



Wealth Management  
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Is an AAT appropriate for you?  
John Hastings is a former member of the Canadian National Kayak Team, and an alternate on the 2012 Olympic Team, and has extensive knowledge of Amateur Athlete Trusts. He is happy to discuss the merits of an AAT with you. John earned his MBA from the Telfer School of Management and is a Level 3 candidate in the CFA program.

# John Hastings on Amateur Athlete Trusts

## What is an Amateur Athlete Trust (AAT)?

An Amateur Athlete Trust is an underutilized financial vehicle that helps qualifying athletes store and grow income tax-free. If you are a qualifying athlete who earns income from endorsements, competitions, public speaking appearances, etc., an AAT may be right for you.

### Who is eligible to open an AAT?

An AAT may be established by an amateur athlete who is a member of a Registered Canadian Amateur Athletic Association and is eligible to compete in international sporting events as a Canadian national team member.

### What are the benefits of an AAT?

There are significant income tax benefits realized when eligible income is contributed and retained within an AAT. These include:

1. Deferral of income tax on income from endorsements, prize money, income from public appearances, etc. for eight or more years
2. Deferral of income tax on investment income earned within the trust for eight or more years
3. Ability to generate RRSP contribution room with respect to income contributed the trust

In addition to the benefits above, in 2014, changes were made to the rules surrounding AATs that effectively allow income contributed to the AAT to

qualify as earned income of the athlete for RRSP purposes, notwithstanding that amounts are retained in the AAT.

### How does it work?

Qualifying income contributed to an AAT is excluded from the income of the amateur athlete. No tax is payable by the trust, including on investment income earned by the trust. Only when money comes out of the AAT will it be included in the athlete's income, or, at the latest, eight years after the last year in which the individual competed as a Canadian national team member.

### How do I get started?

An AAT is not a standard product you can purchase off the shelf. You require legal advice to establish the trust, and a tax and financial advisor familiar with trusts to help facilitate the ongoing management.

### Complimentary athlete trust analysis

Contact John today to learn whether an AAT can help you achieve your financial goals.

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