

But for the Plan

(Bankruptcy and Tax Reassessment Refunds)

George and Sarah (not their real names) declared bankruptcy in 2009, and obtained a discharge from their bankruptcy by the end of 2010.

Around the time of the discharge, George found out that he could apply for a tax credit regarding expenses for their daughter, who has a disability. He then applied for an income tax reassessment that included years prior to 2009, and received a refund.

The Bankruptcy Trustee took the position that \$8,900.00 of the tax refund applied to years prior to the bankruptcy, and should be the property of the Trustee, to be disbursed to the creditors.

Upon receiving this news, George attended at the CAW Legal Services Plan Staff Office in Windsor, to see what could be done. He retained Ron Reaume, who initiated a court application, pursuant to Section 37 of The Bankruptcy and Insolvency Act, to request an order that all of the tax refund should be paid to George.

Although there were conflicting previous cases on this point, Ron was successful at the hearing, and George ended up with an additional \$8,900.00.

George's legal fees, to obtain this excellent result, were covered by the Plan. He paid approximately \$300.00 out-of-pocket for disbursements and HST.

But for the Plan, George would not have received his entire tax refund.

*... Submitted by Ron Reaume,
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