

March 2021 Financial Planning Email Update

As you walk down our office hallway you encounter a very detailed investment history chart known as the Morningstar Andex chart. For the first time I am able to forward to you this chart which I believe will be of great interest and is attached.

When one begins the practical planning for retirement there are many questions which I feel are answered perfectly in this document provided by Dynamic Mutual Funds called Retirement 101. Please follow this link to access this valuable information:

[20DYN006_SN_DF_Retirement101_Booklet_EN](#)

As we embark on the journey of filing our personal income tax return's it is worthwhile reviewing current tax information. The deadline for filing your 2020 personal income tax return is April 30, 2021.

The most significant change and opportunity for 2020 is that many employed Canadian's are now working from home due to COVID-19 and are eligible to deduct home office expenses. To be eligible your employer required that you work from home 50% of the time for 4 consecutive weeks or more. There are now two methods to calculate what to deduct. The first method is the temporary flat rate method and does not require any employer reporting or tabulating of any actual expenses. In this case you can claim \$2 per day to a maximum of \$400. The second method is the detailed method. This is the method which has always been in use for employees required to maintain an office in home. In this case you must claim actual amounts paid, supported by documents or receipts and your employer must complete and sign a form T2200S (simplified version) or form T2200 (original long version). In this detailed method you would need to determine the percentage of your home used as an office and apply that percentage to all eligible expenses which include utilities, home internet access, home maintenance, rent paid and office supplies/phone expenses (if unpaid by their employer). As you can see mortgage interest and property tax are not eligible. Most displaced by COVID-19 will claim the first method however it would be worthwhile to utilize the detailed method if for example an employee rented a small apartment where the percentage of rent allocated to an office at home is significant.

The CRA will not consider an employee to receive a taxable benefit where their employer pays for or reimburses up to \$500 of computer or home office equipment to enable the employee to carry out their employment duties, provided the employee submits receipts to the employer. This position is extended to accountable advances provided to an employee, but does not apply to allowances provided for this purpose.

It should be noted, however, that the \$500 reimbursement amount is in respect of each employee rather than each piece of computer or office equipment that an employee may purchase.

Otherwise all COVID-19 benefits received are 100% taxable. For those who received the Canada Recovery Benefit (CRB) the amount of CRB to be repaid is equal to 50

cents on every dollar that your net income exceeds \$38,000. For example, if you received \$5,000 of CRB benefits during 2020, you would have to repay the entire amount if your net income was \$48,000 or more.

There are a few income tax items of interest for 2021. The Ontario senior's home safety tax credit will take effect in 2021. If you or someone you live with is 65 or older by the end of 2021 you are eligible to claim 25% of eligible expenses to a maximum of \$10,000 which is a maximum tax credit of \$2,500. Eligible expenses include grab bars, wheelchair ramps, stair lifts, elevators and renovations to permit first floor occupancy or a secondary suite for a senior.

Good news for Registered Disability Savings Plans (RDSP). As of January 1, 2021 an RDSP may remain open after a beneficiary ceases to be eligible which is helpful for those with episodic disability related conditions.

Families will receive up to \$1,200 in support in 2021 who are eligible for the Canada Child Benefit (CCB). For families with a net income of \$120,000 or less they will receive four quarterly payments of \$300 per child under the age of 6. For families with net incomes over \$120,000 they will receive four quarterly payments of \$150 per child under the age of 6.

Also of interest. Certain cannabis products bought for a patient for medical purposes are eligible for the medical expense tax credit. The patient must be a holder of a medical document, be registered as a client of the holder of a licence for sale and make their purchases from the holder of a licence for sale they are registered with.

The Canada training credit was introduced in 2019 and applies to individuals between age 25 and 65 who earn between \$10,000 and \$150,473 (in 2020). It can be claimed based on 50% of tuition fees associated with training to a maximum of \$250 per year and accumulating to a lifetime maximum of \$5,000.

Amanda and I are both qualified CERTIFIED FINANCIAL PLANNER® professionals at your service to assist in all areas of comprehensive financial planning including financial goal discovery, cash flow/budget analysis, retirement income planning, tax savings, estate planning, insurance needs analysis, investment planning, education saving planning, special purpose or major purchase planning.

I wish to thank you for your continued confidence and for the opportunity to serve you in all aspects of Financial Planning. As always, I will continue to keep in touch with you but if you have any questions or concerns, that you would like to discuss or review, please do not hesitate to contact either Amanda or I by email or by calling us at 519-894-2661 or toll-free at 1-800-716-5538.

Have a great day!

Respectfully Yours,

Gary

Gary H. Attack, BBA, CFP®, RFP, RRC® | CERTIFIED FINANCIAL PLANNER® professional

HollisWealth® | HollisWealth® is a trade name of Investia Financial Services Inc.

203-1601 River Road East, Kitchener, Ontario N2A 3Y4 T 519-894-2661 or 1-800-716-5538 F 519-894-6656 gary.attack@holliswealth.com or gary@ghafinancial.com
www.ghafinancial.com | www.holliswealth.com

PLEASE BE ADVISED THAT TRADING INSTRUCTIONS SHOULD NOT BE COMMUNICATED VIA E-MAIL, AND IF RECEIVED WILL NOT BE ACTED UPON.

Without the use of secure encryption, the Internet is not a secure medium and privacy cannot be ensured. Internet e-mail is vulnerable to interception and forging. HollisWealth cannot ensure the privacy and authenticity of any information, and will not accept any instructions, that you send to us over the Internet. HollisWealth will not be responsible for any damages you may incur if you communicate confidential information to us over the Internet or if we communicate such information to you at your request.

HollisWealth® is a trade name of Investia Financial Services Inc. and PPI Management Inc. Mutual Fund products provided by HollisWealth are provided through Investia Financial Services Inc. Insurance products provided by HollisWealth are provided through PPI Management Inc. Gary H. Attack Financial Planning Inc. is an independent company unrelated to HollisWealth and Investia Financial Services Inc. Investia Financial Services Inc. companies have no liability for Gary H. Attack Financial Planning Inc.