



MONTHLY INCOME TAX PAYMENT COMPARISON

Provided By A-1 Bookkeeping Services Inc.

This comparison chart is for the sole purpose for clients to choose their income tax payment method should they opt into making monthly income tax payments through A-1 Bookkeeping Services. This is not to be used for an individual for whom we do not perform monthly bookkeeping services.

The purpose of paying income tax installments through A-1 Bookkeeping Services is to make the tax burden come income tax filing less stressful by making regular monthly payments to reduce the amount owing. In many cases, businesses may be required to make installments based on the CRA standards, making payments through this method helps to satisfy those requirements.

We at A-1 Bookkeeping Services make every attempt to make things easier for the client. By having our firm removes much of the accounting burden from them whereas our firm takes on much of these responsibilities. One big move is to be part of monthly income tax installments process.

No matter which income tax payment method you choose, you always receive a Remittance Notification indicating the purpose of the debit, the amount to be debited and date of the debit. A minimum of 4 days before the debit occurs is when you will receive the Remittance Notification via email. Debits dates are always on Tuesdays or last day of the month.

All debits are subject to an EFT fee plus HST and only applies if debits are made in a particular month. If no debit is made, the EFT does is not levied.

Neither method, flat rate or percentage based can promise that zero income tax will be owed when your income tax return is filed, its sole purpose is to reduce the amount owing and in many cases you may have over paid, if this is the case, you will be entitled to a refund of funds not required to pay off your tax debt to the CRA.

All debits are subject to NSF fees, should the funds not be available at the time of the debit. It is imperative that you watch your emails to stay on top of things and avoid NSFs.

See below the 2 options you have, choose the one that suits you best. If you have a new business, unsure of which method to choose or have a continuous low balance in your bank account, then most clients tend to choose the Flat Rate Method as it provides a great deal of predictability in amount that is debited and the date.



Flat Rate Method

We will debit an agreed upon amount each month, always on the 3rd Tuesday of each month. This "agreed upon" amount is a figure negotiated between the client and our firm.

- Pros:**
1. The debit date is very predictable;
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 3. Helps to reduce your tax burden; and
 4. If funds are misplaced by the CRA, A-1 Bookkeeping Services is responsible for locating those funds.
- Cons:**
1. This method is not as accurate as the percentage based method; it is only a flat amount that is not based on reality; it's an arbitrary amount that may be too low or high.

Percentage Based Method

We will debit funds from your account on the next debit date after doing your monthly posting based on a percentage rate that we agree upon. This debit date could be on any Tuesday or last day of the month but depends largely on when the clients provide their receipts, our firm performs the posting and scheduled debit date is chosen.

- Pros:**
1. It's more accurate than the percentage-based method as it's based on your profit for the month. What happens is we take your profit for the month, that is multiplied by the percentage rate that you agree on.
 2. Helps to reduce your tax burden; and
 3. If funds are misplaced by the CRA, A-1 Bookkeeping Services is responsible for locating those funds.
- Cons:**
1. The debit amount is not known ahead of time; and
 2. The debit date is based largely on when the clients supplies their receipts posting, A-1 Bookkeeping Services does the posting, and a debit date is selected following.