear of stigma or discrimination. However, some employers are discovering that the key to successfully integrating workers with invisible disabilities lies in meeting employees where *they* are – which means being willing to adapt workplaces, workspaces and processes to accommodate workers with differing needs and workstyles.

What is an invisible disability?

Generally, a disability or impairment that is not visible to the eye is an “invisible disability.” For example, persons suffering from depression, anxiety, Lyme disease, autism spectrum disorder (ASD) or lupus can experience hindrances, pain, or physical limitations that are not readily perceived by those around them. A 2011 Canadian survey revealed that 88% of people with invisible disabilities had a negative view of disclosing their disability (Holland, 2017), primarily due to fear of reprisal from their employer.

Why are employers becoming more accepting of employees with invisible disabilities?

While employers can gain from a workforce that includes diverse cultures, backgrounds or gender, there is an increasing willingness to accommodate invisible disabilities in exchange for valuable employee contributions. Some employers have discovered that people with ASD, or “non-neurotypical” people, also bring their own strengths including attention to detail, innovation, value, creativity and loyalty. In other instances, employees who have been open and transparent about their needed accommodations have found that their employers have willingly provided necessary adjustments – gaining back that employee’s long-term commitment and loyalty.

What kinds of accommodations are required by law?

Legislation and the Ontario Human Rights Commission have long expected employers to accommodate persons with disabilities in the workplace; but the fact that employers are less familiar with invisible disabilities sometimes means they are reluctant to employ persons with such disabilities.

Employers can successfully engage employees with specific needs by implementing some basic strategies:

- First, it is imperative that the employer know the individual, their needs and what, if applicable, triggers reactions or discomfort. For example, if sound causes overstimulation for them, the employee may simply need to wear headphones when working around others or in areas with disturbing noises, or have a soundproofing divider installed.
- Flickering monitors are another trigger for people with vision problems or who suffer from migraines, so adjusting lighting or screen brightness can help that person stay productive.
- Another strategy is to consider flexible working hours and locations; employees who may be experiencing pain from something like Lyme disease can adjust their work hours or even work from home where they may have devices or access to equipment throughout the day.

What is most critical, however, is that employers take the time to get to know their employees and be willing to meet them where they are, working together with their employees to develop accommodations that will work best for them. This practice engages the employee, giving them a voice in their working conditions that also demonstrates that their employer cares.

Changing internal processes

Perhaps the biggest adjustment for employers can be revisiting internal processes such as hiring practices, training and career development. As persons with invisible disabilities may be reluctant to disclose their disability, they may not even be able to get past a company’s interview screening. Expecting standardized practices to work for those who struggle in a standardized world, is simply not going to open the door to workers with needs that don’t fit the “cookie cutter.”

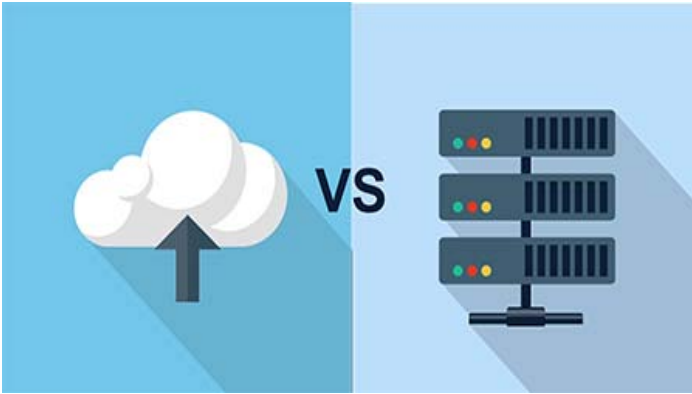
Once they have hired someone who needs accommodations, employers will also want to spend some time providing workplace education and training to help all employees understand various disabilities, so that relationships can flourish and resentment does not develop. Without understanding why a colleague wears headphones, arrives and works late, and has a private cubicle, or why they never make contact or require frequent breaks, other team members may develop jealousy or have less-trusting relationships with that colleague. Hence, having a plan to train all employees can go a long way in fostering a supportive work environment.

Another way to help employees with invisible disabilities integrate well is to discuss their future with the organization, to provide some reassurance that the employer has confidence in their ability and is willing to support their career development. Put in some time up-front to establish, monitor and revisit a growth and career plan to support these employees with future planning, skill development and goal-setting.

As most of us tend to believe what we see, invisible disabilities can be difficult for us to comprehend and accept. Yet, as employers are quickly discovering, within every disability, there often lies great ability. Hiring an employee with an invisible disability may not only result in good productivity and a loyal employee, it can also lead to a more tolerant and sensitive workplace for all, making minor accommodations seem trivial when compared with the greater overall benefits reaped.

References

Holland, J. (2017, June 6). The hidden challenges of invisible disabilities. Retrieved from www.bbc.com/capital/story/20170605-the-hidden-challenges-of-invisible-disabilities ◆



- any imposed restrictions to changes
- data ownership caveats
- any special licensing requirements

Is on-prem dead?

The physical internal hosting of an organization's applications has long since been the cornerstone architecture in place. Data security, proprietary software and complete ownership are undeniably maintained. Ultimate security and control still come with physical ownership and maintenance of the hardware. In fact, many industries have specific requirements for the governance of their data and software that stipulate physical control.

The on-prem architecture does have its challenges. Physically hosting your own servers and applications means you must also provide the necessary administrative components. Licensing, data growth strategies, security, hardware maintenance, monitoring and support are all necessary items that need to be planned and costed. Ultimately, all these items require specific (and often costly) IT resources.

Should I Move to the Cloud?

Understanding the Business Case

One of the most important trends affecting both small and large organizations alike is the availability of a cloud infrastructure. Even as new applications and functionalities are being marketed, it is now commonplace to see references to such increasingly popular terms as "cloud-based," "hosted" or "on-premise" (on-prem). It can be extremely overwhelming to digest the various systems and the different ways in which they operate. However, understanding the primary factors to consider for each of the available choices can help you decide on the best route to take.

What is 'the cloud'?

Cloud computing is the sleek marketing term for accessing your resources from remote servers that are hosted by third parties, relieving you of the responsibility of maintaining the servers at your own location. This relatively recent capability has only now become an option due to the major advancements in network and communication technology. In the past, the servers hosting key software needed to be physically located close to the end users, as there was extreme performance degradation over even short distances.

In addition to the communication and network advancements, hosting companies are now able to effectively create virtual environments for their clients. These virtual areas mimic a physical server environment where the client's software is deployed and then accessed remotely. The virtual environments are already configured, so rapid deployment or expansion are significantly improved over traditional methods. There are no capital expenditures, data backup processes are easily configured, and organizations only pay for the resources that they use.

Cloud environments also come in a variety of flavours. There are private clouds, public clouds and even hybrid cloud solutions available. When evaluating a cloud solution, take the time to understand:

- the level of autonomy your organization will have in the cloud

Holiday Donations

In lieu of seasonal gifts to individual clients, Prentice Yates & Clark made donations to certain charities.

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Inside PYC

The annual **Golden Horseshoe Co-operative Housing Federation** AGM/Winter Workshops Supplier Expo will be held January 25th in St. Catharines where J.J. Pauze will be at the Supplier Expo.

Congratulations to **Anneliese Kraehling, Housing Manager, Senioren Haus Concordia Inc.** Ms. Kraehling won the draw for the gift basket courtesy of Prentice Yates & Clark at the recent ONPHA Conference and Trade Show.

We would like to welcome **Alina Hasan** as a new member of our professional staff.

Should I Move to the Cloud? Understanding the Business Case - continued

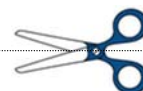
On-prem vs. the cloud

As previously mentioned, there are several considerations when deciding what path to take. The following table outlines the key differences between on-prem and cloud environments that can greatly affect your organization.

Consideration	On-prem	Cloud
Deployment	Deployments involve purchasing the hardware, installing the software and then maintaining it. Not only can on-prem deployments be complex and expensive, but you also must support them yourself.	Deployments are much simpler. Resources are only allocated as needed. Though the initial conversion to the cloud needs to be properly planned, it is often far less involved than is the case with on-prem.
Control	Environments retain complete control over the access and care of their data as well as the physical hardware. This can be especially important in highly regulated or security-conscious industries.	The ownership of the data has been an ongoing and complex debate in cloud environments. This is especially true when a cloud provider is in another country, potentially exposing a user to further complications if required to comply with foreign data protection (and access) rules.
Security	Users have a unique challenge in this space. While they have the direct control of their data and hardware, they need a fair amount of expertise to properly secure and protect this data. While users may have ultimate control over their data, they also have the sole responsibility to protect it.	Users are faced with a different problem in this space. While one of the primary advantages of using a reputable cloud provider is the high level of security and maintenance expertise, users are ultimately reliant on someone else to protect their information. As has been all too frequent with data breaches as of late, this is a serious concern.
Cost	On-prem costs are the most familiar, as this has been the legacy way of operating. Costs include determining the hardware needed, software licensing and any other implementation costs. Care needs to be taken to ensure that the costs associated with ongoing maintenance are considered.	Costs are typically in line with the alternative, with a few exceptions. It may appear more expensive to be paying for the service, but you also only pay for what you use. You no longer must size your infrastructure for the level of growth expected. You can simply ramp up additional services as needed.

A note on Software as a Service

With the evolution of computing environments that can now realistically support accessing resources remotely, Software as a Service (SaaS) has also quickly become available. SaaS mainly follows the same pattern as on-prem and the cloud. However, rather than having to buy and license your own software (for large upfront costs), you can basically lease the applications for a monthly fee. Not only does this reduce the upfront investment, but it also typically gives users immediate access to the latest software versions. ♦



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