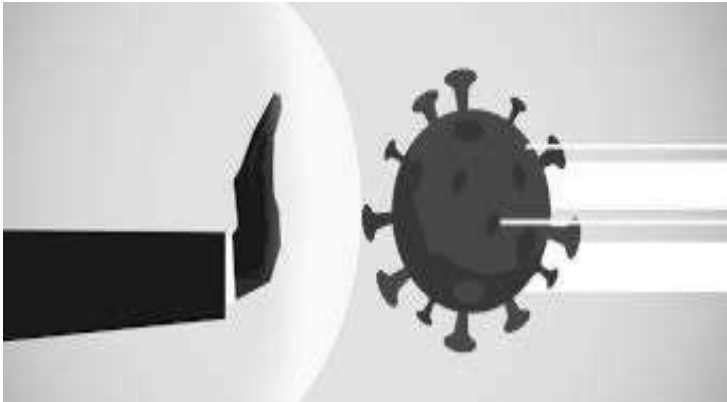




Written by: Linda and Melanie Cartier and John Lindsay

525-PLAN(7526) - www.financialdecisions.ca - plan@financialdecisions.ca

Looking Back and Ahead



The past year is certainly one for the history books and not what anyone was prepared for. It is a relief that until recently our area has been spared the worst effects of the COVID-19 virus. However, the pandemic has brought **changes of significance** for many of all ages. Working from home and home schooling has become a reality for many. It is difficult to predict the future but realistically this year will most definitely continue to pose challenges.

Our office **will continue operating via phone, email and zoom** as the status quo for the foreseeable future and continuing to use the pick up/drop off bin in the front door to look after your needs.

It has been a year of political drama, especially for our southern neighbours and hopefully more calm ahead. However, there are still many unknowns in the world and the only thing we can be certain of is continued volatility.

Interest rates are at all time lows and it is very unlikely there will be anything to change that but **Manulife is offering 2%** from now until the end of April for new RRSP or TFSA contributions.

While growth investment options are always available, no matter the difficulties the world faces, it is best to match up your goals to your investments to take full advantage of tax savings and to sleep well at night.

Tax Update 2020

You do have **until March 1st 2021** to contribute to an **RRSP** if you want/need a deduction and the maximum allowed is \$27,230.

Once again, the maximum eligible TFSA contribution is \$6,000 for 2021. If you don't have the extra cash in your bank account, you can move non-registered savings or even move RRSP assets to a TFSA as your tax planning strategy, depending on your 2021 income.

The tax regime is never simple and the government relief received during the pandemic is certainly making things even more confusing so it is more important to examine your situation early and carefully to see what options are best for you. We are **here to help** with any questions you might have.

Home sweet home work space



CRA is giving some relief to those who worked at home during the 2020 tax year by allowing them to claim a deduction of \$2 per day for each day worked from home **up to \$400.00** with no receipts required.

If you believe your expenses are greater than the \$400 deduction, you can use the longer method that requires determining the space used for work versus the size of your house but it will be more work to gather the necessary documents. You would also need a T2200S form, Declaration of Conditions of Employment for Working at Home Due to COVID 19, signed by your employer. For more info visit [www.cra.gc.ca/work from home](http://www.cra.gc.ca/work-from-home).

Ready for Tax Returns

Like every year, it's that time again and we will begin to prepare tax returns for clients starting **March 22nd**. Once you have **all** your tax information and various slips contact us to arrange a set time to drop off your papers and pick up last year's package, if you have not already done so.

Let us know if there are **any changes** in your situation from last year especially if related to the pandemic.

Below is a partial list you can use to check for most of the important items. We can also provide you with a **Tax-Pak envelope** which you can use to gather your receipts.

RECEIPTS and INFORMATION SLIPS:

- Notice of assessment from last years return
- All T4 Slips and others T3, T5 for interest income.
- Receipts for professional or union dues
- T2202A for tuition
- Medical Expense receipts
- Receipts for Charitable/Political donations
- RRSP and RRIF receipts
- Property Tax Statement

INCOME:

- Employment, Business and Rental income
- Old Age Security and CPP benefits
- EI, social assistance, WSIB payments
- Divorce support payments
- RRSP income or withdrawals
- Pension/RSP Split
- Interest and Dividends
- Sale of stocks, bonds, real estate
- Any other income from any source such as CERB

DEDUCTIONS and CREDITS:

- Child care expenses
- Moving expenses
- Charitable/Political Donations
- Vehicle Expenses (if applicable)
- Office in Home expenses

Most of the **information slips** and other information you require will be sent to you by mid March. It is **best to wait** until you have all the information before submitting to us to prepare your return. If in doubt about any information we may require it is wise to include it rather than have to submit it later and have your return adjusted.

We always **do our best** to make sure that your initial return is accurate and you receive any **refund or reduction in taxes owing** as quickly as possible.

Tax Quotes:

“Only two certainties - death and taxes, but when you have a choice there is no decision” anon

“The hardest thing in the world to understand is the income tax” Albert Einstein

Dollars for Learners

The Ontario government has a support program providing \$200 for students (child and youth) up to grade 12 and \$250 for those with special needs up to the age of 21. The deadline to apply is February 8th 2021.

For more information and the link to apply go to:
<https://www.ontario.ca/page/get-support-learners>

COVID Blue Contest



With all Festivals cancelled, John, Chair of the Blueberry Festival Committee and Linda, President of the Sudbury Arts Council, sponsored a “Blue is Beautiful” contest with over 70 entries. Above a winner receives a framed certificate from artist Monique Legault at her Elgin Street studio. Entries can be seen at www.blueberryfestival.ca.

A Challenging Year



A year of masks, missing in person contact with relatives and friends and for us no dining out, which we normally do a couple of times a week. We did have a **Fall weekend** in Killarney at their nice new premises making use of a certificate we bid on at an auction before the pandemic. All protocols were in place and it was a good break. Hopefully more opportunities in the future.