

*Dr. Patrick O'Brien's*  
**Winter 2023 Client Note**



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Glance at the past but don't stare!

Dear Friends and Clients,

I hope you all had a wonderful holiday season with friends and family. My team and I have had some time away and are ready to go for 2023! We look forward to serving you, your family, and friends.

The rear view mirror is smaller than the windshield of a car for a good reason: it deserves to be checked frequently, but it should not hold one's gaze.

This past year is a good example of why I glance back and take note of 2022, but look forward to 2023 and the next decade. Call me an optimist, but I see good things coming our way – maybe not next week or month – but sometime sooner rather than later.

I think the next decade for Canada will be positive as the world will want what we produce (mostly commodities) now that Russia is likely to be offline to the Western world for the foreseeable future. Russia is the mega producer of grain, metals, oil, lumber etc. worldwide, and their absence will create a higher baseline price for the same products that Canada sells - resulting in better wages for Canadian workers, higher growth, more tax revenue etc. It should also boost the market in Canada with higher company profits, share prices, and rising dividends.

**Inflation and Interest rates:**

I believe that we are getting close to peak interest rates as inflation continues to spiral down from its top last June. The rapid increase in interest rates starting last March has caused an adjustment to prices of all assets this year – houses, stocks, oil, fertilizer, wheat, lumber etc. Earlier in December 2022, crude oil was cheaper per barrel than it was a year ago.

So, as I say, maybe not next week or next month, but sometime soon, good things are coming our way.

Please call me to discuss any of your financial needs – financial/tax planning, insurance, or other issues concerning you.

### **Financial Planning tips for early 2023:**

#### Tax Free Savings Account (TFSA)

We can contribute \$6,500.00 to our TFSAs this year. This brings the total regular contribution room since 2009 to \$88,000. If you are unsure of your contribution limit, the TFSA hotline is 1-800-267-6999 which will give you a definitive answer. We would call for you, but privacy rules prevent CRA from disclosing your TFSA room to us.

#### Retirement Income Fund (RRIF) Draws for 2023

There is a minimum that must be drawn from a RRIF each year. RBC DS sends out a notice to account holders each January detailing the minimum which is based on your age (more as you get older as a percent) and the fund value on December 31 of the preceding year (2022 in this case). Please call us if you have questions.

#### Multiple Will Strategy

If you are an owner of an incorporated small business, this would be a good time to consider using the multiple will strategy to reduce estate costs. In BC, probate fees are 1.4% or \$14,000 per million of corporate value.

#### Joint Account with the Gift of Beneficial Survivorship

Single seniors can help to reduce probate in their personal accounts by gifting the right of beneficial survivorship to their heirs. It will save 1.4% or \$28,000 on a \$2 million account. Setting up this account is easily done.

#### RSP Contributions

The RSP deadline for 2022 is March 1, 2023. Your contribution limit is on your 2021 notice of assessment from CRA. Please call me if you would like to discuss RSPs and your particular situation. Each person is different and it is not always the best tax planning to contribute.

Celine, Brooklyn, Tanner and I are looking forward to the new year and wish you all the best. Please reach out to us whenever we can assist you.

Warmest Winter Regards, ☺

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