

Financial Disclosure Required in Alberta

Having sufficient knowledge of the family's financial situation is necessary to make an informed decision about any settlement to your separation and divorce. It is also a legal entitlement and obligation. The *Family Law Act* of Alberta, the Child Support Guidelines and the Alberta Rules of Court all require the exchange of financial information between separating spouses. See, for example, section 64 of the *Family Law Act* (must provide financial information) and Rule 12.41 of the Alberta Rules of Court. Consequences can be imposed for failing to abide by this obligation – see section 65(3) of the *Family Law Act*.

Proper legal advice also requires the benefit of this information to ensure that nothing substantial is omitted when considering the terms of your settlement. A lawyer cannot provide advice on something that has not been disclosed. The best way to ensure you are getting the most from your lawyer is to make sure your lawyer has all of your financial information.

In Alberta, financial information is exchanged through a document called a Disclosure Statement. The Disclosure Statement is a sworn document that summarizes your income, expenses, assets and liabilities.

Ideally, financial information is exchanged by both parties to the separation early and voluntarily. You can ensure that your file is not delayed unnecessarily by preparing a binder with the following items of financial disclosure. Use tabs as indicated below to separate the documents, for ease of reference. You can keep your legal fees down and ensure your settlement is not delayed by providing the items of disclosure to your lawyer as soon as possible. Consult your lawyer if you are unclear whether a document should be disclosed.

For your binder of financial disclosure:

Tab Documents

1. Full T1 Income Tax Return, with schedules, for the past 3 taxation years. If you have not filed an income tax return for one of these years, provide copies of your T-slips and other statements showing all sources of income for that tax year.
2. Notices of Assessment and Notices of Reassessment for the past 3 taxation years. If you do not have these, you may order a Canada Revenue Agency Summary.
3. Three recent paystubs from your employer if you are an employee, or a letter from your employer setting out your remuneration.

4. Statement of income or a letter summarizing your income from: Employment Insurance, Social Assistance, a pension plan, Workers' Compensation, disability insurance, dividends, or any other source of income.
5. If you are a student, a statement setting out the funding you have received for the current academic year including student loans, grants, bursaries, scholarships, living allowances, or any other source of income.
6. If you are self-employed in an unincorporated business:
 - a. Particulars or copies of every cheque issued to you during the last 6 weeks from any business or corporation in which you have an interest or to which you have rendered a service,
 - b. Financial statements of your business or professional practice for the 3 most recent taxation years (note that these may be included as a schedule of your T1 Income Tax Return), and
 - c. A statement showing the breakdown of all salaries, wages, management fees or other payments of benefits to yourself, or to persons or corporations with whom you do not deal at arm's length, for the 3 most recent taxation years.
7. If you are a partner in a partnership, confirmation of your income and draws from, and capital in, the partnership for its 3 most recent taxation years.
8. If you have a 1% or more interest in a privately held corporation:
 - a. The financial statements of the corporation and its subsidiaries for its 3 most recent tax years,
 - b. A statement showing a breakdown of all salaries, wages, management fees or other payments or benefits paid to yourself, or to persons or corporations with whom the corporation, and every related corporation, does not deal at arm's length for the corporation's 3 most recent taxation years, and
 - c. A record showing your shareholder's loan transactions for the past 12 months.
9. A detailed list of any special or extraordinary expenses claimed where child support is an issue, including copies of receipts or other documentation providing the amount of

the following expenses:

- a. Child care costs,
 - b. Health care and extended medical and dental insurance premiums attributable to the child,
 - c. Uninsured health care and dental expenses,
 - d. Extraordinary educational expenses,
 - e. Post-secondary educational expenses, and
 - f. Extraordinary expenses for extracurricular activities.
10. If you are a beneficiary under a trust, a copy of the trust settlement agreement and copies of the trust's 3 most recent financial statements.
 11. Copies of all statements and cancelled cheques for all bank accounts held solely or jointly in your name for the most recent 6 months.
 12. Copies of credit card statements for all credit cards solely or jointly in your name for the most recent 6 months.
 13. Your monthly budget of expenses (where spousal or adult interdependent partner support is an issue).
 14. A sworn itemized list of your income, assets and liabilities.
 15. Copies of the most recent statement for all RRSP's, pensions, term deposit certificates, guaranteed investment certificates, stock accounts and other investments in your name or in which you have an interest.
 16. A list of any exemptions claimed (where the action involves the division of matrimonial property).
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