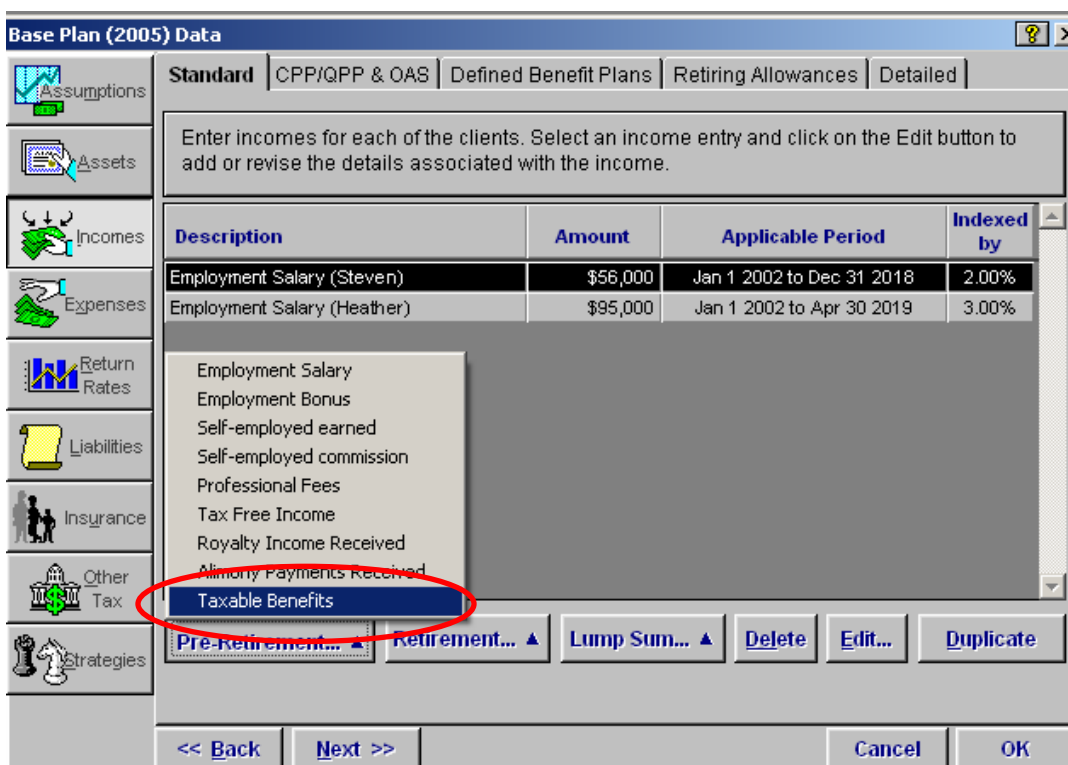


Taxable benefits vs. other taxable income

If you are modeling generic taxable income, be sure to classify it as *Other Taxable* income, and not *Taxable Benefits*. *Taxable Benefits* creates both an income and an offsetting expense record, while *Other Taxable* creates only an income record. These two income types are defined on different tabs of the *Incomes* category.

The effects of using a *Taxable Benefits* income record vs. an *Other Taxable* income record

The *Taxable Benefits* income type is intended for modeling taxable employee benefits, such as the reimbursement of an employee's car expenses by an employer. It creates a unique income record in that it also creates an equivalent deductible expense record automatically. You can model miscellaneous taxable incomes in the *Incomes* category – *Standard* tab by clicking *Pre-Retirement*, and then selecting an income type from the list.



For this reason, the *Taxable Benefit* income record creates both an *Employment - Taxable* income item as well as an *Employment - Expense* item for the same amount. These cash flow items can be viewed in both the inflow and outflow sections of cash flow reports.

To enter miscellaneous sources of taxable income (not employee benefits), go to the **Incomes** category – **Detailed** tab, and then edit the *Other Taxable* numbers.

Base Plan (2005) Data

Standard | CPP/QPP & OAS | Defined Benefit Plans | Retiring Allowances | **Detailed**

Source	Steven	Heather	Paige	Family
El Benefits Received	0	0	0	0
Taxable Life Insurance	0	0	0	0
Tax-free Life Insurance	0	0	0	0
Critical Illness Insurance Proceeds	0	0	0	0
Critical Illness Insurance Premium	0	0	0	0
Life Insurance Proceeds	0	0	0	0
Disability Insur. Proceeds	0	0	0	0
Taxable Benefits	0	0	0	0
Group Disability Insur. Proceeds	0	0	0	0
Other Taxable	0	0	0	0
Corporate Incomes	0	0	0	0
Retirement Incomes	0	0	0	0
Investments (Misc.)	0	0	0	0
Investments (Assets)	6,617	6,224	0	12,841
Liability Proceeds	0	0	0	0
Totals	66,045	110,033	0	176,077

Buttons: Edit... | << Back | Next >> | Cancel | OK

The *Other Taxable* income record will create only one item in the plan's cash flow. In the cash flow reports, this income is recorded as *Other Taxable* under the sub-heading *Miscellaneous Incomes*.