

AUDIT PROTECTION PLAN 2020 TAXATION YEAR

WHAT IS IT?

In response to numerous client concerns about the Canada Revenue Agency's ("CRA") intensifying audit activities, Hendry Warren implemented a program in 2017 called the "Audit Protection Plan" to assist our personal tax clients. The plan serves to reduce the unanticipated professional fees associated with responding to enquiries received from the CRA following the filing of your personal income tax return.

The CRA continues to select more taxpayers for further review. These reviews generally involve a request for supporting documentation to verify or substantiate claims made on income tax returns. Even if no tax is owing, responding to these CRA requests can be time consuming and expensive. As a result, we have implemented this optional protection plan for our clients to help reduce, or in most instances, fully cover the professional fees associated with responding to CRA.

WHY SHOULD YOU ENROLL?

- Hendry Warren responds to hundreds of requests from the CRA each year. The frequency and complexity of these responses has increased substantially over the past few years. As a result, our time responding to these requests has increased dramatically.
- Depending on the nature and complexity of the review, a secondary follow-up is often required with the CRA to ensure processing of the information provided to the CRA is appropriate.
- The 2016 and 2017 federal budgets pledged almost \$1 billion over the next five years to support the CRA with its audit efforts and to improve tax compliance. We fully anticipate this will result in an increase in the number of reviews conducted by the CRA and we have already noticed an increase to date.
- Recent internal policy changes at the CRA have increased the level of documentation needed to support taxpayer claims.

WHAT DOES THIS COVER?

The audit protection plan will cover all professional fees incurred (up to a maximum of \$1,000) in responding to the CRA information requests for the 2020 taxation year. This includes the cost of all submissions and correspondence with the CRA to resolve any outstanding issues for any individual in your family for which a personal income tax return was prepared by Hendry Warren.

This fee does not cover any tax, penalties or interest due as a result of the review but does cover our time and expenses incurred in resolving your issue. If a review involves items that are not income tax related this plan does not cover those matters (such as payroll taxes, indirect sales taxes, property taxes and/or other issues).

WHAT IS THE COST TO ENROLL?

The cost of the audit protection plan is 15% of your or your family's, personal income tax preparation fee for the year.

HOW DO I ENROLL?

If you would like to take advantage of the audit protection plan, please indicate yes below and return this form to us. If you enrolled in the plan in the previous year you are automatically enrolled for 2020.

YES, please enroll me in Hendry Warren’s audit protection plan for the 2020 taxation year.

Name: _____ Signature: _____

NO, not at this time.

If you choose to enroll in the audit protection plan our invoice will include the fee above with the normal fees for your return preparation. **You will also be automatically enrolled for subsequent taxation years unless you indicate otherwise.**