



[Reminder: March 1, 2022 is the 2021 RRSP Contribution Deadline](#)

[Portfolio Strategy](#)

After an extremely strong 2021, January presented investors with more volatile stock swings. No sector was harder hit than high multiple technology stocks as concerns about rising inflation and associated higher interest rates took center stage. Although Omicron continues to be in the headlines, it is not the primary market mover at this point and is the belief of many that COVID-19 will soon morph into something more akin to a bad flu (more infectious but less severe than it's original iteration).

At this point, it's important to think about the factors that will influence markets going forward. Economic momentum (the change in the economy's growth rate) is a good place to start. While global economic activity should continue to be robust, thereby allowing companies to maintain elevated profitability, the rate of growth in activity is bound to slow in 2022 from 2021's impressive COVID rebound. This will have important implications for market and sector performance over the next number of quarters. Historically, the market can still post positive returns in such an environment but the leading sectors will likely change from those that have driven recent performance (i.e. technology).

We remain positive on equities - especially relative to bonds - but expectations should be tempered in that 2022 will likely see more normalized returns after a particularly strong 2021.

In January, we reduced equity exposure marginally by selling our position in a Russell 2000 Index ETF and moved the proceeds to cash. On the fixed income side we maintained our existing positions, but found out that another of our preferred shares will be called in at par in the coming weeks. This has been a recent theme for our preferred share portfolio of rate reset securities, which we had planned for and expected when originally purchased. We are exploring options for reinvestment.

On an asset mix basis, we are still slightly overweight equities (though less so than at previous month end due to the sale in the Russell 2000 Index ETF) and underweight fixed income. We now hold a small amount of cash, which we continue to look for opportunities to invest.

[2022 Personal Tax Calendar](#)

While most Canadians are aware of the April 30 personal income tax filing deadline, there are other important tax deadlines that must be observed over the course of the year – especially if you want to take advantage of certain tax deductions and credits. The attached document includes a calendar summarizing several important dates on the tax calendar and offers some tips to help you with your overall wealth planning.

As always, if you have any questions, please do not hesitate to contact us.

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2022 Personal Tax Calendar

January 2022

While most Canadians are aware of the April 30¹ personal income tax filing deadline, there are other important tax deadlines that must be observed over the course of the year – especially if you want to take advantage of certain tax deductions and credits. This calendar summarizes several important dates on the tax calendar and offers some tips to help you with your overall wealth planning. Where a deadline falls on a weekend or a holiday recognized by the Canada Revenue Agency (“CRA”), the deadline is generally extended to the next business day.

By not considering tax planning until the end of the year – or when filing your annual tax return – you may limit the opportunities available to help you minimize your overall tax bill. Talk to your BMO financial professional and your personal tax advisor about the planning considerations and tips included in this calendar to determine if you’d benefit from incorporating them into your 2022 wealth planning.

| Month | Event | Deadline |
|----------|--|-------------|
| January | Family Loans Deadline to pay annual interest on family loans to avoid income attribution for 2021. | January 30 |
| | Company Loans Deadline to pay annual interest on company loans to reduce the amount that will be deemed a taxable benefit for 2021. | January 30 |
| | TIP: Make your 2022 RRSP and TFSA contributions at the start of the year. Start the year off right by making your 2022 Registered Retirement Savings Plan (“RRSP”) and/or Tax-Free Savings Account (“TFSA”) contributions, and benefit from tax advantaged growth sooner. The 2022 maximum contribution limit is \$29,210 for RRSPs (based on 2021 earned income). The 2022 TFSA contribution limit is \$6,000. | |
| February | Company Car Deadline to reimburse your employer and reduce your 2021 operating cost benefit for the personal use of an employer-provided automobile. TIP: If you’re eligible for the “low personal use” classification for determining the standby charge for a company car, inform your employer of your intention to use the classification in early February; before your employer finalizes your T4/Relevé 1 (RL-1). In light of the impact that COVID-19 lockdowns and public health measures have had on how employees use their employer-provided vehicles, the Federal government (and Quebec government) introduced temporary adjustments to the calculation of automobile taxable benefits for 2020/21. Specifically, employees can use their 2019 automobile usage to determine eligibility for the standby charge (if the employee was provided with an automobile from the same employer as in 2019) for the 2020 and 2021 tax years. Similar changes apply in respect of the option to calculate the operating expense benefit as 50% of the standby charge. | February 14 |

| Month | Event | Deadline |
|--|--|--------------------|
| February | T4/RL-1 Tax Slips Deadline for employers to issue 2021 T4/RL-1 slips (Statement of Remuneration Paid) to employees. | February 28 |
| | <p>Note: For Canadians who have received Federal COVID-19 benefits in 2021, such as the Canada Recovery Benefit (“CRB”), the Canada Recovery Sickness Benefit (“CRSB”), and the Canada Recovery Caregiving Benefit (“CRCB”), the CRA will be issuing a T4A slip by the end of February to report these amounts received, as they are taxable. Residents of Quebec will receive both a T4A and a RL-1 slip.</p> | |
| | T4A/RL-2 and T5/RL-3 Tax Slips Deadline for financial institutions to send 2021 T4A/RL-2 (Statement of Pension, Retirement, Annuity, and Other Income) and T5/RL-3 (Statement of Investment Income) tax slips. Similarly, trustees of family trusts should note the requirement to report the amount of interest paid on a prescribed rate loan annually on a T5/RL-3 return (and issue the related T5/RL-3 slips), in respect of the preceding year. | February 28 |
| <p>Tip: While filing your income tax return early can be tempting, especially if you’re expecting a refund, ensure you’ve received all your tax slips before filing. If you receive tax slips after you file your return, you’ll need to file a T1-ADJ/TP-1R form to amend your tax return. Your tax slips and other tax documents are available on your BMO online account portal.</p> | | |
| March | 2021 RRSP Contribution Deadline Deadline for making your RRSP contribution for the 2021 tax year. The maximum RRSP contribution limit for 2021 is \$27,830, and any unused contribution room can be carried forward for use in future years. To confirm your personal 2021 RRSP contribution limit refer to your 2020 Notice of Assessment, available through the CRA’s My Account eService at https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/account-individuals.html . | March 1 |
| | Home Buyers’ Plan/Lifelong Learning Plan Repayments Deadline for making any required Home Buyers’ Plan (“HBP”) and Lifelong Learning Plan (“LLP”) repayments to your RRSP for 2021. If you fail to make your 2021 HBP/LLP repayment, the unpaid amount must be claimed as taxable income on your 2021 income tax return. TIP: HBP/LLP repayments can be made by designating an RRSP contribution as a HBP or LLP repayment on Schedule 7 of your 2021 income tax return. Note that the HBP withdrawal limit was recently increased to \$35,000 (from \$25,000). | March 1 |
| | Quarterly Income Tax Instalment Payment Deadline for first quarter income tax instalments for individuals required to make quarterly payments. If your estimated net income tax payable for the current year, and either of the two preceding tax years, exceeds \$3,000 (\$1,800 for Quebec residents), you may be required to pay quarterly income tax instalments. | March 15 |

| Month | Event | Deadline |
|-------|--|-----------------------------|
| March | <p>Trusts Deadline for filing a 2021 tax return for trusts with a December 31 year end.</p> <p>New trust reporting rules² The 2018 Federal budget introduced new tax return filing and information reporting requirements for many trusts (with some exceptions) that are proposed to come into effect for trust taxation years ending on or after December 31, 2021, with penalties for non-compliance. In particular, the new trust reporting rules will create a requirement to file a T3 “Trust Income Tax and Information Return” for certain trusts which were previously exempt from this filing requirement. In addition, these new rules will require substantial additional disclosures when filing the T3 income tax returns, requiring many trustees to collect and disclose personal information of the settlors, trustees, beneficiaries and other individuals who may have the ability to exert control over trustee decisions (e.g. a protector). For more information, please ask your BMO financial professional for a copy of the publication, <i>New Tax Reporting Requirements for Trusts</i>.</p> | March 31 |
| | <p>T3/RL-16 Tax Slips³ Deadline for financial institutions to send 2021 T3/RL-16 slips (Statement of Trust Income Allocations and Designations).</p> | March 31 |
| | <p>T5013/RL-15 Tax Slips³ Deadline for financial institutions to send 2021 T5013/RL-15 slips (Statement of Partnership Income).</p> | March 31 |
| April | <p>FBAR Reporting for U.S. Citizens Deadline for U.S. citizens to file a 2021 Report of Foreign Bank and Financial Accounts (“FBAR”) FinCEN Form 114 with the IRS to provide details on any foreign bank accounts and other financial accounts held outside the U.S. Please note that the deadline can be extended by six months to October 15, 2022.</p> | April 15 |
| | <p>U.S. Individual Income Tax Returns for U.S. Citizens Living in Canada If you are a U.S. citizen, you must file a 2021 U.S. individual income tax return with the Internal Revenue Service (“IRS”). This is in addition to your Canadian income tax return that you must file as a Canadian resident by April 30.</p> <p>TIP: U.S. citizens living abroad are granted an automatic two-month extension (i.e., June 15) to file their U.S. income tax return. While interest may be charged on payments made after April 18, the IRS will not assess any late payment penalties for amounts owing that are paid by June 15.</p> | April 18 |
| | <p>Personal Income Tax Returns The April 30 deadline for filing your Canadian (or Quebec) personal income tax return (excluding self-employed individuals and their spouses or common-law partners) will be extended to Monday, May 2 (since April 30 falls on a Saturday). This is also the deadline for payment of any taxes owing to the CRA (or Revenu Québec) for 2021 for all individuals.</p> | April 30¹ |

| Month | Event | Deadline |
|-------|---|----------------|
| April | <p>Planning Consideration: Children with earned income Unused RRSP contribution room can be carried forward indefinitely. File a personal income tax return for children with “earned income” (e.g., from a part-time job) so they can start accumulating RRSP contribution room.</p> | |
| | <p>TIP: As in 2020, the CRA will again allow employees with modest expenses as a result of working from home in 2021 due to COVID-19 to claim a flat deductible amount without the need to track detailed expenses. The allowable amount is based on the amount of time spent working from home and will generally not require a signed form from employers. Employees who worked from home more than 50% of the time over a period of at least four consecutive weeks in 2021 due to COVID-19, will be eligible to claim a (temporary) flat rate deduction of \$2 for each day they worked at home in that period, plus any other days they worked from home in 2021 due to COVID-19 up to a maximum of \$500 (versus \$400 in 2020). Employees with larger claims for home office expenses can still choose to use the existing detailed method to calculate their home office expenses deduction. Revenu Québec will again parallel these Federal changes for Quebec provincial income tax purposes for 2021.</p> | |
| May | <p>Planning Consideration: Putting your income tax refund to work If you receive an income tax refund in 2022, use the funds to make your 2022 RRSP/TFSA contribution or pay down debt.</p> | |
| June | <p>Income Tax Returns for Self-Employed Individuals Deadline for filing a 2021 income tax return if you (or your spouse or common-law partner) are self-employed. Please note that any personal income taxes owing to the CRA or Revenu Québec are due April 30.¹</p> | June 15 |
| | <p>Quarterly Income Tax Instalment Payment Deadline for second quarter income tax instalments for individuals required to make quarterly payments.</p> | June 15 |
| June | <p>Planning Consideration: Review your estate plan Review your estate plan regularly to ensure it continues to meet the needs of you and your family. At a minimum, your estate plan should include:</p> <ul style="list-style-type: none"> • An up-to-date Will that reflects your intentions and names an appropriate executor(s); • A Continuing or Enduring Power of Attorney for Property in the event of mental or physical incapacity; and • A Power of Attorney for Personal Care to address medical and physical care decisions. <p>Further, your estate plan should be reviewed whenever there is a change to your personal situation, such as a birth, death, incapacity, retirement, marriage, divorce, change in residency, attainment of age of majority, significant increase or decrease in wealth, or sale of a business.</p> <p>In Quebec an executor is referred to as a liquidator and a Power of Attorney is referred to as a mandate. The impact of Quebec family law and Quebec law regarding the designation of beneficiaries on registered plans requires special consideration.</p> | |

| Month | Event | Deadline |
|-----------|---|---------------------|
| June | <p>Recent Changes to the Taxation of Employee Stock Options</p> <p>Recently-enacted tax legislation implements significant changes to Canada's beneficial employee stock option tax treatment by applying a \$200,000 annual limit (per vesting year) on certain employee stock option grants (based on the fair market value of the underlying shares at the time the options are granted) that can receive tax-preferred treatment (i.e., 50% taxable). Employee stock options above the limit will be subject to the new employee stock option tax rules (i.e., full taxation of the employment benefit). However, employee stock options granted by Canadian-controlled private corporations ("CCPCs"), and non-CCPC employers with annual gross revenues of \$500 million or less, will not be subject to the new limit.</p> <p>These changes apply to employee stock options granted after June 2021. Given the significant potential impact of these recent changes, affected individuals (and employers) should consult with their tax advice for specific advice and direction.</p> | |
| July | <p>Planning Consideration: Income-splitting opportunities</p> <p>Under the Canadian tax system the more you earn, the more you pay in income taxes on incremental dollars earned. With this in mind, it may make sense to spread income among family members who are taxed at lower marginal rates to reduce your family's overall tax burden, subject to the income attribution rules. Common income-splitting strategies to consider include:⁴</p> <ul style="list-style-type: none"> • An interest-bearing loan at the prescribed interest rate to family members in a lower tax bracket • Pension income-splitting between spouses (or common-law partners); and • Gifts to adult children or other adult family members (other than a spouse or common-law partner); and • Gifts to a minor child – directly or through a trust structure – to acquire investments that generate only capital gains. | |
| August | <p>Planning Consideration: Planning for your child's post-secondary education</p> <p>As the new school year approaches, consider whether your family's education plan would receive a passing grade. Starting a dedicated education savings plan while children are still young helps ensure you have the funds necessary when they begin their post-secondary studies. What's right for your situation depends on many factors, including disposable income, whether financial assistance will be provided by other family members (such as grandparents), the ages and number of children involved, and the options for your savings if your child doesn't pursue a formal post-secondary education program.</p> | |
| September | <p>Quarterly Income Tax Instalment Payment</p> <p>Deadline for third quarter income tax instalments for individuals required to make quarterly payments.</p> | September 15 |
| October | <p>Planning Consideration: Your RRSP maturity options</p> <p>If you turned or will be turning age 71 in 2022, or are planning to retire next year and will be using your RRSP to supplement your pension and government benefits, make sure you've considered your RRSP maturity options. You can withdraw the cash proceeds from your RRSP, purchase a Life Annuity, or transfer your RRSP to a Registered Retirement Income Fund ("RRIF"). A RRIF may be your best choice if you want to continue to manage your investments and give yourself maximum flexibility in terms of structuring your retirement income. You are required to withdraw a minimum amount each year and can choose when and how your withdrawals are paid.</p> <p>If you're age 65 or older, RRIF payments are eligible for the \$2,000 Federal Pension Income Tax Credit, and for pension income-splitting with your spouse or common-law partner.</p> | |

| Month | Event | Deadline |
|----------|--|--------------------------------|
| November | <p>Planning Consideration: Tax-loss selling</p> <p>You have until late December to sell a security for settlement in 2022; however, you should review your non-registered investment portfolio earlier to consider the sale of securities with accrued losses before the end of the year to offset capital gains realized in the year, or in the three previous taxation years (if net capital loss is created in current year). Be aware of the superficial loss rule that will deny the capital loss on the sale of an investment if repurchased within 30 days by you, your spouse (or common-law partner), or another affiliated entity (if the investment is still held at the end of this 30-day period).</p> | |
| | <p>Quarterly Income Tax Instalment Payment</p> <p>Deadline for fourth quarter income tax instalments for individuals required to make quarterly payments.</p> | December 15 |
| December | <p>Trades Settling in 2022</p> <p>The expected last buy/sell date for securities to settle in calendar year 2022 (based on trade date plus two business days).</p> | December 28 |
| | <p>Charitable Donations</p> <p>Deadline for making a charitable donation that can be claimed for the 2022 tax year. The Federal tax credit (on donations exceeding \$200) is calculated at the top marginal rate, regardless of your personal tax rate.⁵</p> <p>TIP: Donate appreciated publicly-traded securities instead of cash for enhanced tax savings. Further, combine all charitable donations for you and your spouse (or common-law partner) and claim these on one income tax return for maximum tax savings.</p> | December 31⁶ |
| | <p>RRSP Conversion for Individuals Turning Age 71 in 2022</p> <p>Deadline for collapsing your RRSP if you turned 71 in 2022. If you have unused RRSP contribution room available, consider making your 2022 RRSP contribution before collapsing your RRSP by the end of the year. In addition, if you received earned income in 2022 that will generate RRSP contribution room for 2023, consider making a 2023 RRSP contribution early – in December 2022 – before collapsing your RRSP. While you'll be charged a 1% penalty tax for the month of December, the tax savings on your RRSP contribution (which can be claimed on your 2023 tax return) should exceed the penalty tax.</p> | December 31⁶ |
| | <p>Tax Deductions and Credits Deadline</p> <p>The final payment date in order to receive a 2022 tax deduction or credit for expenses such as childcare, medical and tuition tax credits.</p> <p>TIP: To maximize the medical expense credit, combine all medical expenses for you and your family on one income tax return and choose the 12-month period ending in 2022 that contains the most expenses.</p> | December 31⁶ |
| | <p>Planning Consideration: TFSA withdrawal</p> <p>If you're planning a withdrawal from your TFSA, consider making the withdrawal in December instead of waiting until the new year. That way, the amount withdrawn in 2022 will be added back to your available TFSA contribution room on January 1, 2023.</p> | |

This Tax Calendar is neither a comprehensive review of the subject matter covered, nor a substitute for specific professional tax advice. The tax strategies discussed in this publication may or may not be appropriate for you. We encourage you to consult with an independent tax professional to confirm the relevant deadlines and the anticipated implications to your particular situation (with respect to the current tax legislation) in developing and implementing any tax strategies.

For more information, please speak with your BMO financial professional.



¹ Extended to Monday, May 2, 2022, as the deadline falls on the weekend.

² At the time of writing, the legislation to support this proposed measure was still pending and as such, the CRA announced in mid-January 2022 that the proposed beneficial ownership reporting requirements will not be part of the published 2021 T3 income tax return. The CRA further announced that it will continue to administer the existing rules for trusts under enacted legislation. However, the CRA has indicated that it will administer the new reporting and filing requirements once there is supporting legislation that receives Royal Assent. In light of this uncertainty, trustees should consult with their external tax and legal advisors to determine the appropriate reporting required in respect of the 2021 T3 Trust Income Tax return (and where applicable, the Quebec Trust Income Tax Return (TP-646-V), which is not impacted by this CRA announcement).

³ Please note, BMO makes every effort to ensure that tax slips are mailed by the stated deadline. However, in the event that an issuer does not supply the necessary information in time or makes amendments, tax slips will be processed on an individual security basis and mailed under separate cover as soon as available. Please ensure you've received all tax slips prior to filing your tax return.

⁴ On a related note, be aware that the tax legislation was amended to expand rules that seek to limit income-splitting with certain adult family members involving private companies. For more information, please ask your BMO financial professional for a copy of our publication, *Tax Changes Affecting Private Corporations: Tax on Split Income ("TOSI")*.

⁵ For donations made after 2015 that exceed \$200, the calculation of the Federal charitable donation tax credit allows higher income donors to claim a Federal tax credit at a rate of 33% (versus 29%), but only on the portion of donations made from income that is subject to the 33% top marginal tax rate that came into effect on January 1, 2016.

⁶ Please note that December 31, 2022 falls on a Saturday. The last business day in 2022 is Friday, December 30, so individuals should plan accordingly.

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