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This program has been accredited by the Law Society of Upper Canada towards the professional development requirement for certification. Corporate & Commercial Law: 9 hours



TAXATION OF EXECUTIVE COMPENSATION & RETIREMENT

Leading tax experts and HR executives on designing tax-efficient executive compensation

September 14 & 15, 2009, Toronto

"Good update on tax requirements in both U.S. & Canada. Good refresher on basics."

- Rosemary Cooke,
VP, Compensation, CIBC

"Updated my knowledge of strategies for planning deferred compensation."

- Brad Severin,
SVS Group

"Some good indications & potential tools to put in place."

- Garry Paulson,
CFO, Fountain Tire Ltd.

participating organizations

Bayer Inc.	Ernst & Young LLP
Blake, Cassels & Graydon LLP	Gowling Lafleur Henderson LLP
Canadian Western Bank	McCarthy Tetrault LLP
Cineplex Entertainment LP	Ogilvy Renault LLP
Deloitte & Touche LLP	Osler, Hoskin & Harcourt LLP
Empire Financial Group	PricewaterhouseCoopers LLP

who should attend

Executives responsible for executive compensation, tax executives with an interest in compensation and retirement, directors and officers, financial planners, employment consultants, business executives looking for solutions to their compensation/retirement concerns, human resource executives

course highlights

- Hear from some of the country's leading tax experts from top accounting and law firms as well as three HR executives from Bayer Inc., Canadian Western Bank and Cineplex Entertainment LP
- Learn the latest trends in taxation of executive compensation and retirement
- Hear about the tax consequences of employment termination and severance arrangements
- Explore the avenues available when designing a tax-effective stock option plan for senior executives
- Explore the issues surrounding tax-effective SERPs
- Examine equity compensation alternatives including option repricings, capping benefits and the impact on employee value perception and fair value, and the use of hybrid instruments

Course Leader
Gloria J. Geddes,
Gowling Lafleur
Henderson LLP



Lorraine Allard,
McCarthy
Tetrault LLP



Dov B. Begun,
Osler, Hoskin &
Harcourt LLP



Elizabeth H.
Boyd,
Blake, Cassels &
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Heather Briant,
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Uve Knaak,
Canadian
Western Bank



Peter Megoudis,
Deloitte &
Touche LLP



Raja
Ramanathan,
Bayer Inc.



Deron
Waldock,
Blake, Cassels
& Graydon LLP



Peter A.
Wouters,
Empire
Financial Group



FACULTY

COURSE LEADER

GLORIA GEDDES

Gloria Geddes is a partner in the tax department in Gowlings' Toronto office and is the national leader of the Executive Compensation Group. In her taxation of executive compensation practice she is involved in all aspects of the design and implementation of tax-effective executive compensation plans for public and private sector employers.

HEATHER BRIANT

As Senior Vice President, HR, Cineplex Entertainment LP, Heather Briant is responsible for all aspects of the HR function, encompassing talent development, organization effectiveness, total and executive compensation, HR governance and reporting. Prior to joining Cineplex Entertainment, she was Vice President, Corporate HR for Canadian Tire Corporation, Limited.

UVE KNAAK

Uve Knaak is Vice-President, HR at Canadian Western Bank. During his tenure with CWB, he has experienced the challenges of managing an organization growing from 91 staff to a multifaceted company with over 1,000 employees. He has been directly involved in developing the executive/senior management compensation philosophy for his organization.

CO-LECTURERS

LORRAINE ALLARD

Lorraine Allard is a partner in McCarthy Tetrault LLP's Tax Group in Toronto. Her practice is focused primarily on pension plans, providing advice to employers on the taxation and regulation of pension plans under pension standards legislation and on entitlement to surplus pension assets.

DOV B. BEGUN

Dov Begun is a partner in Osler Hoskin & Harcourt LLP's Tax Department and specializes in the areas of the taxation of mergers and acquisitions and corporate reorganizations, the taxation of high-technology transactions and cyber taxation.

ELIZABETH H. BOYD

Elizabeth Boyd is a Partner in the Pension & Employee Benefits Group in the Toronto office of Blake, Cassels & Graydon. She is involved in all aspects of the taxation, design, implementation, administration and termination of pension, other employee benefit, stock option, profit sharing and executive compensation requirements.

PAUL S. CARENZA

Paul Carenza's practice at Ogilvy Renault LLP encompasses domestic and cross-border corporate acquisitions, reorganizations and financings, the taxation aspects of e-commerce transactions and cross-border information technology agreements, executive compensation plans and income tax dispute resolution.

CHRIS D'ORIO

Chris D'orio is a Senior Manager, HR Services at PricewaterhouseCoopers LLP. He has worked as a lawyer and consultant in the field of deferred compensation and employee benefits for over 10 years. His primary focus is the design and optimization of equity-based compensation programs and executive retirement programs.

JIM KAHANE

Jim Kahane, along with a team of tax, actuarial and HR professionals at Ernst & Young, focuses on advising Canadian and foreign companies on the design, implementation, operation and modification of their executive and incentive compensation strategy and programs to support that strategy.

PETER MEGOUDIS

Peter Megoudis is a Senior Manager with the Toronto office of Deloitte & Touche LLP, where he specializes in cross-border compensation and tax planning. He consults on Canadian and U.S. tax issues arising from national and international equity-based compensation plans, benefits and retirement plans.

RAJA RAMANATHAN

Raja Ramanathan has over 25 years experience in the HR function in different geographical locations. Currently, in his capacity as Manager, Compensation and HR Operations for Bayer Inc. he supervises the Domestic and International Relocations function for the company.

DERON WALDOCK

Deron Waldoock practises in the Pension & Employee Benefits Group of Blakes and is involved in all issues relating to pension and employee benefits plans. He also advises on the establishment and implementation of incentive compensation arrangements.

PETER A. WOUTERS

Peter Wouters is Director, Tax & Estate Planning at Empire Life. In the 30th year of his career, he is a veteran industry course moderator, has 12 professional designations and his articles have been published in newspapers, industry bulletins and trade journals throughout the world.

COURSE PROGRAM

LATEST TRENDS IN TAXATION OF EXECUTIVE COMPENSATION

An uncertain global economy, changing tax rules, increased shareholder scrutiny and volatile downward spiraling stock markets have forced organization to rethink executive compensation practices. This business environment has stepped up the pressure on corporate compensation executives to keep current on best practices and the latest trends in taxation of executive pay strategies. This opening session will preview these latest trends, which will be explored in greater detail during successive sessions.

- Latest trends and critical issues for taxation of incentive and equity compensation
- Recent Canadian developments
- Recent U.S. developments
- What has changed and what's ahead?

TAX-EFFECTIVE STOCK-BASED COMPENSATION

Stock options and other equity-based incentive plans continue to be significant components of executive compensation. Explore the avenues available when designing a tax-effective stock option plan for senior executives.

- Timing of income inclusions
- Stock option plans with cash-out rights
- Tax consequences of transfers and exchanges of stock options
- Stock option issues for executives leaving or entering Canada
- Tax implications of contributing stock options to RRSPs
- Performance options, reload options and cashless exercises

SELECTED FRINGE BENEFITS

The very real need for companies to retain their top executives in a time of increased competition and a dearth of good senior people has led to an increase in the use of fringe benefits. This discussion outlines perquisites and benefits attractive to executives and details the tax-effectiveness of developing a perquisite program.

- Possible solutions to challenges posed by the ITA
- Company paid holidays & entertainment
- Company donation to executive's choice of charity
- Executive health service spending accounts
- Automobiles, housing loans, moving expenses
- Golf and business club memberships

SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS (SERPS)

In their efforts to help attract and retain key executives some companies have turned to the use of supplemental executive retirement plans (SERPs). But in order to be effective, one must take into account the numerous tax considerations. This discussion explores the issues surrounding tax-effective SERPs.

- Determining whether a SERP fits the needs of your organization
- Trends and concerns in SERPs
- Impact of deferral on the higher CRA limits on registered plans
- Design options and impact on registered plans
- Tax considerations

HR PANEL DISCUSSION: DEVELOPING A TAX-EFFICIENT EXECUTIVE COMPENSATION PROGRAM

Designing a tax-efficient executive compensation program isn't just a concern to tax experts, but in many organizations it is very much a part of the HR and compensation professional's area of responsibility. This special panel of HR executives from leading Canadian organizations will explore some of the keys areas.

- Designing a tax-efficient executive compensation program
- Key HR concerns
- Weighing the options

EQUITY-BASED ALTERNATIVES: COMPENSATION IN VOLATILE TIMES

The market downturn has focused attention on executive -- and especially equity -- compensation. Volatile share prices have shaken our expectations for stock-based programs, and organizations are seeking alternatives to retain their key executives. This discussion examines equity compensation alternatives including a discussion of issues encountered in option repricings, capping benefits and the impact on employee value perception and fair value.

- Option repricings
- Capping benefits
- The impact on employee value perception and fair value
- Use of hybrid instruments

CROSS-BORDER EXECUTIVE COMPENSATION ISSUES

With many organizations having employees on both sides of the Canada/U.S. border, unique issues can arise owing to the interplay between Canadian and U.S. tax and executive compensation laws, particularly where U.S. citizens participate in Canadian-based pensions and compensation plans. This discussion details key issues.

- Participation in foreign benefit and incentive plans by Canadian executives and other employees
- Impact of the Fifth Protocol and executive compensation taxation
- Cost of living equalization arrangements, including tax-equalization plans
- Issues specific to U.S.-Canada cross-border transfers
- Moving and relocation expenses
- Signing bonuses and other short-term incentives

TAX-EFFECTIVE USE OF LIFE INSURANCE

Executive compensation plans typically do not contemplate the life insurance needs of senior executives, business owners or key employees. This discussion will focus on the design and tax treatment of more innovative insurance programs.

- Shared insurance arrangements
- Leveraged insurance programs
- Business succession insurance
- Charitable insurance
- Corporate insured annuity programs

TAXATION OF NON-QUALIFIED DEFERRED COMPENSATION

The U.S. tax rules relative to non-qualified deferred compensation affect U.S. employees of any organization that sponsors incentive, severance, retirement, equity and other deferred compensation plans. U.S. taxpayers, regardless of the residence of the employer, are impacted by these rules. The discussion will outline:

- What constitutes a deferral of compensation
- Requirements to avoid IRC409A
- Potential tax liability if IRC 409A applies
- General exceptions
- Short-term deferral exceptions
- Elections available
- Funding restrictions
- Application to Canadian plans

TAX-EFFECTIVE CHANGE-IN-CONTROL AGREEMENTS: PREVENTING EXECUTIVE DEPARTURES

During these turbulent economic times, companies involved in the post-acquisition phase of a M&A may not want to have to deal with an exodus of top executives. This requires that particular attention be paid to change-in-control protections from both an acquiring company's and target company's point of view. This discussion details the tax consequences of employment termination and severance arrangements.

- Severance benefits: security and funding
- Tax issues in "change of control" arrangements
- Enforceability of golden parachutes agreements
- Bullet-proofing a golden parachute
- Taxation of retirement compensation arrangements (RCAs)
- Funding and securing RCAs

DESIGNING TAX-EFFECTIVE PLANS FOR INCOME TRUSTS

Despite the continued use of income trusts, they are at a relative disadvantage from their corporate competitors when structuring a long-term stock-based incentive plan. This discussion details the challenges facing employers wishing to attract and retain key management personnel working under an income trust structure.

- Evolution of compensation planning for executives of income trusts
- Deferred bonus plans
- Unit option plans
- Deferred unit plans
- Understanding the technical issues for the income trust

DEVELOPING A TAX-EFFICIENT EXECUTIVE COMPENSATION PROGRAM

In order to keep your senior people, your organization needs to develop not only innovative compensation strategies, but tax-effective ones as well. This discussion details the current state of the market, what is driving compensation and the array of tax-effective strategies available.

- Tax-efficient cash bonuses
- Tax-effective equity-based compensation
- Deferred compensation
- Retirement arrangements

MULTIMEDIA PRESENTATIONS

Register for Taxation of Executive Compensation and Retirement and we will give you free of charge a CD-ROM comprising the following virtual presentations from recent Federated Press courses and conferences. Presented in their entirety with complete audio and accompanying PowerPoint slides totaling 477 minutes of expert learning, these presentations are an added bonus to this year's course. Bear in mind that these presenters are not necessarily those that you will see and hear at this year's course.

Tax-effective change-in-control agreements: Preventing executive departures

Randy V. Bauslaugh,
Blake, Cassels & Graydon LLP
Time: 43 Slides: 24

Designing Tax-Effective Plans for Income Trusts

Anne Montgomery,
Deloitte & Touche LLP
Time: 35 Slides: 22

Developing a Tax-Efficient Executive Compensation Program

Julie Y. Lee,
Osler, Hoskin & Harcourt LLP
Time: 43

Supplemental retirement plan

Chris Brown,
Osler, Hoskin & Harcourt LLP
Time: 41

Tax-Effective Use of Insurance

Kevin Wark,
PPI Financial
Time: 68 Slides: 41

Selected Issues of Compensation Executives of Income Trusts

Susan Madu,
Deloitte & Touche LLP
Time: 45 Slides: 33

Tax-Effective Stock-Based Compensation

Elizabeth Boyd,
Blake, Cassels & Graydon LLP
Time: 42 Slides: 37

Taxation of Cross Border Executive Compensation

Wanda Rumball,
Blake, Cassels & Graydon LLP
Time: 60

Non-competition payments

David W. Ross,
Burnet, Duckworth & Palmer LLP
Time: 42 Slides: 27

Alternatives To Stock Options

David Patten,
BDO Dunwoody LLP
Time: 60 Slides: 21



Registration: To reserve your place, call Federated Press toll-free at 1-800-363-0722. In Toronto, call (416) 665-6868 or fax to (416) 665-7733. Then mail your payment along with the registration form. Places are limited. Your reservation will be confirmed before the course.

Location: Courtyard by Marriott Downtown Toronto, 475 Yonge Street, Toronto, ON, M4Y 1X7

Cost: The attendance fee for the course is \$1825 per person and covers attendance for one person and the lecturers' presentation material. The fee further includes lunch on the first day, morning coffee on both days and refreshments during all breaks. You may purchase a Proceedings CD-ROM containing edited actual proceedings and materials from the course.

Time: Course registration begins at 8:00 a.m. The morning sessions start promptly at 9:00. The second day ends at noon.

Cancellation: Please note that non-attendance at the course does not entitle the registrant to a refund. In the event that a registrant becomes unable to attend following the deadline for cancellation, a substitute attendee may be delegated. Please notify Federated Press of any changes as soon as possible. Federated Press assumes no liability for changes in program content or speakers. A full refund of the attendance fee will be provided upon cancellation in writing received prior to September 1, 2009. No refunds will be issued after this date. Please note that a 15% service charge will be held in case of a cancellation.

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Payment must be received prior to September 7, 2009

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