

April 27, 2017

Nortel Networks Limited

Audio and Webcast discussion about eligibility for direct transfers to RRSPs for certain employment claim payments

**IMPACT OF RRSP ROLLOVER
ILLUSTRATIVE EXAMPLE #1**

	RRSP ROLLOVER ALLOWED	RRSP ROLLOVER NOT ALLOWED	IMPACT
Assumptions:			
Claim	100,000	100,000	
Dividend rate	45%	45%	
RRSP room	15,000	15,000	
Withholding tax rate	30%	30%	
Year 1			
Dividend	45,000	45,000	-
RRSP rollover	15,000	-	- 15,000
Taxable amount	30,000	45,000	- 15,000
Withholding tax @30%	9,000	13,500	4,500
Net cash after tax cash	21,000	31,500	10,500
RRSP contribution	-	15,000	15,000
Cash position - mid 2016	21,000	16,500	- 4,500
Year 2			
Refund from RRSP contribution	-	4,500	4,500
Cash position - early 2017	21,000	21,000	-

**IMPACT OF RRSP ROLLOVER
ILLUSTRATIVE EXAMPLE #2**

	RRSP ROLLOVER ALLOWED	RRSP ROLLOVER NOT ALLOWED	IMPACT
Assumptions:			
Claim	100,000	100,000	
Dividend rate	45%	45%	
RRSP room	45,000	45,000	
Withholding tax rate	30%	30%	
Year 1			
Dividend	45,000	45,000	-
RRSP rollover	45,000	-	-
Taxable amount	-	45,000	-
Withholding tax @30%	-	13,500	-
Net cash after tax cash	-	31,500	-
RRSP contribution	-	31,500	-
Cash position - mid 2016	-	-	-
Year 2			
Refund from RRSP contribution	-	9,450	-
Cash position - early 2017	-	9,450	-
RRSP Account	45,000	31,500	-

Questions?

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