



You should have recently received your individualized quarterly performance email sent through our secure email system. If you have any issues accessing your file, please contact Suzanne or Tanishq for assistance.

Below we include our regularly monthly message on the markets (which follows the same themes as our quarterly performance emails) along with a 2019 Personal Tax Calendar to help with your tax planning for the year ahead.

[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. This calendar summarizes several important dates on the tax calendar and offers some tips to help you with your overall wealth planning.

[Portfolio Strategy](#)

Equity markets ended the year on a down note as December saw each the S&P/TSX and S&P 500 fall in excess of 5%. However, as we've indicated in previous communications, our risk management process has led us to being notably underweight equity and also in being more conservative in our sector positioning. These moves helped our portfolios outperform during December's pullback.

On the economic front, the two most important economies to Canada are the U.S. (Canada's largest trading partner), and China (the largest driver of commodity prices). Trade tensions between the U.S. and China have exacerbated recent concerns in the market about slowing economic growth. Given the current rhetoric, it's hard to tell *when*, or *if*, progress will be made. However, China is trying to stimulate its economy, with roughly 50 quantitative easing moves carried out in 2018 (including lower reserve requirements for banks, lower interest rates, and infrastructure spending). At some point this should lead to an inflection, where growth accelerates from current levels. A slight uptick, combined with very low current expectations, could help commodity prices stabilize and boost investor risk appetite. Elsewhere, Emerging Markets stocks are starting to show stronger relative performance, which is a good omen, given Emerging Markets stocks tend to be leading

indicators.

In fixed income we continue to hold a diversified portfolio of preferred shares rather than individual bonds. Our careful process of selecting specific issues within the space helped limit downside price movement in 2018. The added feature of a higher yielding security over bonds also fits our strategy.

While we have been in a capital protection mode for a number of months, our signals are beginning to indicate that the worst of this correction may be behind us. Additionally, our models show a low probability of recession in the next year, and central banks seem unlikely to raise interest rates aggressively.

Looking ahead, we will continue to follow our rules based approach to portfolio management and asset allocation. We will protect capital when required to do so and grow it when opportunity presents itself.

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

Please note: We cannot take trading instructions via email or voice mail, please contact your Investment Advisor directly.

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2019 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. 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.

Not considering tax planning until the end of the year – or when filing your annual tax return – 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 2019 wealth planning.

Month	Event	Deadline
January	Family Loans Deadline to pay annual interest on family loans to avoid income attribution for 2018.	January 30
	Company Loans Deadline to pay annual interest on company loans to reduce the amount that will be deemed a taxable benefit for 2018.	January 30
	TIP: Make your 2019 RRSP and TFSA contributions at the start of the year. Start the year off right by making your 2019 Registered Retirement Savings Plan (“RRSP”) and/or Tax-Free Savings Account (“TFSA”) contributions, and benefit from tax advantaged growth sooner. The 2019 maximum contribution limit is: \$26,500 for RRSPs (based on 2018 earned income). The 2019 TFSA contribution limit was increased to \$6,000.	
February	Company Car Deadline to reimburse your employer and reduce your 2018 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 in early February; before your employer finalizes your T4/Relevé 1 (RL-1).	February 14

Month	Event	Deadline
February	T4/RL-1 Tax Slips Deadline for employers to issue 2018 T4/RL-1 slips (Statement of Remuneration Paid) to employees.	February 28
	T4A/RL-2 and T5/RL-3 Tax Slips Deadline for financial institutions to send 2018 T4A/RL-2 (Statement of Pension, Retirement, Annuity, and Other Income) and T5/RL-3 (Statement of Investment Income) tax slips.	February 28
	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.	
March	RRSP Contribution Deadline Deadline for making your RRSP contribution for the 2018 tax year. The maximum RRSP contribution limit for 2018 is \$26,230, and any unused contribution room can be carried forward for use in future years. To confirm your 2018 RRSP deduction limit, refer to your Notice of Assessment sent by the CRA after you filed your 2017 income tax return.	March 1
	Home Buyers' Plan/Lifelong Learning Plan Repayments Deadline for making required Home Buyers' Plan ("HBP") and Lifelong Learning Plan ("LLP") repayments to your RRSP for 2018. If you fail to make your 2018 HBP/LLP repayment, the unpaid amount must be claimed as taxable income on your 2018 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 2018 income tax return.	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
	Trusts Deadline for filing a 2018 tax return for trusts with a December 31 year end.	March 31 ²
	T3/RL-16 Tax Slips¹ Deadline for financial institutions to send 2018 T3/RL-16 slips (Statement of Trust Income Allocations and Designations).	March 31 ²
	T5013/RL-15 Tax Slips¹ Deadline for financial institutions to send 2018 T5013/RL-15 slips (Statement of Partnership Income).	March 31 ²

Month	Event	Deadline
April	<p>U.S. Individual Income Tax Returns for U.S. Citizens Living in Canada</p> <p>If you are a U.S. citizen, you must file a 2018 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 15²) to file their U.S. income tax return. While interest may be charged on payments made after April 15, the IRS will not assess any late payment penalties for amounts owing that are paid by June 15.²</p>	April 15
	<p>FBAR Reporting for U.S. Citizens</p> <p>Deadline for U.S. citizens to file a 2018 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, 2019.</p>	April 15
	<p>Personal Income Tax Returns</p> <p>Deadline for filing your Canadian (or Quebec) personal income tax return (excluding self-employed individuals and their spouses or common-law partners). April 30 is also the deadline for payment of any taxes owing to the CRA (or Revenu Québec) for 2018 for all individuals.</p>	April 30
	<p>Planning Consideration: Children with earned income</p> <p>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>	
May	<p>Planning Consideration: Putting your income tax refund to work</p> <p>If you received an income tax refund in 2019, use the funds to make your 2019 RRSP/TFSA contribution or pay down debt.</p>	
June	<p>Income Tax Returns for Self-Employed Individuals</p> <p>Deadline for filing a 2018 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 were due April 30.</p>	June 15 ²
	<p>Quarterly Income Tax Instalment Payment</p> <p>Deadline for second quarter income tax instalments for individuals required to make quarterly payments.</p>	June 15 ²
	<p>Planning Consideration: Review your estate plan</p> <p>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 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. 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
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:³</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); • 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 ²
October	<p>Planning Consideration: Your RRSP maturity options</p> <p>If you turned or will be turning age 71 in 2019, 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>	
November	<p>Planning Consideration: Tax-loss selling</p> <p>You have until late December to sell a security that settles in 2019; 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 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>	

Month	Event	Deadline
December	Quarterly Income Tax Instalment Payment Deadline for fourth quarter income tax instalments for individuals required to make quarterly payments.	December 15 ²
	Trades Settling in 2019 The expected last buy/sell date for Canadian securities to settle in calendar year 2019 (based on trade date plus two business days).	December 27
	RRSP Conversion for Individuals Turning Age 71 in 2019 Deadline for collapsing your RRSP if you turned 71 in 2019. If you have unused RRSP contribution room available, consider making your 2019 RRSP contribution before collapsing your RRSP by the end of the year. In addition, if you received earned income in 2019 that will generate RRSP contribution room for 2020, consider making a 2020 RRSP contribution early – in December 2019 – before collapsing your RRSP. While you'll be charged a one per cent penalty tax for the month of December, the tax savings on your RRSP contribution (which can be claimed on your 2020 tax return) should exceed the penalty tax.	December 31
	Charitable Donations Deadline for making a charitable donation that can be claimed for the 2019 tax year. The federal tax credit (on donations exceeding \$200) is calculated at the top marginal rate, regardless of your personal tax rate. ⁴ 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.	December 31
	Tax Deductions and Credits Deadline The final payment date in order to receive a 2019 tax deduction or credit for expenses such as childcare, medical and tuition tax credits. 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 2019 that contains the most expenses.	December 31
Planning Consideration: TFSA withdrawal 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 2019 will be added back to your available TFSA contribution room on January 1, 2020.		

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.



Please contact your BMO financial professional if you have any questions or would like to discuss any of these strategies further.

Footnotes:

¹ Please note, BMO makes every effort to ensure that the 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.

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

³ On a related note, be aware that new tax proposals became effective in 2018 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 Proposals Affecting Private Corporations: "Income Sprinkling" Draft Legislation Revised.**

⁴ For donations made after 2015 that exceed \$200, the calculation of the federal charitable donation tax credit will allow 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 new 33% top marginal tax rate that came into effect on January 1, 2016.



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