

Virtual Advice Event: Immigration & Cross-Border Financial Planning



Lauren Cohen
International Lawyer &
Cross-Border Expert

Dominic Therrien
Lawyer
One Continent Immigration

Matt Altro
President & CEO
MCA Cross Border Advisors Inc.



Today's Facilitator



ALAIN FORGET

Head of Business Development

Alain has been working for RBC for over 40 years, holding various business and sales leadership roles in Canada, the Caribbean and the U.S. He is passionate about helping Canadians purchase U.S. homes and works closely with consumers, real estate professionals and other strategic partners to provide education and opportunity to Canadian buyers in the U.S. Alain acts as spokesperson for the media and at real estate conferences as a subject matter expert. He is also a licensed real estate agent in Florida and holds a degree in Finance & Management.

Register Questions

Please use the *Chat* bar to submit your questions in writing during the live presentation

*Note, this webinar is being recorded, and the presentation will be made available on our virtual advice event landing page at **rbcbank.com/VAE**.*



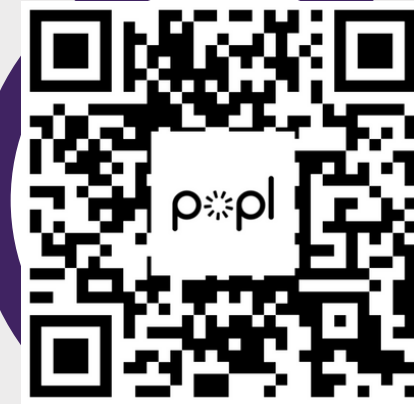


VISA OPTIONS FOR CANADIANS ...SEEKING THE AMERICAN DREAM.

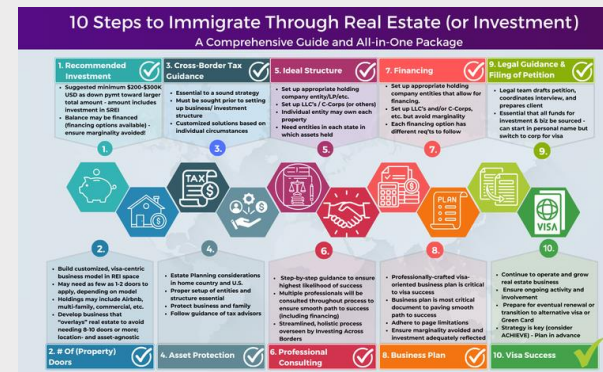
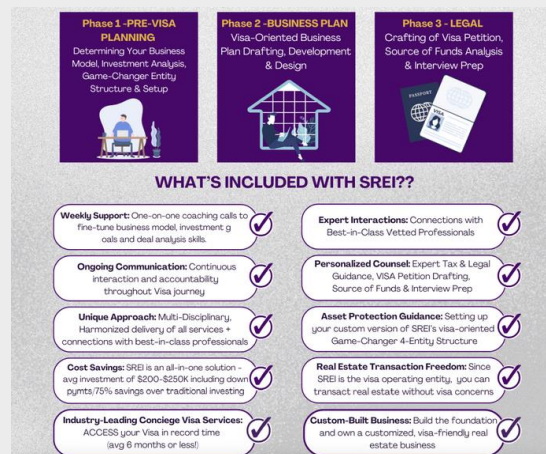
*EXPLORE WAYS TO WORK WITH
CANADIANS BY PAVING THE WAY FOR THEM TO
INVEST IN A BUSINESS OR REAL ESTATE &
PURSUE THE LIFE OF THEIR DREAMS...IN THE U.S.!*

How Can You Continue the Conversation with Investing Across Borders?

Lauren's vCard:



1. Set up a **FREE** strategy session to discuss your U.S. goals and the best strategy to achieve them:
investingacrossborders.net/10intro
2. Download our custom resources here:
investingacrossborders.net/resources



The EB-5 Program - TN NAFTA Professionals - Students

Dominic Therrien

One Continent Immigration

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www.onecontinentimmigration.com



Dominic Therrien

- Lawyer since 2002: 2002-2005 as a commercial litigator and 2005-present as an immigration lawyer.
- Called to the Quebec Bar Association (2002), the Law Society of British Columbia (2010) and the California State Bar (2019).
- Beside Canada, I lived in the United States (1990-1993; 2021-present), France (1997-1998), Hong Kong (2005-2006) and the People's Republic of China (2006-2009).
- I was/am an Immigration Law instructor at University of British Columbia, Queen's University and University of Montreal.
- 2024: Admitted as a Foreign Legal Consultant by the Florida Bar.

1. What is the EB-5 Program?

- A program for Immigrant-Investors
- A Permanent Residence option
- The Investment
 - The main costs
- The Source of funds
 - The main documents needed
- The Project
- The Process

2. TN **NAFTA** Professionals

- The list of occupations
- The requirements for a Canadian to qualify
 - The job offer
 - The educational background
 - The qualifications
 - The length of the work authorization
- Your status in the US

3. Student Visas

- **The acceptance letter from an educational institution**
- **The I-20 + Role of the school**
- **Required payment of the fees**
- **Entering the United States**
- **Length of the study authorization**



Matt C. Altro,
B. Comm., F. Pl., CFP® (CAN & US), TEP
President & CEO

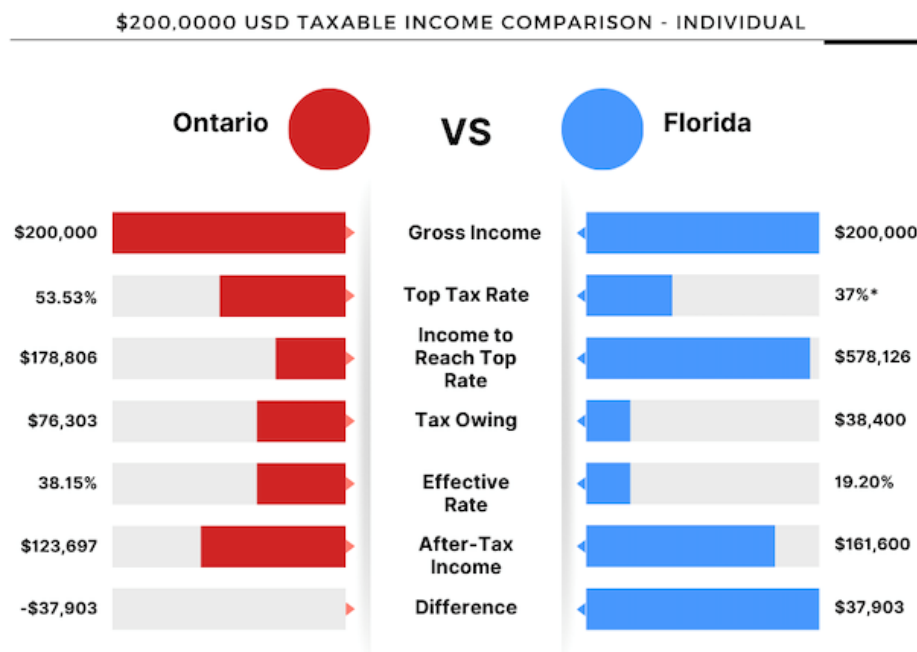
Matt C. Altro is President & CEO of MCA Cross Border Advisors Inc. Matt is a CERTIFIED FINANCIAL PLANNER in Canada as certified by the Financial Planning Standards Council, a Certified Financial Planner in the US with the US CFP Board, a Quebec Financial Planner with the *Institut québécois de planification financière*, and obtained the TEP designation from the Society of Trust and Estate Practitioners. He is a graduate of McGill University, Faculty of Management, and is completing his Masters of Business Taxation at the University of Minnesota.

Matt has specialized and in-depth knowledge with respect to cross border tax and financial planning for Canadians moving to the US, US residents moving to Canada, US citizens living in Canada, or executive employees relocated between the countries.

Matt has nearly 20 years of experience in cross border planning and leads a team of multidisciplinary professionals including US & Canadian CPAs, CFAs and Financial Planners. Matt and his team create comprehensive and customized plans that are designed to minimize tax, address estate planning issues, achieve retirement goals, identify investment opportunities, obtain healthcare coverage and meet immigration objectives.

Mr. Altro is a frequent speaker at national, international bank and industry seminars. He is a regular contributor to *The Globe and Mail & Advisor's Edge*, he's been interviewed on *BNN*, *CHCH Television* and by the *National Post*, *The Montreal Gazette*, *24 Hours newspaper*, published in the *STEP Journal* and has written various articles about moving between Canada and the U.S. Matt also authored a chapter about moving to the U.S. in David A. Altro's book *Owning US Property the Canadian Way, Third Edition*.

> Differences between the Canada & US system



*US federal rate due to increase to 39% Jan 1, 2026 under current legislation
USD/CAD exchange rate 1.38



Canada

- CRA
- Residency
- When you depart, you're no longer taxed on your worldwide income



United States

- IRS
- Citizenship
 - Citizens
 - Green Card Holders
- Taxed on worldwide income no matter where they're living

Canadian Departure Tax



- › Tax impact of becoming a non-resident of Canada
- › Deemed disposition of property at FMV
 - Capital gains tax rates apply
- › There are exceptions, not all assets are subject to departure tax
- › Final personal tax return (“exit return”)
- › CRA provides taxpayers with the option to **defer** departure tax
- › Treaty election to bump US cost basis available, Treaty Article XIII(7)

Assets Subject to Departure Tax

Stocks of all companies, private or public

Real estate situated outside Canada

Certain personal property

Stock of privately held corporations, partnerships

Assets NOT Subject to Departure Tax

Canadian-situated real estate

Annuities / pensions in Canada

RRSP / RRIF / RESP / TFSA

Life Insurance

- › Both countries have rules on residency
- › Definition of Canadian Tax Resident
 - Factual Resident (significant ties to Canada) OR
 - Deemed Resident (183 days in Canada)
- › Definition of U.S. Tax Resident
 - U.S. Citizen OR
 - Green Card Holder OR
 - Substantial Presence Test (3-year formula based on days)
- › Under Canada-US Tax Treaty
 - Treaty Tie-Breaker Tests
 - Permanent home
 - Centre of vital interests (personal and economic relations)
 - Habitual abode
 - Citizenship



- › TFSA
 - › Investment income is taxable as a U.S. resident
 - › May be considered a foreign trust

- › RESP
 - › Investment income is taxable as a U.S. resident

- › PFIC (Passive Foreign Investment Company)
 - Income Test: if $\geq 75\%$ of the foreign corporation's gross income is passive
 - Asset Test: if $\geq 50\%$ of the foreign corp's assets produce passive income
 - Punitive tax treatment on sale or distributions and onerous tax filings (Form 8621)

Warning

Canadian mutual funds, ETFs and REITs are considered PFICs from a US tax perspective.

What Should I do with my RRSPs/RRIFs?



- › RRSPs for Canadian residents allow for:
 - Tax deduction in year of contribution
 - Grow tax deferred
 - Taxed as regular income upon withdrawal
- › Moving to the U.S. with your RRSP/RRIF can lead to substantial savings
- › Canadian tax can be used as foreign tax credits against U.S. tax
- › The U.S. allows for tax deferral within the RRSP, however certain states may not

	Canadian Resident	US resident
Tax Rate on RRSP Withdrawal	Up to 54%	15% or 25%

Cross Border Issues for Business Owners



- U.S. Taxation of Foreign Corporations – Anti-Deferral Regime
- Canadian corporations may be considered either:
 - Controlled Foreign Corporation (CFC); or
 - US shareholders owning > 50% of corp (votes or value)
 - GILTI and Subpart F income can lead to punitive tax consequences
 - Complicated tax reporting (Form 5471)
 - Passive Foreign Investment Company (PFIC)
- Pre-exit planning required to leverage various cross-border planning strategies
- U.S. Business Structures
 - C-Corporation
 - S-Corporation
 - Limited Liability Company (LLC)
 - Partnership
- Residency is a key factor to determine the appropriate structure for Canadians starting/buying U.S. businesses

Biggest Challenges & Mistakes for Canadians Moving to the U.S.



- › Inadvertently exiting Canada
- › Gaps in health care coverage
- › Not filing important foreign disclosures with the IRS (FBAR, FATCA, 5471, etc.)
- › Not doing a Treaty election to step up assets subject to departure tax
- › Improper planning for states that don't respect the Treaty (e.g. California)
- › Ensuring custodians withhold the right amount on your RRSP withdrawals as a non-resident
- › Canadian insurance policies which are not tax-exempt in the U.S.
- › Understanding Medicare eligibility rules and Obamacare subsidies
- › Revoking prior wills rather than making them situs
- › Misinformation around gifting
- › RESP planning
- › US business structure planning for Canadians (LLC, S-Corp, C-Corp)
- › Including all appropriate disclosures on your Canadian departure return
- › And many many more!!!

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Upcoming **Virtual Advice Events**



- **Cross-Border Essentials: Your Guide to U.S. Home Financing, Banking & More**
 - *October 23, 2024, 1-2:30 p.m. ET*

Visit **rbcbank.com/VAE** for more details

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