

CHANGES TO SALARY REPORTING FOR CANADIAN BASED PILOTS!

BREAKING NEWS!

ACCORDING TO A VERY RELIABLE SOURCE, CHC WILL BE CHANGING THE WAY THAT THE CANADIAN PILOT SALARIES WILL BE REPORTED.

SOX RULES WILL BE FORCING CHC TO DECLARE ALL FOREIGN INCOME TAXES, PAID IN FOREIGN JURISDICTIONS ON THE BEHALF OF AN INDIVIDUAL, TO BE CLAIMED AS A TAXABLE BENEFIT.

THIS WILL HAVE A SERIOUS IMPACT ON THE BOTTOM LINE SALARIES OF CANADIAN BASED PILOTS PAYING INCOME TAXES IN CANADA.

FOR EXAMPLE, IF CHC MUST PAY \$40,000 IN INCOME TAXES ON BEHALF OF A PILOT TO THE THAI AUTHORITIES, THAT \$40,000 WILL BE LISTED AS A TAXABLE BENEFIT ON THE PILOTS INCOME TAX REPORT.

AS IT IS, THE OETC APPLIES ONLY TO THE 1ST \$80,000 OF FOREIGN EARNED INCOME. IF \$40,000 IS CLAIMED AS A TAXABLE BENEFIT, THIS WILL LEAVE ONLY \$40,000 ON WHICH THE OVERSEAS EMPLOYMENT TAX BENEFIT WILL BE APPLICABLE. YOU **WILL** BE PAYING MORE IN OVERALL TAXES AND YOUR NET SALARY **WILL** BE REDUCED.

CONTACT YOUR ACCOUNTANT FOR DETAILS ON HOW THIS MIGHT EFFECT YOUR INDIVIDUAL TAXES!

NORM ROBICHAUD.