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May 2, 2019

Honourable William Morneau, P.C., M.P.  
Minister of Finance  
House of Commons  
Parliament Buildings  
Ottawa, ON, K1A 0A6

Dear Minister Morneau,

**Re: Shared children of separated parents and your letter dated March 21, 2019**

With all due respect, your information is out of date and incorrect regarding your understanding of the Canada Child Benefit for shared parenting scenarios being “generally interpreted” on the 40% to 60% rule. That is apparently the old interpretation. In my letter of January 2, 2019 to you, I quoted the case of *Lavallee v. The Queen* (2018 DTC 1152), but now we have *Lavrinenko v. The Queen* (2019 FCA 51) and *Morrissey v. The Queen* (2019 FCA 56). See this link to the Taxnet Pro™ web site for a discussion about these cases:

<https://www.gettaxnetpro.com/blog/Bill%20Innes/morrissey-v-r-fca-different-panel-of-fca-endorses-45-shared-custody-test-from-lavrinenko-1381/>

I have also been contacted by an individual having a shared parenting arrangement with his former partner feeling the effect of this new interpretation. The Canada Revenue Agency in April reversed a December 2018 decision giving him a 50% Canada Child Benefit because of the new rule of 45%-55%, which is in following with recent court decisions.

As stated in my January 2, 2019, it is inconsistent, unfair and creating financial hardship, especially for single parents, to have three different rules defining “shared custody”


- For child support calculations – 40% to 60% parenting ratio
- For Canada Child Benefit calculations – 45% to 65% parenting ratio
- For Eligible Dependant claims - payment of individual support payments instead of one simpler, safer set-off amount.

Further, I respect your comment in your letter of March 21, 2019 that “changes to rules in this area [subsections 118(5) and (5.1)] would need to be carefully considered in terms of the impacts on different groups and implications of the tax system as a whole.” Given the complex tax changes over the past few years (TOSI, safe income and more), this is readily apparent. However, I do not see the far reaching implications of fixing the two issues I raise (i.e. the eligible dependant amount set-off payments and the Canada Child Benefit). Could you have your staff provide me with a few examples of the impacts and implications that need to be considered so I can understand?

*Financial Planning For a Balanced Lifestyle*

Once I understand that more harm may be done by fixing the problems than leaving them as is, perhaps I can accept your decision and explain it to my clients. (I am a Chartered Financial Divorce Specialist and Certified Divorce Financial Analyst®)

Yours very truly,



Blair Corkum

CPA, CA, R.F.P., CFDS, CDFA®, CFP, CLU, CHS

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