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Holdco issues a promissory note to Lisa.

- 5. Medco redeems the stock dividend shares held by Holdco.
- 6. Holdco uses the redemption proceeds to pay off the promissory note owed to Lisa.
- 7. Lisa pays off the promissory note payable to Jim.

It sounds a bit complex, but it converts what would have been a dividend into a capital gain. Each year, Jim's lawyer will document the above transaction. Jim is happy because he puts an additional \$20 000 in his bank account to pay down the mortgage much faster.

Another perk: if Jim has any unused capital losses from previous years, he will be able to apply these losses against the capital gains, resulting in a tax refund from prior years.

Another option: to ease the burden of non-deductible house mortgage payments, Jim should also consider selling his \$200 000 investment portfolio to the corporation in exchange for a promissory note. His new corporation would take out a loan to pay off the \$200 000 promissory note, which Jim could then apply against the mortgage principal. As a result, the corporation uses the interest on its loan as a tax deduction, and Jim's mortgage principal is paid back with cheap after-tax corporate dollars.

Don't wait as long as Jim did. If you haven't yet incorporated your practice, even if the option seems less obviously attractive for you than it does for colleagues, revisit this issue with your advisor and reap the benefits of incorporation.

# in memoriam

## Dr Walter Burtnick 1928–2005

### In memory of a colleague and friend

A sudden death. Unexpected. He always seemed so indestructible.

Born in Trail, he developed a love for the outdoors, particularly fishing and hunting.

He worked in logging camps and house construction before he responded to his true calling.

He was a family doctor in the real sense and for 45 years was involved in the lives of many people, from deliveries to terminal care and everything in between.

He was knowledgeable about many things and enjoyed teaching. He was a

wise counselor and a big man in every sense—strong, gentle, and comfortable to be around.

He was passionate about his work and could not contemplate retiring.

He was respected by his colleagues, loved by his patients, and at ease with his friends.

A strong family man, he leaves behind his wife, Irene; son, Julian (Shannon); daughter, Mary (Paul), and two grandchildren as well as his five sisters and a large extended family. Some 500 people came from far and near to pay their respects at the celebration of his life.

He is missed.

—Eric Paetkau, MD  
Sechelt



Dr. Paul A. Farnan,  
Clinical Coordinator

## Helping Yourself or a Colleague

Physicians are feeling the strain in a changing health care world. We are not invincible and we need to take care of ourselves. Self care does not mean diagnosing and treating ourselves or our families. In an ideal situation, all BC physicians would have and regularly consult with their own family physician. Unfortunately, this is not always the case and one of the main obstacles seems to be concerns about privacy.

The Physician Health Program of British Columbia is a confidential resource for physicians, medical students, residents and their families. Common concerns dealt with by the program include, but are not limited to: personal and family emotional health issues, the inappropriate use of alcohol and/or drugs or coping with physical illness etc. The PHP is staffed by physicians who are keenly aware of the sensitive nature of these matters and who respect the privacy of those who contact the program. If you choose, you can call the program anonymously.

We should not be afraid to reach out for assistance if we need it. In addition, we have a responsibility to colleagues who might be experiencing difficulty. If you have concerns about yourself or someone close to you please don't hesitate...

**CALL TODAY: 1-800-663-6729 or 604-742-0747**