

IN THE LOOP

2022 was a transitional year. After two years of pandemic-related closures, many countries reopened. At the same time, the pandemic's era of unprecedented policy support, coupled with disruptions in energy supply, prompted inflation to surge globally. The resulting interest rate hikes fueled a year of market volatility and put pressure on equity valuations. 2023 has started with a continued decline in inflation and strong returns for equity markets.

As we make our way into another tax season, we wanted to make sure we connected to remind everyone of important deadlines for both your investment and tax planning.

2022 RRSP
contribution deadline is
March 1, 2023

Please contact us by
February 23 to make a
contribution

TFSA contribution limit for
2023 is **\$6,500**

TFSA lifetime contribution
room is **\$88,000**

Deadline to file your
2022 return is
April 30, 2023

All taxes owed must be
paid by **May 1, 2023**

IMPORTANT TAX INFORMATION

Please visit the [Resources](#) page on our website to find useful links such as an [Income Tax Checklist](#), and a [Detailed Income Tax Information Sheet](#).

An important reminder for those who have non-registered investment accounts to make sure you review the list of slips you might receive, as well as to confirm if you have tax deductible advisory fees.

You may be eligible for a tax deduction of up to \$500 if you were required to work from home due to COVID-19. 2022 is the last year this tax deduction will be in place. The required information can be found [HERE](#).

Note: For those that are self-employed, the deadline to file is **June 15, 2023** - Taxes must be paid by May 1, 2023

RESP Contributions

- Now is a good time to start your RESP contributions for the year! Every new year brings an additional **\$500** in available grant money – requiring a \$2,500 contribution in order to claim it all.
- The lifetime maximum in grant money per child is **\$7,200**. If you have not maximized your yearly grant money and would like to catch up from previous years, please contact us so we can help make sure you've receive the maximum available to you.

What's new for 2023

CPP: Ontario workers will hit the CPP Maximum contribution at \$66,600 in income and will pay an additional \$255 in CPP, due to an increase in the CPP contribution rate from 5.70% to 5.95%.

EI: Ontario workers will hit the EI maximum contribution at \$61 500 in income and will pay an additional \$50 in EI, due to an increase in the EI contribution rate from 1.58% to 1.63%.

Carbon tax: Carbon tax will increase the cost of gas by \$0.14/litre, beginning April 1, 2023

Alcohol tax: Alcohol taxes will increase by 6.3% on April 1, 2023

Old Age Security: OAS recipients over the age of 75 received an automatic 10% increase in their Old Age Security pension as of July, 2022

Tax Exemption: The basic personal tax exemption will increase to \$15,000



Ontario Seniors:

- **Seniors' Home Safety Tax Credit:** this is a new credit that supports seniors in making their homes safer and more accessible, with a credit of 25% up to a maximum of \$10,000 in eligible expenses. The maximum credit is equal to \$2,500 per year.
- **Ontario Seniors Care at Home Tax Credit:** this is a refundable personal income tax credit to help seniors with eligible medical expenses, including expenses that support aging at home. The credit is equal to 25% of your eligible medical expenses up to \$6,000, for a maximum credit of \$1,500.
- **Home Accessibility Tax Credit (HATC):** if you're 65 or older, are eligible for the disability tax credit, and have remodeled your home for safer access, you can claim up to \$20 000 of your related HATC expenses.

Tax-Free First Home Savings Account (FHSA): The government has announced a new initiative to help first time home buyers. This new registered plan ([FHSA](#)) would give prospective first-time home buyers the ability to save \$40,000 on a tax-free basis. Contributions would be tax-deductible, and withdrawals to purchase a first home would be non-taxable. The FHSA account will hopefully become available in April 2023, please let us know if this is something you would be interested in knowing more about once it's available.

Mortgage Renewals

The mortgage industry experienced a lot of changes in 2022 and unfortunately, 2023 has started with yet another Bank of Canada rate increase (0.25%), bringing the Prime rate to 6.70%. Banks and Lenders are starting to reach out with early renewal offers up to 6 months before maturity. We are also seeing increased interest in 1 to 3 year terms as they offer a shorter commitment to the current rates.

This last year of rate increases has not only had an impact on mortgage payments but on all debt servicing and monthly cash flow as a whole. If you would like to review your current renewal offer with us or go over what options are available to you, please reach out to us at anytime.