

Tax Tip
Week of November 23, 2009

Amateur Athletics Reserve Fund

If an amateur athlete receives money from prizes or endorsements, these amounts would normally be taxable. However the athlete can place the income in an amateur athletics reserve fund which allows for a tax deferral. Any contributions, plus investment income will not be taxable to the athlete until the amounts are withdrawn. The money must be withdrawn within eight years of when the athlete is no longer eligible to compete for Canada.

Sine the Canadian Olympic Committee is paying prize money to our athletes in Vancouver; we hope that many athletes have the opportunity to take advantage of this tax deferral.