

# ***Personal Tax Planning***

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## **CANADIAN TAXATION OF FOREIGN PENSIONS**

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*Although Canada has rules to deal with the taxation of foreign pension plans, these rules are complex and can easily be overlooked, especially since, in many cases, new Canadian residents and their employers are unfamiliar with Canadian tax law in general. With the increasing mobility of employees around the world, understanding how foreign pension plans are treated within the scheme of the Income Tax Act, the tax laws of the foreign country, and tax conventions will become more important over time. Assessing the tax consequences in individual cases is made more difficult where the laws of Canada and other countries are inconsistent, potentially leading to double taxation and other pitfalls for the unwary. Tax conventions often deal with these inconsistencies, but sometimes they do not.*

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