

Unlocking the Joy of Giving, Financial Year-End Strategies for 2023, and Exciting News on the First Home Savings Account



Happy Holidays from all of us at LeRoy Wealth Management Group!

In the spirit of the season, we hope this message finds you well and filled with joy. Approaching the end of the year, we want to remind you of the true joy that comes from giving. The old adage holds true: it is better to give than to receive. While the excitement of receiving can fade, studies have consistently shown that the joy of giving endures. This holiday season, we encourage you to experience the profound impact of generosity on your financial well-being. Aligning your financial goals with your giving intentions can not only bring joy but also presents potential tax advantages associated with charitable donations.

In the midst of the festive spirit, to ensure you make the most of the benefits available to you take a moment to consider financial tasks to complete before the year-end, and plans for the upcoming year. Keep in mind these key dates:

- The final day to make a charitable donation eligible for a 2023 tax receipt is December 31, 2023.
- If you are eligible for a First Home Savings Account, an FHSA must be opened before the year-end for your \$8,000 per year of contribution room to begin accruing in 2023. Otherwise, contribution room will begin to accrue in the year you open an account.

Sonia LeRoy	Adrian LeRoy
Sr. Wealth Advisor	Wealth Advisor
B.A. Hons (Econ)	B.A. Hons (Econ)
CFP®, RFP, RIS	RIS

1525 Carling Ave, Suite 504
Ottawa, ON K1Z 8R9

40 Eglinton Ave East, Suite 402
Toronto, ON M4P 3A2

Toll-Free: 1-800-700-3589
Fax: 1-866-559-2521

Email:

sonia.leroy@ipcsecurities.com
adrian.leroy@ipcsecurities.com
www.theleroygroup.com

- For registered account withdrawals to settle in the 2023 tax year, we must receive your withdrawal request before December 21, 2023.
- The end of December, 2023 is the final contribution date for RESP beneficiaries turning 17 in 2023. For us to process any final RESP contributions in time for the year end, we must receive contribution requests before December 21, 2023.
- RESP withdrawal requests received after December 21 will be processed in January, 2024.
- Transaction requests for all account types received after December 21, 2023 will be processed in January 2024.
- Tax Free Savings Accounts do not have contribution deadlines. Your contribution room will accrue from year to year regardless of whether an account has been opened. But, if you have made a withdrawal from a TFSA, remember you do not receive that room back again until January 1 of the following calendar year. The TFSA limit will rise to \$7000 per year in 2024.
- RSP contributions can be made for the 2023 tax year until February 29, 2024. Unless you are age 71 in 2023, in which case final RSP contributions must be made prior to the end of 2023 (we must receive your contribution request by December 21, 2023).

If you have any questions or would like to discuss your financial plan, please don't hesitate to reach out. Let's make this holiday season an opportunity for generosity, growth, and financial well-being!

Exciting News: First Home Savings Account (FHSA)

We are thrilled to share exciting news with our first-time homebuyer clients – the introduction of a valuable tool to assist you in entering the real estate market: the First Home Savings Account (FHSA). This innovative account combines the best features of tax-free savings accounts (TFSAs) and registered retirement savings plans (RRSPs), offering a strategic approach to prepare for your leap into homeownership.

The FHSA comes with an annual contribution limit of \$8,000 and a maximum lifetime contribution of \$40,000 per person. Similar to RRSPs, contributions are tax-deductible, providing a valuable benefit. And, similar to TFSAs, withdrawals made are tax free if used to purchase a first home. Within your FHSA, you have the flexibility to diversify your investments across many investment types – all without worrying about taxes on potential earned gains. To qualify to open a FHSA, you must not currently own a home, nor have owned a home in the previous four years. To qualify to withdraw from a FHSA, you will need to be a first-time homebuyer with a written agreement to buy or build a home in Canada. If, after 15 years from having opened a FHSA

you have not purchased or built a home, it is possible to transfer the FHSA balance into your RRSP. Like an RSP, any withdrawals at that point would become taxable.

Additional FHSA contribution rules include an annual limit applicable to a calendar year. Unused contribution amounts carry over once a FHSA has been opened, offering strategic flexibility. Unlike RRSPs, FHSAs opened within the first 60 days of 2024 will not count toward a 2023 deduction. Consider this example: a FHSA is opened in 2023 and a \$2,000 contribution in 2023 is made, resulting in \$14,000 of available contribution room in 2024. However, not opening a FHSA until 2024 reduces your 2024 contribution room to \$8,000.

Considering the FHSA's significant tax advantages, it could be a valuable tool for contributing to your home purchase savings. The FHSA offers advantages such as a contribution limit over and above any RRSP contribution room you may have, and no repayment requirement. Even if your taxable income is not high enough to warrant an extra \$8000 tax deduction, a FHSA contribution can still make sense, as with RRSPs any tax deductions can be saved until a future year of higher taxable income when the tax deduction may apply more advantageously into a higher tax bracket.

To sum things up, the FHSA offers an exciting avenue for first-time homebuyers to strategically save and invest toward their homeownership journey. We encourage you to reach out to us to discuss how this account may be suitable to help you take advantage of an innovative savings opportunity and help you reach your goal of home ownership faster. **If you would like to open a FHSA account in 2023 and begin accruing the \$8000 per year of FHSA contribution room right away, we must receive your completed account documents before December 21, 2023. So, reach out to us right away if you are interested!**

FHSA's are available now through Sonia and Adrian. Stay tuned for a YouTube Video coming soon with everything you need to know about this innovative savings vehicle. In the meantime, learn more about the FHSA on the following sites:

[Government of Canada – About First Home Savings Account](#)

[Canada Life - What is the First Home Savings Account \(FHSA\)?](#)

In other news...

Our team members Sonia LeRoy and Rowan Hughes have recently returned from their 2023 service trip to Senegal, where they worked to set up a continuing education scholarship for girls escaping forced marriages, hosted a karate tournament at the Maison de la Gare Centre for forced begging street boys known as talibes, and much more. Read all about their journey and long-time work with the Senegalese NGO, Maison de la Gare on Sonia's Blog: [Sonia in Senegal](#).

Don't Forget!

In you missed Franklin Templeton's very comprehensive Global Investment Outlook webinar click [HERE](#) to view the presentation material.

Wishing you a joyful holiday season and a prosperous New Year!

Thank you,

Sonia & Adrian