

# THE GREEN REPORT

SPRING/SUMMER 2024

GREEN PRIVATE WEALTH

HARBOURFRONT WEALTH MANAGEMENT

A semi-annual publication for our clientele that provides the latest information relating to Green Private Wealth, our community and today's markets and trends.

*Hello Spring!*  
Fresh Beginnings



Share the Green Matching Campaign supports Mothers With a Heart for Ethiopia

## Share the Green Christmas Donations to Those in Need



A big thank you to our clients! Your continued loyalty makes it possible for Green Private Wealth to reach out to those in need in our community with the **Share the Green** initiative. ...continued on page 3.

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# The Market

## Paul's Perspective

### Ups and downs, the yo-yo continues ...

As we look at 2024, investors are keeping a watchful eye on the dynamic interplay of economic indicators and market movements. Amidst a backdrop of geopolitical tensions, evolving fiscal policies, and global supply chain challenges, the S&P 500 remains a barometer of market sentiment and economic health. One of the brightest areas has been technology and specifically artificial intelligence. These massive technology companies have attracted many buyers with very little selling since 2022. What we would like to see is a more broadening of buying throughout the market. The other focal point is the US Federal Reserve and its decision to cut interest rates in 2024. Both stocks and bonds should benefit from the reduction in interest rates so we believe both stocks and bonds should increase in value in 2024.

### US stocks look favourable...

As mentioned, the largest companies in the US have been the focus and reason the market has been impressive since the start of 2023 (see below chart). However, as we transitioned into 2024, volatility has come back, driven by uncertainties surrounding inflation, interest rates, and geopolitical events. The Federal Reserve's stance on monetary policy, particularly its approach to tapering asset purchases and potential rate hikes, has been closely scrutinized by investors. Moreover, geopolitical tensions, such as conflicts in various regions and trade disputes, have added layers of complexity to market dynamics. Several key economic indicators offer insights into the health of the economy and its potential impact on the S&P 500. Among these, inflation has been a focal point, as rising prices can erode consumer purchasing power and corporate margins.

As of the latest data (Feb 13), the Federal Reserve is contending with a complex inflationary landscape. Inflationary pressures have persisted, driven by a confluence of factors including supply chain disruptions, elevated demand, and wage pressures. Core inflation, which excludes volatile food and energy prices, has seen a sustained up-tick, indicating broader-based inflationary



trends. The Federal Reserve continues to closely monitor these developments, balancing its dual mandate of fostering maximum employment and maintaining price stability. Amidst these challenges, policymakers are deliberating on appropriate monetary policy responses to ensure a sustainable economic recovery while guarding against the risks of overheating and excessive inflationary expectations.

### Oh, Canada...

We continue to have concerns about the economic landscape

The Magnificent 7 Led the Index Higher in 2023



Date Range: 12/30/2022 - 12/31/2023

Feb 15, 2024, 11:49 AM EST Powered by YCHARTS

in Canada. Increased household debt to unprecedented levels with higher interest rates and higher prices are reducing (or worse) disposable income to many households. This is a major risk to Canada as reduced spending will most certainly have a negative impact on our economy. This will mean defaults and

most likely jobs. We don't expect a significant downturn unless there are catalysts that could create more negative pressures.

### Bumpy ride, smooth landing...

Our base case for 2024 remains positive but with volatility. We expect the Central Banks in Canada and the US will reduce interest rates by the end of the year which should help stock and bond prices. Until that time, we should see a

battle from both buyers and sellers. Once again, our portfolios are designed to limit the price swings and to protect to the downside from major declines in the markets. Our team is looking for selling signals daily but also know the importance of being invested. Currently, we have a neutral position but will be looking to make changes as necessary.



## Share the Green Christmas Donations to Those in Need

...continued from page 1

From our Woodstock office, donations were made to: Operation Sharing; Salvation Army; and The United Way. From our Burlington office, donations were made to: The Humane Society; Food for Life; and Halton Women's Place (shelter).

Photo page 1: Woodstock Office - Kelly Gilson, United Way Oxford receiving a cheque from David Harris.

Photo left: Burlington Office - Laura Moretti at Food for Life receiving a cheque from Mike Pakreslis.

## Share the Green Rotary Club of Woodstock

Green Private Wealth was proud to contribute to the Rotary Club of Woodstock yearly birthday donations which go to the Rotary Bursaries and Scholarship Program, providing financial support to students entering college or university.



## Tax Season Is Here

**Filing Date:** April 30, 2024.

**T3 Slips:** T3 slips can come as late as mid-April and you do not want to file your return without all slips being reported. Please be mindful that if the T3 is mailed on March 31st, it will only get to you in the first two weeks of April.

### Tax Slip Mailing Deadlines:

**Registered Accounts:** T4RSP, T4RIF and RRSP contribution slips have a mailing deadline of February 29, 2024.

**Non-Registered Accounts:** T5, Investment Income Summary, and T5008 have a mailing deadline of March 1st. T3 and T5013 slips have a mailing deadline of February 29, 2024.



# What Is Probate and How to Plan for It

**David Harris**

CFP®, CIM® | Portfolio Manager, Director Private Client Group

Probate is the process of getting your will approved by the courts. This process validates your will and confirms the executor. However, probate can often be an expensive and long process. Probate fees vary by province. In Ontario, for example, it is 1.5% of the estate assets over \$50,000. In most cases, financial institutions will require a copy of the probated will before taking direction from the Executor. Probate can also cause delays in the distribution of assets from the will because once a will is probated, it becomes public record. This means that it can be contested and potentially delayed while the courts settle any disputes. The good news is that with proper planning, it is possible to minimize the assets that require probate.

## What you need to know

There are several planning strategies that can be used to bypass or minimize probate. Below are some common strategies to make your estate as efficient as possible.

### 1. Beneficiary designation on registered assets

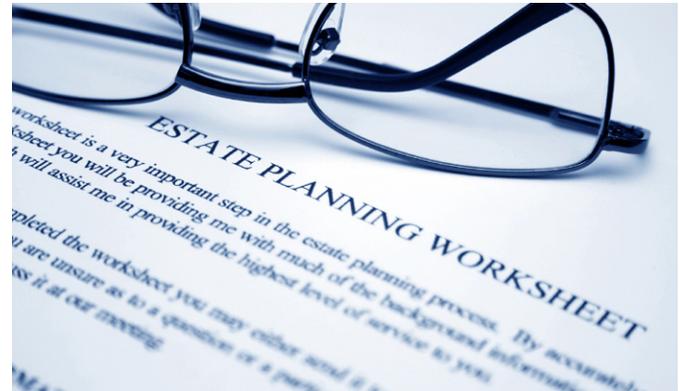
RRSP, RPP, TFSA, RRIF, LIF, and LIRA are all considered to be registered assets. This means that the CRA allows for a direct beneficiary designation. If there is a spouse, you can choose to have them roll registered accounts into their own names. If there is no spouse, then the investor can name an alternative person to leave the money to that they designate directly on the investment account. Money left to a beneficiary bypasses probate and passes directly to the appointed person.

### 2. Designating a beneficiary on non-registered assets

Typically, non-registered assets do not allow a beneficiary designation and automatically go to your estate to be probated. The one exception is if these investments are in a Segregated fund. Because Seg funds are insurance products, a beneficiary can be added and probate can be avoided. However, the management fees charged by Seg funds are typically higher and the investment choices are limited by what the insurance company chooses to offer.

### 3. Trusts

Any assets left to someone in trust automatically bypass probate. There are a variety of trusts that are all used for different reasons. Trusts can be more complex than the options listed above, but they can be a very effective planning strategy that allows you to assign a trustee to manage the money. It's important to note that setting up a trust can be expensive. If avoiding probate is the sole reason for the trust, then it may be prudent to add up the costs of each to see which makes more sense.



### 4. Joint accounts

We see many elderly clients add one or more adult children to their bank accounts as Joint account holders. This can be an effective way for children to help their parents pay bills and handle day-to-day transactions. The funds would also transfer to the joint holder on the death of the parent. Joint accounts do come with some risks, such as, the joint account holder could be exposed to divorce or insolvency. If joint account balances go over \$50,000.00 at any time in the year, a bare trust return will need to be filed with the CRA. Care also needs to be taken with respect to how much money is in that account and the intention of the parent.

### 5. Gifting

You can gift money to your beneficiaries before death with no tax implications for you or the recipient. Proper planning can help you determine if there is expected to be a surplus of non-registered money in the estate.

### 6. Second Will

In some provinces, certain assets do not require probate, and by listing them in a second will, you can avoid tax on these assets. In Ontario, for example, shares of a private corporation can be handled through a second will.

## The bottom line

Probate costs and delays in distribution of assets can be minimized with proper planning and guidance from your financial planner, lawyer, and accountant. It is important to note that on registered accounts and investments in segregated funds without a named beneficiary, the assets automatically go to the estate. This means they would be subject to probate. It is a good idea to review your beneficiary designations regularly to make sure they are up to date.



## Share the Green Kiwanis Winter Gala

Green Private Wealth was proud to be a Platinum Sponsor of the **Kiwanis Winter Gala** that took place on November 18, 2023. It was a fabulous formal evening that raised \$33,500 which will go to help support local children and youth programs in the area.



## Share the Green Big Brothers Big Sisters Big Night Out Halloween Bash

Green Private Wealth was proud to be an Event Partner of the primary fundraising event for **Big Brothers Big Sisters of Oxford County**. The event exceeded the fundraising goal, bringing in over \$116,000. Every dollar raised stays in Oxford County to support our youth mentoring programs, helping all young people realize their full potential.

**Holiday Harbourfront Meals Campaign**

We have exceeded our initial goal by over 15x!

Meals raised: 161,500

This holiday season, the Harbourfront team is committed to making the season a little brighter for those in need. Our goal is to raise funds for Food Bank Canada and ultimately provide 10,000 meals to families.

## Holiday Harbourfront Meals Campaign

Since 'Giving Tuesday' on November 28th, the **Harbourfront Gives Foundation** has fundraised a remarkable amount to provide over 20,000 meals to Canadians during the 2023 holiday season, doubling our initial goal!

Check out our new YouTube channel where we cover a wide range of topics relating to financial planning and investing through podcasts and videos!

[youtube.com/@greenprivatewealth3109](https://youtube.com/@greenprivatewealth3109)



# Tax Changes Canadians Need to Know in 2024

**Gary Armstrong**  
CPA, CGA, CLU® | Strategic Tax Specialist

A new year always brings fresh perspectives and resolutions we like to implement for the coming year. For tax professionals, the new year brings about changes to tax laws and reporting that we convey to our clients for the upcoming tax year. As tax season is quickly approaching, we wanted to take this opportunity to highlight for you some of the many tax changes that may affect you and/or your business.

## New for 2023 tax year

**Interest rates for late filing:** Interest rates for late filing have increased for the 2023 tax year to 10%, up from 8% for the 2022 tax year.

**Deductions for tools (tradespersons and apprentice mechanics):** Starting in the 2023 tax year, the maximum employment deduction for tradesperson's eligible tools has increased from \$500 to \$1,000.

**Grocery rebate:** The government introduced a new grocery rebate to help alleviate financial strain due to rising food costs. The value of the rebate is equivalent to double the GST/HST credit amount you received in January 2023. If you filed your tax return for the 2022 tax year, you would have received the payment in July 2023.

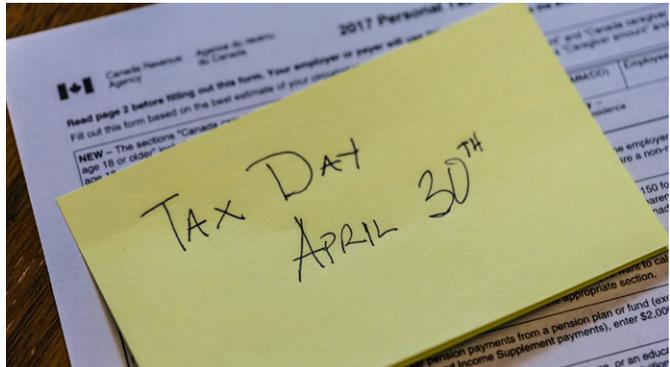
**Programs ended:** Both the COVID work-from-home expense and the Ontario Staycation credit programs are no longer active for the 2023 tax year and moving forward.

## Previously announced for 2023

**First Home Savings Accounts (FHSA):** The new registered tax-free FHSA plan gives prospective first-time home buyers the ability to save \$40,000 on a tax-free basis towards the purchase of a first home in Canada. The contributions to the FHSA are tax deductible just like RRSP contributions.

**Multigenerational Home Renovation Tax Credit:** This new credit, is equal to 15 per cent of eligible expenses (up to \$50,000) incurred for a qualifying renovation that creates a secondary dwelling to permit an eligible person (such as a senior or a person with a disability) to live with a relative.

**Anti-flipping rules:** New anti-flipping rules for residential real estate come into force and are designed to "reduce speculative demand in the marketplace and help to cool excessive price growth". The principal residence exemption will not be available on the sale of your home if you've owned it for less than 12 months (with certain exceptions) and the gain will be 100% taxable as business income.



## Tax benefits

**Inflation adjustment factor:** A lot of the income tax and benefit amounts are indexed to inflation. In late 2023, the announced increase to the inflation indexed rates would be 4.7 per cent for 2024. These increases affect non-refundable tax credits and certain benefits, like HST and child tax benefits.

**Basic personal amount (BPA):** The BPA is increased to \$15,000, meaning an individual can earn this amount before paying any federal income tax. The increased amount is gradually reduced to \$13,521 for taxpayers earning over \$165,430.

## Tax increases

**CPP contributions:** CPP has been increased by 6.5% per cent. The maximum contributions are \$3,754.45 in 2023, based on the new yearly maximum pensionable earnings of \$66,600 (with a \$3,500 basic exemption.). New for 2024, the first earnings ceiling has increased to \$68,500.00, which will see a 5.95% CPP rate applied. A second ceiling became effective January 1, 2024, up to \$73,200.00. Individuals earning above the first and below the second ceiling will be subject to an additional CPP contribution.

## NEW Trust reporting

A bare trust is one of the new trust filing obligations for the 2023 tax year. A bare trust can be identified as, an arrangement where the trust can reasonably be considered to act as agent for its beneficiary(ies) with respect to the trust's property. The filing obligation may affect some of our clients. Below are examples of clients in which these new requirements may affect.

## Personal examples:

- Parent(s) adding their children (adult) to house title.
- Parent(s) co-signing their child's mortgage.

- A joint bank account with elderly parent(s) and their child. An exemption is a bank account with less than \$50,000 in the account throughout the whole year.
- Parent(s) opening a bank account for their minor child. The same \$50,000 rule applies.

**Business examples:**

- This will mainly occur in the real estate realm when dealing with partnerships or joint ventures.
- Movement of assets from corporation to corporation may also be subjected to file.

Tax filings for trusts are to be filed by April 2nd, 2024 (because of leap year and statutory holiday). Late filing is subject to a \$25 penalty for each day of delinquency, with a minimum penalty of \$100 and a maximum penalty of \$2,500.

For additional information on this topic and to see if this new requirement applies to you, please view this link: [canada.ca/en/revenue-agency/services/tax/trust-administrators/t3-return/new-trust-reporting-requirements-t3-filed-tax-years-ending-december-2023.html](https://canada.ca/en/revenue-agency/services/tax/trust-administrators/t3-return/new-trust-reporting-requirements-t3-filed-tax-years-ending-december-2023.html)

# Share the Green

Mothers with a  for Ethiopia



**Mothers With a Heart for Ethiopia** is incredibly grateful for the generous support of **Share The Green Foundation**. As our presenting sponsor of Gems & Java and our matching donor of the Double Your Impact donation campaign at Christmas, Green Private Wealth helped make it possible for our organization to raise over \$100,000 in 2023! Incredibly, our organization, thanks to our donors and volunteers, has celebrated sending over 1 million dollars to Ethiopia over the past 12 years to make significant change in hundreds of women's and children's lives.

If you are interested in learning more about Mothers with a Heart for Ethiopia and the seven projects they fund, please visit [motherswithaheartforethiopia.com](https://motherswithaheartforethiopia.com).

## Share the Green

### K2K Productions

This past year, **Green Private Wealth** supported the launch of **K2K's VISTO Performing Arts Camp**

which provides weekly camp experiences for grades SK-8 and opportunity for past and current K2K students to be trained and employed in meaningful ways. Musical Directors, choreographers and acting coaches provide instruction in their area of expertise and gain employment opportunities while pursuing careers in the performing arts, teaching or social services. For every student we meet who is suffering, there are parents, grandparents, and guardians desperate for help, or desperately trying to find hope. Together, with the generosity of foundations like Share the Green, K2K Productions is changing students' lives forever.





# Healthy Crab Springtime Salad



## Chef's Corner

with Chef Rob Bartley  
Makes enough for  
4 people

Crab salad is one of the best ways to enjoy crab meat. It's super easy to make and a meal you'll love for springtime or the summer season.

### INGREDIENTS:

#### For the Crab:

- 1 lb fresh, cooked crab meat - you can use King Crab, Dungeness, Snow Crab or even Surimi Crab meat
- 1 lemon
- salt and fresh pepper
- shred the crab meat into long stands and toss very lightly with the fresh lemon juice, salt and pepper; set aside

#### Salad Mixture:

- 1 cup matchstick (julienne) cucumber (approx. ½ English cucumber)
- 1 cup matchstick red pepper
- 1 cup matchstick carrot

- 1 cup matchstick green onion
- 1 cup cilantro stems and leaves
- 2 Tb julienne pickled ginger
- 2 handfuls of your favorite lettuce, cup small

#### Dressing:

- ¼ cup pickled ginger liquid (from jar that pickle ginger comes in)
- 1 Tb white sugar
- 1 Tb soy sauce
- 1 lime, juiced
- salt to taste
- mix all ingredients together to dissolve the sugar

#### Garnish:

- sliced red chili peppers
- lime wedges

### ARRANGING THE SALAD:

1. In a large mixing bowl, combine all the salad ingredients together along with the crab meat. Very lightly toss the salad with a little bit of the dressing and taste to ensure it tastes good. Add a pinch of salt and adjust with more dressing if required.
2. Carefully arrange in a large salad bowl, garnish with the chili pepper slices and lime wedges.

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