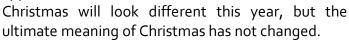
Christmas Greetings!

What a year! With vaccines arriving, the great news is that the pandemic appears to be in its' last mile.



"For to us a child is born, to us a son is given, and the government will be on his shoulders. And he will be called Wonderful Counselor, Mighty God, Everlasting Father, Prince of Peace." Isaiah 9:6

Despite the pandemic, life continued. We are privileged and honoured to celebrate with you the births of children, grandchildren and sometimes even



great-grandchildren, new jobs and careers, graduations, retirements, and other life events. Thank you for allowing us to come alongside you when you experienced difficult events like the loss of a family

member or job or a health concern. Through all of this, we take comfort that God is in control and we can usually see his handiwork.

Some highlights for 2020:

Advice Your Way. We can now meet our clients

virtually anywhere in the world via Microsoft Teams or Zoom provided they have an Internet connection. We can share files securely using Microsoft SharePoint. In



addition, Documents can now be signed electronically using Docusign, an e-Signature application.

- We just received our audit results and received the lowest rating, Low Risk from our investment dealer, IPC Investment Corporation. Because of this rating, our next audit will be 3-years from now.
- We reached our five-year goal for number of client relationships and our five-year goal for assets under management, a year earlier than anticipated.

With many people working from home, we provide information on how to save taxes by claiming Workspace-in-the-home expenses in this edition's *Planner's Corner*.

Thank you for your continued support. Have a wonderful Christmas and blessings in 2021!

Jim Hummel, CFP® CKA® Ella Mae Cupido, Investment Assistant Carol Slomp, Office Manager

Bloom Where You are Planted



This section will return in our Spring 2021 edition.



"We can complain because rose bushes have thorns or rejoice because thorn bushes have roses." Abraham Lincoln





Planner's Corner: Working from home? Do not miss out on valuable tax savings

Covid-19 has been made a major game changer for how some



employees do their work. Traditional face-to-face meetings, conferences and every day commutes have been replaced with Zoom calls, webinars, and a short commute from one's bedroom to what may be a makeshift home office. This new working-fromhome arrangement can be turned into tax savings when it comes time to file your 2020 tax return and perhaps in future years.

Canada Revenue Agency (CRA) allows employees who are required to work from home to claim deductions for work-space-in-the-home expenses provided they meet <u>one of these conditions</u>:

- The workspace is where you mainly do your work (more than 50% of the time) for at least four consecutive weeks in 2020 due to the pandemic.
 - OR
- You use the workspace only to earn employment income. You also must use it on a regular or continuous basis for meeting clients, customers, or other people in the course of your employment duties.

Two options are available to take advantage of this deduction:

Option #1 is to claim "modest" expenses of \$2 per day an employee worked at home up to \$400 in 2020



with no need for an employee to track detailed home office expenses or for an employer to issue a T2200 "Declaration of Conditions of Employment". For someone

in a middle-class tax bracket* this will save them maximum $$122 ($400 \times 30.5\%)$.

If home office expenses exceed \$400, **Option #2** is to have your employer complete a T2200 or the simplified version for 2020, a T2200S "Declaration of

* Income between \$48,536 and \$97,069 for Alberta residents.

Conditions of Employment for Working at Home Due to COVID-19". Home office expenses can include

rent, utilities, home internet fees, supplies and repairs and maintenance but not mortgage interest or capital cost allowance.





You can also deduct property taxes and home insurance if you are a commissioned employee. These expenses need to be allocated on a proportion based on the amount of workspace the home office occupies. This is aside from repairs and maintenance, which is deducted based on the expense related to the workspace. The deduction for home office is limited to the amount of net employment income; that is, you cannot create or increase a loss from employment. Any expenses that cannot be deducted in a year can be carried forward and potentially used in future years. For example:

Total square footage of home	1,200
	square feet
Home office square footage	300
	square feet
Number of months working from	9
home	
Total eligible home office expenses	\$5,000
over period	
Eligible deduction	\$1,250
(300/1,200 sq feet) x \$5,000	
Tax savings (\$1,250 x 30.5%*)	\$381.25

The key is to track your home expenses and determine which option is most beneficial. I recommend consulting with an accountant or income tax preparer for assistance and to stay up to date on Canada Revenue Agency's regulations.

Jim Hummel, CFP, CKA®

