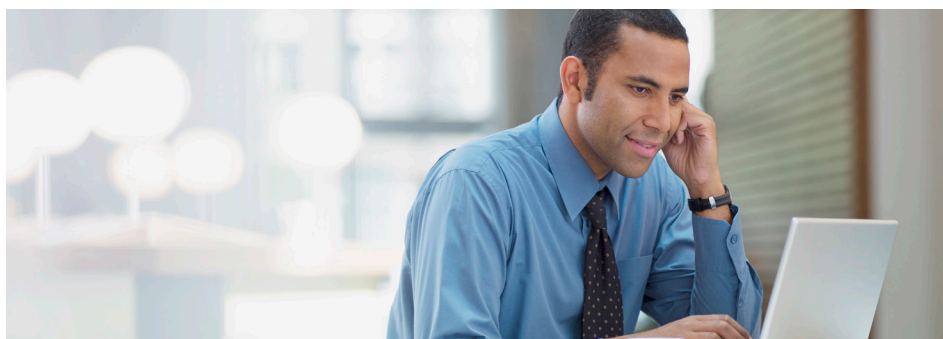


NetWorth



Planning For Your Income Tax Refund

For many Canadians spring signals the arrival of their income tax refund from the Canada Revenue Agency (the “CRA”), or Revenu Québec (“RQ”) if you also file your taxes in Quebec. If you’re receiving a tax refund based on your 2020 income tax return, it may be worthwhile meeting with your BMO Private Wealth financial professional to discuss how you can maximize the use of these funds, such as repaying non-deductible debt, or making/catching up on your Registered Retirement Savings Plan (“RRSP”), Tax-Free Savings Account (“TFSA”), or Registered Education Savings Plan (“RESP”) contributions.

Notice of Assessment

The CRA’s stated goal is to issue a Notice of Assessment, including any applicable refund, within two weeks of receiving an electronically filed tax return, or eight weeks after receiving a paper filed return. To check the status of your Federal tax refund, you can use the My Account or MyCRA service, or call CRA’s Telerefund phone service. However, the CRA suggests waiting eight weeks after filing your return before calling to obtain an update on the status of your refund.

If you also filed a Quebec personal tax return, note that Revenu Québec generally processes paper returns in four to six weeks, but electronically filed returns may be processed within 14 business days. However, RQ advises to wait at least four weeks after filing your return before contacting them about the status of your refund.

From a tax perspective, ensure that you take the time to review your Notice of Assessment with your tax advisor to determine if the CRA or RQ made any adjustments to your filed tax return. It is important to review the Assessment once available to understand any changes, since there are specific time limits to object or dispute an Assessment.

About BMO Private Wealth

Backed by the heritage, stability and resources of BMO Financial Group, BMO Private Banking and BMO Nesbitt Burns have come together under the unified brand, BMO Private Wealth. Professionals from one of North America’s leading full-service investment firms and Canada’s best Private Bank are partnered to help you navigate the complex process of managing your wealth. Our multi-disciplinary wealth management professionals take a proactive approach to helping individuals and families achieve their wealth goals. Services include wealth planning, investment management, banking, trust and estate, and philanthropy.

To learn more visit
www.bmo.com/privatewealth

Use your tax refund wisely

If you receive an income tax refund, consider the following strategies in order to maximize the benefit of your refund to your overall wealth planning:

Make a contribution to your RRSP/TFSA – If you have unused RRSP/TFSA contribution room, catch up on your contributions and build your retirement savings. Or, consider making your current RRSP or TFSA contribution with your refund.

Manage credit card debt – Pay down credit card debt, beginning with those cards that carry the highest interest rate.

Make a lump sum mortgage payment – If you have a mortgage, check the terms of your mortgage and consider using your tax refund to make a lump sum payment.

Build an emergency fund – Having money set aside in case of an emergency is not only a good financial strategy, but also helps you sleep easier at night.

Save for your child's education – A post-secondary education is becoming increasingly expensive. Contributing to a RESP can help alleviate some of the pressure that all parents feel when planning for their children's future education.

Your BMO Private Wealth financial professional can help you plan for the tax efficiency of your investment assets and help you use your tax refund to your benefit. Please contact them if you have any questions about these planning tips.

Keep Your Personal and Account Information Safe

At BMO, we take your security seriously. We are committed to respecting and protecting the privacy and confidentiality of the personal information you entrust to us. It is also important to know how to keep your information secure. This article provides a few simple ways you can protect yourself online, as well as some key reminders for detecting fraud. Please be reminded that these are suggestions and we recommend that you speak to a technology professional about your digital security.

Use discretion with public Wi-Fi

Public Wi-Fi hotspots offer minimal security and may leave you vulnerable to cyber threats because you can't control what security measures are being taken. As such, accessing your financial accounts while connected to public Wi-Fi is not recommended.

Passwords – strengthen, change, and don't reuse

To make sure that your passwords remain secure, it's good to get into the habit of changing them regularly – for your computer, Wi-Fi, and all online accounts and websites. Consider the following tips when creating or updating your passwords:

- While most sites detail their password requirements, strong passwords should include a combination of letters, numbers and special characters, if permitted;
- Creating a passphrase may be easier to remember and more difficult for someone else to crack. Example: "I love to downhill ski" could become 1l0v3t0d@wnhillsk1;
- Don't repeat passwords across multiple platforms in case one of your accounts is compromised; and
- Change your passwords frequently to minimize the chance it gets captured by an outsider.

Securing your computer

To help protect your account information, make sure that your computer is free of viruses and malware, and that your network connection is secure. It is recommended that you have antivirus software installed on your computer as it can help avoid becoming infected from viruses and malware.

Securing your network and browser

Network security

When you secure your network, you decrease the chance of hackers gaining access to your network and, consequently, your personal information. To help protect the integrity of your network you can use a software or hardware-based firewall.

Browser security

With fraudulent websites becoming harder to spot, it's important to be able to verify the web pages you're visiting, especially for online banking or when viewing your investment accounts online. To start, we recommend downloading [Trusteer Rapport®](#) software. It's free to download on your desktop, easy to set up, and it will ensure that you're accessing bmo.com, for instance, and not an imposter site.

For more detailed information about enhancing your digital security, ask your BMO Private Wealth financial professional for a copy of our publication, *Digital Security – Keeping Your Personal and Account Information Safe*.

Five Best Practices for Business Owners During Uncertain Times



The COVID-19 crisis has created uncertainty for many business owners, regardless of the industry in which they operate. Many business owners are facing issues related to employee safety and business continuity, while concurrently working within the confines of government orders, managing supply chain disruptions, dealing with reduced revenues and cash flows, and reacting to plummeting commodity prices.

Given these challenging times, the BMO Business Advisory and Transition Planning team has outlined five best practices to help business owners focus and manage their business effectively. This list is not exhaustive, nor is it a substitute for consulting with trusted business advisors. Please speak with your BMO Private Wealth financial professional who can connect you with a BMO Business Advisory and Transition Planning Specialist to discuss the complexities and issues associated with your specific business.

Best practices

- 1. Cash management and protecting liquidity.** Managing cash flow is always important, but it's all the more critical right now in order to gain visibility and implement an action plan for cash inflows and outflows.
- 2. Manage customer and supplier relationships.** This is an opportune time to open the lines of communication with customers and suppliers. By reaching out to customers and suppliers to understand how they have been impacted by COVID-19, you will gain insight into future demand for existing products or services, and how you can continue to adapt your offering.
- 3. Understand the impact of contractual agreements.** COVID-19 has caused disruptions in supply chains, increased/decreased demand for specific products, cancelled events, and resulted in alternative work arrangements for employees (e.g., working from home). If you are contractually obligated to accept deliveries from suppliers or provide goods/services for customers, you may be in

a situation where you cannot balance supply and demand to meet contractual obligations. In this case, consider a professional review of the wording of the contract, governing laws, industry norms, and the specific impact of COVID-19 on your business to assess if you can be rightfully excused from the contract under a force majeure clause.

- 4. Manage lender/investor relationships.** If you have lenders or investors with a financial stake in your business, it is critical to communicate early and often with them regarding the challenges your business is facing. This is an opportune time to create financial models with a range of scenarios (e.g., base case, best case, worst case) to quantify the impact of COVID-19 on your business and existing financing arrangements.
- 5. Consider your personal financial, estate and tax plan.** While the focus here has been on your business, it is just as important to review your personal financial circumstances in this unprecedented time of economic disruption. Just as you have done for your business, review your personal expenses and gain clarity regarding your cash inflows and outflows.

For more detailed information about these five best practices, ask your BMO Private Wealth financial professional for a copy of the article, *Five Best Practices for Business Owners During Uncertain Times*. They can also connect you with a BMO Business Advisory and Transition Planning Specialist for further assistance in managing your business during these difficult times.

Responsible Investing

For many, 2020 was seen as a “critical year for addressing climate change.” Riding the wave of environmental activism it was hoped that the 2020 UN Climate Change Conference (“COP26”), scheduled for November 2020, would solidify plans to reduce global carbon emissions.

Instead, COVID-19 and anti-racism movements refocused public attention, overshadowing many pressing environmental concerns and postponing COP26. While this upheaval seemed to sideline the momentum environmental concerns were gaining, these issues pushed many conscious investors to explore sustainable investments — specifically those focused on companies with strong environmental, social, and corporate governance (“ESG”) principles.

What are ESG investments?

Environmental, social, and governance criteria are standards used to measure a company’s sustainability and ethical impact. Socially-conscious investors use this criteria to screen potential investments.

Environmental (“E”) criteria focus on environmental concerns, such as a company’s carbon footprint, sustainable development plan, or how they handle potential issues around air or water pollution.

Social (“S”) criteria focus on social relationships, such as employee treatment, consumer protection, or even a company’s stance on human rights matters.

Governance (“G”) criteria consider how executives and boards of directors manage companies, including issues of gender diversity, lack of transparency, and failure to attend to stakeholders’ concerns.

5 reasons to consider ESG investments

Aside from creating a more ethical portfolio, there are many reasons why you should consider investments that prioritize ESG criteria. Here are five:

1. Upholding ESG values without compromising potential returns. One 2019 study² comparing the total returns of ESG-focused funds against their traditional counterparts from 2004 to

2018 found no financial trade-off when investing in ESG factored funds.

2. Changing government sentiment. Governments are getting serious about supporting environmental issues through public policy, that will drive ESG investing success.

3. Risk management. While ESG factors are often tied to good citizenship or environmental advocacy, sustainable investing can also be used as a risk-management tool. Well-managed companies don’t tend to fall victim to boycotts, public relations problems, or a failure to plan for a changing economy³.

4. Supporting sustainability. With the growing awareness of environmental and human rights issues, many people are prioritizing ESG investing with the goal to create change.

5. Sustainable investing is the future. There is a global push towards ESG investing which seems poised to continue. In the U.S., sustainably focused investments have doubled over the past three years. Canada saw growth as well, with 2020 first quarter inflows outpacing all of 2019⁴. More and more investors are insisting on investments aligned to their values. As a result, the options available are steadily increasing; allowing them to build a portfolio consistent with their ESG priorities and that allows them to meet their investment objectives.

Final thoughts

Shifting global priorities – which place sustainability as imperative for good business and economic growth – are changing the way people invest. BMO Private Wealth financial professionals understand that ESG investments are powerful tools for building diversified portfolios with sustainable results.



¹ A firewall is a program or device that inspects the information passing between your computer and its network connection. It blocks malware from gaining access.

² <https://www.ussif.org/performance>

³ <https://www.bmogam.com/ca-en/investors/wp-content/uploads/2020/08/responsible-investing-and-esg-what-is-right-for-your-portfolio-canada-investors.pdf>

⁴ <https://www.morningstar.ca/ca/news/202180/canadian-esg-funds-grew-faster.aspx>

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