

Say good-bye to the penny

VALERIE MACDONALD
Northumberland Today

NORTHUMBERLAND — The familiar phrase, 'A penny for your thoughts' will soon have less relevance. With reminders from local chambers of commerce, retailers and banks, they will begin phasing out use of the penny on Monday, Feb. 4.

Businesses are being "encouraged to begin rounding cash transactions" effective Monday, the Federal Finance Department website states.

"As pennies exit circulation, cash payments or transactions only will be need to be rounded, either up or down, to the nearest five-cent increment," the government information also states. The government chart shows that if an item costs \$1.01 or \$1.02, just \$1 is charged; if it is \$1.03 or \$1.04, then \$1.05 is charged and it's that same amount for something costing \$1.06 or \$1.07. It jumps to \$1.10 if the cost is \$1.08 or \$1.09.

To date there has been little local consumer reaction to the impending change, or by businesses, according to some members of the local business communities.

"We have a sign in our Service Ontario office," says Port Hope and District Chamber of Commerce manager Bree Nixon, but so far the chamber hasn't received any response to the notice it sent out to members about a month ago about the new system.

Northumberland Central Chamber of Commerce president Kevin Ward agreed:

There's "not really" been any reaction to the change, he said in an interview Thursday, other

than a few signs like at the Tim Hortons restaurants which announce it.

"It hasn't been an issue with people...They are used to it by now," Cobourg Health Shoppe owner April Murchison said after checking with her own staff.

The government announced last year the Canadian Mint would stop producing pennies on Feb. 4 but it still remains legal tender.

One of the reasons that there has been little customer reaction, says Murchison, is that most people pay by debit card and the change in the penny's value is only at issue when the payment is in cash, she added.

As of Feb. 4 you can still pay for items with pennies and take them into the banks, but financial institutions will cease giving them out that day.

CIBC Cobourg branch manager Lee Fernandez said Thursday he was still awaiting corporate signage to put up for the change on Monday.

He said the bank will "round up or down to the nearest nickel in the client's favour."

Fernandez provided these examples. If a customer cashes a cheque for \$100.02 then the bank will give them \$100.05, he said. If the customer is paying a bill for \$100.02, the bank will charge you only \$100 "and we'll absorb the difference," Fernandez said.

"Cheques and transactions using electronic payments—debit, credit and payments cards—do not need to be rounded, because they can be settled electronically to the exact amount," states the federal finance website. "Only cash transactions require rounding."



PETE FISHER Northumberland Today

Port Hope and District Chamber of Commerce Manager Bree Nixon is holding up what will soon become a thing of the past - a penny. The penny will stop being made effective Feb. 4 and will soon disappear from cash registers in local stores.

All taxes are tabulated into the final price before rounding is to take place, it also advises.

When the federal government's Economic Action Plan budget was passed last year, it estimated \$11-million would be saved by phasing out the penny.

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ROUND DOWN		ROUND UP	
\$1.01 or \$1.02	\$1.00	\$1.03 or \$1.04	\$1.05
\$1.06 or \$1.07	\$1.05	\$1.08 or \$1.09	\$1.10

Northumberland tax bill increase averages \$9

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NORTHUMBERLAND -- Homeowners in the County will pay a Big Mac combo more in property taxes this year.

Or the equivalent of an extra movie ticket. Those were two examples of comparable costs typical ratepayers will pay in higher County taxes cited by director of finance Jennifer Moore in her budget presentation to council Jan. 23.

For the average home in Northumberland, assessed at \$210,000 this year and last, the 2013 tax bill for county services adds up to \$983, a \$9 increase from 2012.

That's subject to the proposed \$80.3 million in operating costs and \$14.4 million in capital expenditures being approved by council. "It's basically a status quo budget within the parameters set out in our long-term plan," which is to limit increases in the county levy to 2.5 per cent a year, Ms. Moore said. "There's very few new items ... It addresses all of our immediate financial challenges and it certainly does keep an eye on the future."

To help pay for the \$95 million in operating capital and debt repayment costs (\$1.3 million), the county is increasing its levy to \$45 million. The largest portion will go to roads (31 per cent), with the next three big-ticket items being social services (25 per cent), emergency medical services (13 per cent) and waste management (nine per cent).

On average, County taxes represent roughly 36 per cent of a property owner's overall tax bill, with municipal and education taxes accounting for the rest.

Ms. Moore said Northumberland has had to contend with increasing downloaded costs from the Province, which shifted more of the burden onto local taxpayers. Since 2007, the downloaded costs have risen by \$1.4 million annually, and the County's share is going up again in 2013 because of increasing program costs and provincial funding cuts, she said.

Social services is losing \$268,000 in funding from the Province to combat homelessness, as a result of five programs being combined, which the County will have to make up, and it will need to contribute an additional \$376,000 to maintain direct supports.

The caseload for Ontario Works remains high and has grown seven per cent annually since 2007 to 956 people in 2012.

And there's a risk of more downloads from the Province, such as the Ontario Disability Support Program, Ms. Moore warned.

Residents can offer comment on the 2013 business plans and issue papers, which can be viewed at http://www.northumberland-county.ca/en/departments_countyadministration_corpservices/2013Budgets-draft.asp Bill Pyatt, chief administrative officer, said the original time frame was to have the budget approved in February but "if there are still questions that council wants us to look into further, it could come back in March."