

Weekly Commentary

Issue No. 2 | JANUARY 11, 2021

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By [Charles Marleau CIM[®]](#) and [William Mitchell CIM[®]](#)

Important Reminder to Contribute to Your RRSP and TFSA

RRSP

Benefits:

- RRSP contributions are tax deductible.
- Savings grow tax free while held in a registered plan.
- When you retire, you can convert your RRSP to an RRIF receive regular income.
- A spousal RRSP can reduce your combined tax burden.
- You can borrow from your RRSP to buy your first home or pay for your education.

RRSP Contribution Details :

- The **deadline** for making your 2020 RRSP contribution is March 1, 2021.
- Your 2020 RRSP contribution limit is calculated as 18% of your earned up to a maximum of \$27,230. For 2021 the maximum is \$27,830.
- If you've already made your 2020 RRSP contribution, consider making your 2021 contribution now to benefit from the power of tax-deferred growth.
- Unused contributions can be carried forward from a previous year. You can find your RRSP contribution information on your most recent CRA **Notice of Assessment**, or by calling the **CRA Tax Information Phone Service (TIPS)** at 1-800-267-6999.

TFSA

Benefits :

- Capital gains and income are exempt from paying taxes - true tax-free saving.
- You do not need earned income to contribute.
- You can make a withdrawal whenever you want, without penalty or paying tax.
- Withdrawals can be re-contributed the following year without penalty.

TFSA Contribution Details:

- The annual contribution limit for 2020 is \$6,000 and the same for 2021 (\$6,000).
- The TFSA contribution room is cumulative and has been offered to Canadians since 2009. Unused contribution room carries forward and is currently capped at \$75,500.
- Anyone 18 older who has a Social Insurance Number is eligible to open a TFSA.

The sooner you start contributing to an RRSP or TFSA, the more money you'll have when it's time to retire. There's nothing like the power of tax-free compounding returns.

If you would like to open, contribute, or have any questions about RRSP or TFSA accounts, please contact your Palos Advisor.

By [Charles Marleau CIM[®]](#) and [William Mitchell CIM[®]](#)

Rappel important pour cotiser à votre REER et à votre CELI

REER Avantages:

- Les cotisations à un REER sont déductibles d'impôt.
- Vos épargnes augmentent à l'abri de l'impôt.
- Lorsque vous prenez votre retraite, vous pouvez convertir votre REER dans un (FERR) pour obtenir un revenu régulier.
- Un REER de conjoint peut réduire votre fardeau fiscal combiné.
- Vous pouvez emprunter de votre REER pour acheter votre première maison ou payer vos études.

Détails sur la cotisation au REER :

- La date limite pour verser votre cotisation REER 2020 est le 1er mars 2021.
- Votre plafond de cotisation REER 2020 est basé sur les droits de cotisation inutilisés reportés de 2020 et le montant de votre cotisation 2020 (18% du revenu gagné de votre exercice précédent, sous réserve d'un plafond de 27 830\$ en 2020).
- Si vous avez déjà effectué votre cotisation 2020, songez maintenant à cotiser à votre REER de 2020 pour bénéficier de la plus-value d'un REER avec impôt différé. La limite de cotisation maximale à un REER pour 2020 est de 27 830 \$.

CELI Avantages :

- Vous pouvez économiser en franchise d'impôt.
- Vous n'avez pas besoin de gagner un revenu pour cotiser.
- Vous pouvez retirer l'argent quand vous le souhaitez, sans payer d'impôt.
- Si vous retirez de l'argent, vous pouvez réinvestir ce montant l'année suivante.

Détails sur la cotisation CELI:

- La limite de contribution annuelle pour 2019 est de 6 000 \$.
- Les droits de cotisation CELI sont cumulatifs et s'accumulent depuis 2009. Les droits de cotisation inutilisés sont reportés, jusqu'à présent le maximum accumulé est de 75 500 \$.
- Toute personne âgée de 18 ans qui possède un numéro d'assurance sociale est admissible à ouvrir un CELI.
- Renseignements sur les cotisations REER sur votre plus récent **avis de cotisation** de l'ARC, ou en appelant le **Système électronique de renseignements par téléphone** (SERT) au 1-800-267-6999.

Plus tôt vous commencez à cotiser à un REER ou à un CELI, plus le montant au moment de prendre votre retraite sera important. Rien ne vaut le pouvoir (n'égal la puissance) des rendements composés libres d'impôt. Si vous souhaitez ouvrir, cotiser ou si vous avez des questions sur les REER ou CELI, veuillez communiquer avec votre conseiller Palos.

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Chart 1: Palos Domestic Funds versus Benchmarks (Total Returns) ¹	FundServ	NAVPS	YTD Returns
Palos Income Fund L.P.	PAL100	\$9.00	2.89%
Palos Equity Income Fund - RRSP	PAL101	\$6.58	3.12%
Palos Merchant Fund L.P. (Dec 31, 2019) ²	PAL500	\$1.71	20.15%
Palos WP Growth Fund - RRSP	PAL210	\$15.11	6.93%
Palos-Mitchell Alpha Fund ³	PAL300	\$12.12	1.85%
S&P TSX Composite (Total Return with dividends reinvested)			2.93%
S&P 500 (Total Return with dividends reinvested)			2.54%
S&P TSX Venture (Total Return with dividends reinvested)			3.64%
Chart 2: Market Data ¹			Value
US Government 10-Year			1.12%
Canadian Government 10-Year			0.81%
Crude Oil Spot			US \$52.24
Gold Spot			US \$1835.40
US Gov't10-Year/Moody BAA Corp. Spread			223 bps
USD/CAD Exchange Rate Spot			US \$0.7881

¹ Period ending January 8, 2021. Data extracted from Bloomberg

² Fund is priced annually

³ Fund is priced weekly on Tuesdays

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