

# 2023 Personal Financial Checklist

## For Business Owners and High-Net-Worth Individuals



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- January**
- Reflect back on 2022:**
    - Review prior year's investment portfolio and discuss your strategy with your Portfolio Manager for the upcoming year.
    - **Life events:** If any significant changes or life events occurred – births or deaths, buying or selling of material assets – be sure to revise your Will and Power of Attorney(s) to reflect current wishes.
  - Review balance sheet for all family entities (i.e. trusts, corporations, family members).
    - Effectively redeploy cash balances to reduce debt or to obtain higher returns.
    - Minimize non tax-deductible debt and consolidate where appropriate.
    - Assess short-term liquidity needs; set aside emergency funds covering a minimum 3 months of living expenses.
  - Pay interest on prescribed rate loan by **January 30th**. If you don't have a prescribed rate loan, consider it; the CRA's prescribed rate is currently set at 4%.
  - Revise pre-authorized corporate tax remittance.
  - Establish priorities for charitable giving. Revise pre-authorization of payments for changes in giving.
  - Consider converting non-deductible debt to tax deductible debt.
  - Consider making a 2023 RRSP contribution early in the year to take advantage of tax-free growth.
    - Maximum RRSP contribution limit for 2023 is \$30,780.
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- February**
- Maximize RRSP and TFSA contributions to take advantage of tax-sheltered compound growth.
    - Consider opening TFSA, RRSP or spousal RRSPs for children over the age of 18; note that RRSP and SRSPs are applicable if the child is earning income.
    - The 2023 TFSA contribution room is \$6,500. Top up unused contribution room accumulated since 2009 and re-contribute any withdrawals from previous years. Cumulative TFSA contribution room is \$88,000.
    - RRSP contribution deadline is **March 1st**; maximum contribution limit for 2022 is \$29,210.
  - Contribute to RESPs early to take advantage of compounding. Review past unused contribution room and take action only one year's contribution can be carried forward in a given year to receive government grant.
  - Collect receipts and other information for tax filings due in March (trusts) and April (personal).
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- March**
- For taxpayers remitting quarterly, the first tax installment due is on **March 15th**.
  - File trust tax and information returns by **March 30th**, no later than **90 days** after year end.
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- April**
- File personal tax returns by **April 30th** for all family members.
  - Pay any outstanding tax liabilities by **April 30th** (April 15th for individuals who have U.S.-source employment income).
  - Revise personal tax installments for the balance of the year.
  - Discuss income/family expectations for university/college children returning home to set expectations for the summer and September enrollment.
  - Review **Q1 investment portfolio** results with your Portfolio Manager.
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- May**
- Review life and disability insurance needs and coverage.
  - Review your notice of assessment and take appropriate action, if needed.
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- June**
- Second quarter installment due on **June 15th** for taxpayers remitting quarterly.
  - File personal tax return by **June 15th** if self-employed or U.S. tax return if you do not have U.S.-source employment income (deadline extended to June 17th).
  - Pay out any prior year accrued bonus by **June 30th** for companies with a calendar year end.
  - Consider sprinkling the capital gains exemption on shares in your business to other family members.
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- July/  
August**
- Review **Q2 investment portfolio** results with your Portfolio Manager.
  - Consider mid-year reflection on personal, business, family and financial goals, philanthropic/stewardship objectives etc. and develop action plan for implementation in Q3 and Q4.
  - Determine most effective tuition funding strategy for upcoming school year. Review student living accommodation and opportunities to buy vs. rent.
  - Encourage and support your children in establishing their own savings and investment plans.
  - Life events:** If any significant changes or life events occurred – births or deaths, buying or selling of material assets – be sure to revise your Will and Power of Attorney(s) to reflect current wishes.
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- September**
- Third quarter installment due on **September 15th** for taxpayers remitting quarterly.
  - Review shareholder’s agreement for business owners.
  - Consider the merits of incorporating and/or an estate freeze.
  - Consider transferring property to other family members to minimize current and future tax liability. If you have a child turning 18, there are additional opportunities.
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- October**
- Review **Q3 investment portfolio** results with your Portfolio Manager.
  - Review medical expenses for the past 12 months (including those of dependent parents) to determine if there are tax deduction benefits.
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- November**
- Begin year-end tax planning:
    - Review status of unrealized capital gains and losses on investment portfolio and take appropriate action to minimize taxes for the current and prior years.
    - Consider a private or community foundation to shelter large capital gains.
    - Consider flow through shares or other tax sheltering opportunities.
    - If you realized a capital loss on a disposition of securities, you need to wait 31 days after the settlement date of disposition before re-acquiring them.
  - Ensure minimum RRIF and IPP withdrawals are made prior to year end.
  - Trusts will be subject to enhanced reporting requirements for tax years ending after December 31, 2023. Evaluate the continued effectiveness of your trusts.
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- December**
- Last installment due on **December 15th** for taxpayers remitting quarterly.
  - Make all charitable donations, TFSA and RESP contributions by **December 31st**.
  - Ensure IPP contributions are made by **December 31st** or fiscal year end.
  - Determine bonus/dividend policy for your company.
  - Ensure amounts paid or payable from trusts to beneficiaries are properly documented.
  - Review any existing tax planning strategies, including Tax on Split Income rules.
  - Any loans from the company to shareholders should be eliminated prior to year-end, otherwise shareholders may be deemed to receive a taxable benefit equal to the value of the loan.
  - Final review of tax loss selling opportunities; losses could be carried back to shelter gains from prior years.
  - If using a company car, advise employer in writing regarding reduced auto benefit (if eligible).
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- Milestone Birthdays**
- At age 18, beneficiaries generally take ownership of In-Trust-For account.
  - OAS and CPP benefits typically begin at age 65. Consider receiving CPP benefits early (age 60) or delay OAS and CPP in exchange for the higher monthly amounts.
    - Benefits do not begin automatically; you must apply to receive benefits in the following 11 month period.
  - December 31st** of the year you turn 71 is the last day you can contribute to your own RRSP.
  - If over 40, consider setting up an Individual Pension Plan or Retirement Compensation Arrangement.
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