

5 THINGS TO KNOW FOR FEBRUARY 2021



RRSP Contribution Deadline is March 1 2021

Contributions made by March 1, 2021, can be used on your 2020 income tax return to help reduce taxes you may owe for the year but more importantly, they encourage you to consider saving for your future retirement. RRSP Contributions may also create tax refunds. If you are having trouble deciding if you can afford to make a contribution this year, let's consider a simple scenario with some assumptions below:

Employment Income: \$50,000
RRSP contribution: \$ 5,000
Tax Refund: \$ 1,430



Therefore your out of pocket cost to invest \$5,000 into the RRSP for your future is only \$3,570 when you factor in the tax refund! After all, no one works harder for their money than you do and paying yourself first should be your top priority.

David Chilton, author of the Wealth Barber series of books encourages investors to invest 10% of your income and spend the rest. It is a budget in the simplest form!

You will never regret making the sacrifice to pay yourself first as accumulating retirement savings creates choices for you in the future.

Give it some thought and if you want to make a contribution before the deadline to claim on your 2020 tax return, see us before Monday, March 1st!



CERB recipients should be prepared to pay tax this year

Canada

CERB was designed to help those who lost work, got sick or were forced to quarantine or stay home to care for children.

If you received CERB benefits, the government will be issuing you a tax slip outlining the amount that you'll need to include as income for your 2020 tax return. The plan pays \$500 a week for up to 28 weeks for a maximum amount of \$14,000. The amount you received is considered taxable income, but Ottawa did not deduct any tax when they sent the money out to Canadians.

The federal basic personal amount -- the amount you can earn before you start paying federal income tax -- is \$13,229 for 2020.

However, many Canadians earned other income over and above the CERB benefits so when combining all sources of income, you may owe more tax than you thought you might.

The best thing to do is prepare a sample tax return to get an estimate of the amount of tax that might be owing BEFORE the April 30th filing and payment deadline.

Let us know if we can help!



ESG Investing – The Latest Trend For Investing

ESG (Environmental, Social and Governance) investing refers to a class of investing that is also known as “sustainable investing.” It’s a practice that values companies that do everything from actively managing their carbon footprints to ensuring labour laws are being upheld.

What is ESG Investing?

ESG investing consists of only investing your money in ways that promote sustainability. ESG factors are often used by investors who seek to reward and influence a company’s long-term health. For many investors, understanding the ESG factors of a company helps them understand corporate purpose, strategy and general management quality.

Areas that fall under the umbrella term of ESG factors include:

1. Energy efficiency
2. Greenhouse gas emissions
3. Staff turnover
4. Training and qualification
5. Maturity of workforce
6. Corruption
7. Revenues from new products

As we continue to meet with our investment partners, this topic has become top of our agenda as we want to ensure we are investing our clients money with investment managers that value the ESG factors.



IA Private Wealth – Re-Branding Update



As our investment Dealer continues to move towards the re-branding our name, we want to remind you of a few things that will change over the coming months.

You will notice our interior and exterior signage being updated to our new dealership name. iA Private Wealth will be branded on your statements, online investment portal, income tax slips and payee information for

your online contributions to your investment accounts. You will also make your investment cheques payable to iA Private Wealth beginning in early 2021.

When accessing your online investment portal after January 18 2021, you will access it by going to <https://www.iaprivatewealth.ca>

We welcome your concerns and questions, so please reach out to us anytime!



Designations Matter When Looking for A Professional Financial Planner

Working with a professional financial planner— someone who provides the “human touch” is more relevant today than ever before. Many investors are dealing with increasingly complex issues and faced with big decisions that affect not only their financial life, but also their personal health and stresses. The struggles are real for Canadians who are trying to “put it all together” when making decisions about their future. There is an overwhelming amount of information on the web and that can lead to confusion and frustration when trying to decide how to cope with financial decisions that impact individuals and their families.

Financial planners recognize they need to be equipped to deal with the needs of their clients at all stages of life.

I am often asked the very basic question “Am I going to be okay financially or am I in trouble?”. The first thing a financial planner needs to understand is the goals of their clients so that they can formulate a plan that can be executed to provide the peace of mind and success that clients are seeking. Most people want to know that someone has their back, to guide them through the detours that life can take them on. A good financial planner can do that.

So many digital planning tools are available to investors today with an abundance of “do it yourself plans” but I truly believe that answers can’t be found in spreadsheets and online calculations – it takes a human being who is a true partner to guide you to success.

Brenda Meulendyks is an Investment Advisor, a CERTIFIED FINANCIAL PLANNER® professional and a member of FP Canada. This certification was completed in 1999 and Brenda continues to maintain this designation through ongoing continuing education requirements annually. Feel free to reach out to us for all of your planning needs.

Source: <https://www.financialplanningforcanadians.ca/financial-planning/no-replacement-for-human-planner>



Please note our office will be closed Monday, February 15th, 2021 for Family Day

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Insurance products are provided through Hollis Insurance. Only services offered through iA Private Wealth Inc., are covered by the Canada Investor Protection Fund.

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