

Media Release From: Independent Financial Analyst, Diane Urquhart
Date and Time: Thursday, April 28, 2011 2:30 pm
Subject: Canada Revenue Agency Has Sealed a \$2,063 M Nortel Advanced Pricing Agreement Costing Nortel Former Employees \$282 M

Please read the report at this link:

[Prime Minister Harper Allows CRA to Abuse Disabled April 28, 2011](#)

Here are the highlights:

- 1) Why Are [the IRS – CRA Advanced Pricing Agreements](#) That Make a \$2,063 Million Charge Against the Nortel Canada Estate [Sealed in the Delaware and Toronto Bankruptcy Courts?](#)

What Was the Cost to Canadians of the IRS – CRA Advanced Pricing Agreements?

- Nortel Canada Former Employees - \$282 Million Lower Bankruptcy Settlement
- Nortel Disabled Employees –10% Lower Disability Income To Age 65

Who Benefitted from the IRS - CRA APA's?

- US Government - \$38 Million More Taxes Collected
 - Nortel US Bond Owners - \$3,017 Million of IRS Creditor Claim Released Without Litigation
- 2) Minister of CRA is not enforcing the CRA Rule in [CRA IT-428](#) that Disability Wage Loss Replacement Plans operate as an “insurance plan”.
 - 3) Minister of CRA is not enforcing the CRA Rules for Health and Welfare Trust Wind-up as set out in [CRA Ruling Document #9433745](#).
 - 4) Minister of CRA does not require CRA officials to intervene in court hearings to explain and protect the integrity of the Income Tax Act and CRA Rules for Health and Welfare Trusts sponsored by corporations. (Nortel got tax deductions for employer contributions to fund future pensioners life insurance benefits that are not permitted under the Income Tax Act and the court-ordered Nortel Health and Welfare Trust wind-up distribution gives pensioners a settlement for future life insurance benefits that are not to be pre-funded in a Health and Welfare Trust according to the Income Tax Act and CRA Rules for Health and Welfare Trusts.)

We are unsuccessful in getting answers for Canadian disabled employees from Minister of Canada Revenue Agency Keith Ashfield. Prime Minister Stephen Harper has had a history of firing heads of regulatory agencies. It appears in this instance, Prime Minister Stephen Harper also encourages the Canada Revenue Agency to not enforce the Income Tax Act and CRA Rules for Health and Welfare Trusts, which benefits corporations and harms Canadian disabled employees.

[Letter to Auditor General of Canada from Urquhart April 8 2011](#)

[CRA Letter from Williams April 6, 2011](#)

[CRA Letter from Williams Feb. 2, 2011](#)

Here's the Federal Government message in this. Employers are free to provide bogus disability insurance to lower their costs, withdraw assets from their Health and Welfare Trusts to pay employer expenses, and disregard the Income Tax Act and CRA Rules for Health and Welfare Trusts. This is despite the catastrophic financial and emotional impact on disabled employees when their employer files for bankruptcy. I am dumbfounded by this intentional abuse of the disabled.

For Additional Information Go To: **www.protectourtomorrow.com**

Or Contact:

Diane A. Urquhart
Independent Financial Analyst
Tel: (905) 822-7618
Cell: (416) 505-4832
Email: urquhart@rogers.com