



**CARING HOMES
FOR ORPHAN CHILDREN**

HOMeward BOUND

The Caring Homes for Orphan Children

Newsletter



Vol. 3, Issue 2. February 2005. Page 1 of 3

Adoption Tax Credit News

*For Immediate Release
Tuesday, February 23, 2005*

Budget Includes Jay Hill's Legislation for Adoption Expense Tax Credit

Conservative MP "thrilled" federal Liberals gave in after four-year battle

Ottawa - Jay Hill, Official Opposition House Leader and Member of Parliament for Prince George-Peace River, said today he is thrilled the federal Liberal government has finally capitulated by implementing in the 2005 federal budget his private member's legislation to provide parents a tax break for adoption expenses.

"For four years I have been fighting this battle to have the Canadian tax system reflect the tremendous contribution to society made by adoptive parents and adoption in general," said Hill. "To see the overall provisions of C-246 written into the budget is one of the most rewarding moments I have ever experienced as a Member of Parliament.

"I've always said it didn't matter whether it was my bill or some form of government legislation that got the job done. All that matters is that the incredible financial burden that adoptive parents willingly accept to give a child a family and a home has been lightened."

The 2005 budget provides for a non-refundable tax credit of up to \$10,000 for amounts paid for specified adoption expenses. Private adoption in Canada can cost between \$10,000 and \$15,000 and international adoptions can cost as much as \$30,000 or more. While Hill's private member's bill had called for the tax break to be retroactive to the two previous taxation years, the Liberals have limited their tax credit to commence in the 2005 taxation year.

"It's unfortunate that thousands of parents who have recently adopted will not benefit from

this new tax credit. Ironically, if it weren't for the assistance and support I have received from those same parents, along with social workers, adoption agencies and others, throughout the past few years, it's unlikely the government would have ever considered this tax provision. I would like to extend to them my sincerest gratitude."

Hill concluded, "This is an extremely heart-warming event for me when I think about the thousands of Canadian parents and children who so deserve this recognition and fairness under our tax laws. At this very moment, there are children out there whose chances for a better life have just been dramatically improved."

For more information, please contact:
Jay Hill, M.P. (613) 947-4524

How the tax credit will work

The budget proposes that a percentage of expenses for the completed adoption of a child under the age of 18 years be deductible from tax payable.

Eligible adoption expenses will include:

- Fees paid to an adoption agency licensed by a provincial or territorial government.
- Court, legal and administrative expenses.
- Reasonable travel and living expenses for the child and the adoptive parents.
- Document translation fees. Mandatory fees paid to a foreign institution.
- Any other reasonable expenses required by a provincial or territorial government or an adoption agency licensed by a provincial or territorial government.

The maximum eligible deduction in respect of any particular adoption will be 16% of the lesser of \$10,000 or total expenses. This amount will be indexed for taxation years after 2005. The credit may be split between two adoptive parents, but the combined expenses claimed for an adopted child cannot exceed \$10,000. To be eligible for the credit, a parent must submit proof of an adoption in the



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form of a Canadian or foreign adoption order, or otherwise demonstrate that all of the legal requirements of the jurisdiction in which the parent resides have been met in completing the adoption. Parents will be able to claim the credit only for the taxation year in which an adoption is finalized, and will be able to include expenses incurred from the earlier of the time the child's adoption file is opened with the provincial or territorial ministry responsible for adoption or a licensed adoption agency, and the time, if any, that an application related to an adoption is made to a Canadian court.

Editorial

Dear Readers,

As you are all aware, international adoption continues to be on the Russian political agenda. We've had many calls and letters asking us about the situation in Russia and how it may impact our Canadian families. Even other adoption agencies have called and expressed their anxieties and concerns, asking us for any information we may have, and even more, asking us to lobby governments here and abroad to ensure that Canadian adoption from Russia continues.

The major areas of concern that have been expressed to us are:

1) Will Russia's program with Canada be closing?

This question usually arises in response to one of two impetuses:

- a) The perception that Russian parliament will be convinced by a small minority that international adoption should be abandoned altogether as an unmitigated evil. This is unrealistic thinking. Russia is committed to international adoption as a desirable alternative when it is not possible to place children within the family of Russian citizens. This is realized in the recent (only 2 months old) Federal Data Bank related

legislation, of which we wrote in last month's newsletter.

- b) The perception (usually U.S. inspired) that Canada would not entertain the idea of bilateral agreement with Russia because we are committed to the Hague Convention. This is faulty thinking. The fact is that Article 39 of the Hague Convention on Intercountry Adoption specifically allows for bilateral agreements, and both Canada and Russia are signatories to it (although Russia has yet to ratify it). Furthermore, we do not know at this point in which direction Russia will go - will it even want such bilateral agreements? or will it ratify the Hague? or other?

- 2) Will the question of renewal of agency accreditation in Russia disrupt the adoption process? Tzivos Hashem is licensed (as are other Ontario agencies) by the Ontario Ministry of Children & Youth Services to facilitate international adoptions - in the words of the Intercountry Adoption Act - to fulfil "functions of the Central Authority", this Authority in Ontario being the Ministry. As outlined above, we can foresee no reason for Russia to discontinue international adoption with Canada. Furthermore, we can foresee no reason for the Ministry to take over the "functions of the Central Authority" delegated to us, either now, or in future. Even those U.S. agencies whose licenses have expired in Russia, are continuing their work there, while Russia determines how it will deal with accreditation, etc.

As we have been requested, we have discussed the above with various senior Ministerial officials at both the federal and provincial levels. They all seem to be in agreement that until (if & when), Russia may determine their own new policies on how best to ensure their children's welfare, we should continue about our work patiently, within the present framework.



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UPCOMING EVENTS

Feb. 26, 2005, Toronto -- "Getting Started in Adoption", informal seminar for those considering local or international adoption. 10 am - 12:30 pm. Held twice monthly, Church of Saint Timothy, 100 Old Orchard Grove at Ridley Blvd. \$85/family includes a resource package, one-year membership in the Adoption Council of Ontario, and refreshments. Register: Pat Fenton, Adoption Council of Ontario, 416-482-0021, aco@adoption.ca, www.adoption.on.ca/HowToAdopt.html

March 31, 2005, Toronto -- "Promoting Resilience in Young Children". Information session about a program for parents to promote resilience in young children. By Child and Family Partnership. FACE support group (Families Adopting Children from Eastern Europe). For location: Lisa Nerman, face.adopt@sympatico.ca, or Louise La Rocca 416-484-4588

Apr. 9, 2005, Toronto -- One-day International Adoption Seminar. Prepare for adoption; medical issues; attachment; talking about adoption with your child; mixed race adoptions. Videos, presentations, hand-outs, breakfast, lunch. \$195/single; \$315/couple; +tax. Sofie Stergianis, International Adoption Centre, 416-483-0003, sofie@ica.net

April 9, 2005 London, Ont --The Adoption Option -- Educational seminar for families exploring adoption and interested in learning and preparing for the joys, adjustments and challenges of international adoption. Topics include attachment and bonding and becoming an interracial family. Register by e-mail or phone (519) 675-0362, danny.bell@sympatico.ca

Apr. 16-17, 2005, Toronto -- Ontario Adoption Resource Exchange (A.R.E.) Parents' Weekend. Held twice a year. For adoptive and pre-adoptive parents, professionals and others interested in adoption. Adoption Council of Ontario conference on Saturday; waiting children presentations on Sunday. Both events at Metro Toronto Convention Centre, North Building,

255 Front St., 416-585-8120, www.mtccc.com. Pat Fenton, Adoption Council of Ontario, 416-482-0021

February Birthdays!

Nikolas M. on your 2nd birthday on January 23rd
James J. on your 8th birthday on February 1st
Alexander G. on your 12th birthday on February 1st
Scott B. on your 2nd birthday on February 6th
Rachel G. on your 9th birthday on February 7th
Natasha B. on your 6th birthdays on February 11th
Darya S. on your 3rd birthday on February 13th
Eric L. on your 5th birthday on February 14th
Kassandra A. on your 9th birthday on February 14th
Anna D. on your 17th birthday on February 8th
Paul Y. on your 8th birthday on February 19th
Alexandra O. on your 18th birthday on February 20th
Alexander H. on your 8th birthday on February 20th
Matan S. on your 9th birthday on February 20th
Kira P. on your 7th birthday on February 20th
Benjamin C. on your 10th birthdays on February 21st
James B. on your 8th birthdays on February 21st
Peter W. on your 3rd birthday on February 25th
Erika H. on your 5th birthday on February 27th
Elena H. on your 5th birthday on February 27th



*Sorry if we
missed yours!*



"Caring Homes for Orphan Children" is a trade name of Tzivos Hashem Canada, Inc., an intercountry adoption agency
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Moshiach is on his way. Make the world a beautiful place with acts of goodness and kindness.