

SLATER FINANCIAL GROUP

Slater Chronicles December 2023



All of us at Slater Financial Group wish you and your family a safe, enjoyable and happy holidays. For our last newsletter of the year, we will be discussing year-end tax planning.

Reminder: We are hosting a webinar on Individual Pension Plans (IPPs)

How business owners and incorporated professionals can accumulate significantly more assets in their retirement savings using an IPP. To register for our webinar on January 9th at 4:00pm, [click here](#).

As always, if you enjoyed this newsletter feel free to forward it to someone you know that may benefit.

Tip 1: First Home Savings Account (FHSA)

A new registered account was introduced this year to help Canadians save for a down payment on their first home. With rising home prices, the introduction of this account is a great savings tool for funding a down-payment tax-free.

Resident Canadians that do not have a primary residence owned by them, their spouse or common-law partner and are at least 18 years of age are eligible for the account. We recommend that clients open the FHSA **prior to December 31, 2023** even if you do not intend to fund the account right away. This years \$8,000 contribution room will be carried forward.

Additional information on the FHSA:

- You can contribute \$8,000 for 5 years, to a lifetime maximum of \$40,000 in contributions towards the FHSA.
- Like a Registered Retirement Savings Plan (RRSP), contributions to an FHSA are tax-deductible against your income and can be carried forward to future years.
- All gains in the account can be withdrawn tax-free to fund your first home's down-payment. If you do not purchase a home within 15 years from the accounts opening you may roll the funds tax-free into your RRSP.

While Wood Gundy won't have FHSA accounts set up until 2024, you can open a FHSA account online through CIBC Investors Edge, [click here](#).

Tip 2: TFSA contribution limit update

Remember to contribute to your registered accounts before the end of the year: maximize contributions to tax-advantaged accounts such as Registered Retirement Savings Plans (RRSPs) and Tax-Free Savings Accounts (TFSAs). Contributions to RRSPs are tax-deductible, reducing your taxable income. TFSAs offer tax-free growth, making them an excellent option for both short-term and long-term savings.

The TFSA contribution limit has increased to \$7,000 for 2024.

Tip 3: Tax Loss Selling

If possible utilize tax-loss harvesting: review your nonregistered investment accounts and identify investments with unrealized losses. Selling these investments can offset capital gains and reduce your tax liability. Be mindful of the "superficial loss" rule, which restricts the ability to claim a loss if you repurchase the same or identical investment within 30 days.

Typically, this is something our team will review with you.

Tip 4: Canada's Alternative Minimum Tax (AMT) update

This year Canada introduced a change to the Alternative Minimum Tax (AMT) that has an impact on high-income earners in Canada. The changes to AMT was recently left out of Canadian legislation but we suspect still has a great possibility of being included in next year.

AMT will impose a minimum level of tax on taxpayers who claim exemptions or credits to reduce the tax that they owe to very low levels.

To read Jamie Golombek's article on the proposed AMT changes, [click here](#).

Tip 5: Charitable giving

Consider making charitable donations before year-end to benefit from tax credits. Ensure your chosen charities are registered with the Canada Revenue Agency (CRA) to qualify for tax incentives.

[Click here to search if your charity is registered.](#)

Make sure to keep detailed records of your donations for accurate reporting during tax season.

Register for our next webinar on January 9th at 4:00pm

Individual Pension Plans (IPPs) - How business owners and incorporated professional can accumulate significantly more assets in their retirement savings using an IPP.

[Click here to register](#)

Reach out to us

At [Slater Financial Group](#), we're happy to speak with your or your family members, friends or colleagues trying to navigate many of these details. In addition, our clients have the benefit of tapping into the many resources available to us here at CIBC.

Contact us to set up a meeting to discuss your family's or organization's succession plans



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About us

Since 1995 we've made ourselves available to act as a sounding board for anyone who may need urgent financial advice - or just a second opinion. We've been able to help many families. As a result, our business now comes to us almost exclusively through referrals.

So, if you're approached by a friend, neighbour or family member, or if you know someone who needs a sympathetic ear, please let them know we will always find the time to listen, and we'll do our best to help. By making ourselves available this way, we're striving to make people's financial lives less stressful and better, and we're doing well by doing good.

Past newsletters

Blog

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Mark Slater is an Investment Advisor with CIBC Wood Gundy in Toronto. The views of Mark Slater do not necessarily reflect those of CIBC World Markets Inc.

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Insurance services are available through CIBC Wood Gundy Financial Services Inc. In Quebec, insurance services are available through CIBC Wood Gundy Financial Services (Quebec) Inc.

Given the complexities involved, specialized tax and pension advice must be sought to ensure an Individual Pension Plan (IPP) is appropriate to individual situations. An IPP strategy must be considered within the context of a comprehensive financial and estate plan.