

April 23, 2020

Hello,

I hope you are doing well.

I must admit that one of the things that I believe makes this crisis tougher than others is that we are being asked to manage it through distance from people we normally reach out to for guidance or comfort – or simply that one person who is willing to listen. Social distancing from our families, friends, colleagues and yes, even our advisors, can be tough. But I am certain we will overcome this crisis, as we have all the others – even if it means keeping six feet. It is important that we remain connected, even as we practice social distancing. That's why you'll be hearing regularly from me and my team while this volatility continues. This may be by phone, video conferencing or email.

Over the past few weeks, we have been working with many clients asking about relief options for financial hardships as a result of COVID-19. As various individuals and companies are all dealing with this situation differently and are revisiting their approach daily, it has been difficult to communicate a clear and concise list of measures that are available to you. I decided to prepare a summary for you in hopes, that you may find some useful information that may apply to your specific situation. Please see a full list below.

As we watch the markets go up and down and read the increasingly negative headlines, it's critical to understand that this is simply short-term noise when it comes to your financial position. Let's not forget the work we did before getting to where we are now. **We have long prepared for this possible event by making smart, responsible asset allocation decisions. We crafted a long-term plan and diversified your holdings for situations just like this.** I also want to highlight that this is a health crisis first and foremost. Given the strength of the economy before the crisis, some experts believe a recovery could be fairly fast and strong. No one knows for sure how long we might be in the current state, but I remain confident of where we will be in the future. I am monitoring the markets and your investments with great diligence to keep us well positioned for positive days ahead. Strong recoveries have followed all previous market downturns, and I am extremely confident that this time will be no different.

I like to think that the reason you hired me was to help during times like this. I am here to help you understand what is happening and why, and to share with you a calm, confident and informed outlook on this current crisis. Here is my summary of most of government initiatives available to you, your friends and relatives who could use this information:

Please refer to CRA Website Summary for further details:

[Here is the link](#)

Individuals and families

1) Increasing the Canada Child Benefit

- Providing up to an extra \$300 per child through CCB 2019-20 ([apply here](#))

2) Special Goods and Services Tax credit payment

- Providing a one-time special payment starting April 9 for low- and modest-income families

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- No need to apply, if you are eligible you will get it automatically
- 3) Extra time to file income tax returns**
- The filing due date for 2019 income tax returns has been deferred to June 1, 2020 and any new income tax balances due are being deferred until after Aug 31, 2020
 - [Consult all tax and payment dates](#)
- 4) Mortgage support**
- Canadian banks have committed to work with their customers on a case-by-case basis to find solutions to help them manage hardships caused by COVID-19.
 - This includes permitting lenders to defer up to six monthly mortgage payments (interest and principal) for impacted borrowers.
 - [Consult your bank's dedicated COVID-19 page](#)

People facing unemployment

1) Canada Emergency Response Benefit (CERB)

- CRA will provide a taxable benefit of \$2,000 a month for up to 4 months to [eligible workers](#) who have lost their income due to COVID-19.
- There are two ways to apply: [online](#) or over the phone 1-800-959-2019

2) Apply for Employment Insurance

- If you have stopped working because of COVID-19, you should apply for the Canada Emergency Response Benefit, whether or not are eligible for Employment Insurance. The Benefit is available for the period from March 15, 2020 to October 3, 2020.
- [Apply now](#)

Seniors

1) Reduced minimum withdrawals for Registered Retirement Income Funds

- CRA reduced the required minimum withdrawals from Registered Retirement Income Funds (RRIFs) by 25 per cent for 2020.
- We are accepting RRIF reductions over the phone or LOD (no client signature needed)

Students and recent graduates

1) Suspend repayment and interest on Canada Student Loans and Canada Apprentices Loans

- All student loan borrowers will automatically have their loan repayments and interest suspended until September 30, 2020.
- Students do not need to apply for the repayment pause.
- [Learn more about the moratorium on the repayment](#)

Car and home insurance - Currently, most Insurers are doing the following:

- **Payment Plan Deferral**
- While this does not negate the need to pay the premium, this may provide some relief in the event you find yourself cash strapped. Some carriers are doubling up the payment the following month, while others are spreading the amount over the remainder of the term.

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- **Premium Reductions from Changes in Driving Habits**
- Have you parked a vehicle? Are you driving less? If so, let your insurance company know to make the necessary adjustments. Premium relief will vary greatly depending on your carrier, how many vehicles you have, and how much less your vehicle is being driven.

Here are some further details for the above items as well as some business related programs:

Trust tax return and payment deferral

- Tax return deferral - Persons with trust tax returns due prior to May 1, 2020.
- Tax payment deferral – Persons with trust income tax payments (including 2020 tax installments) that become owing on or after March 18, 2020 and before September 1, 2020.
- Trust tax return due date deferred to May 1, 2020.
- Trust tax payment due dates deferred to September 1, 2020
- No penalties or interest will apply to any tax returns filed or payments made on or before the extended due dates.
- The criteria for this deferral is not established in the Income Tax Act. The administration of this measure will be based on Ministerial discretion through the CRA relying on policy announcements made by the government and the CRA.

Partnership return (T5013) and Statement of amounts paid to non-residents (NR4)

- Persons filing either a T5013 or NR4 with a due date after March 18, 2020.
- Information return or form due dates deferred until May 1, 2020.
- Tax return and form deferral – no application required.
- NO TAX PAYMENT DEFERRAL provided in announcement.

GST Credit (GSTC)

- Anyone who already receives the GSTC based on the 2018 taxation year. **Payments will be issued on April 9, 2020.**
- There is no need to apply for this payment. If you are eligible, you will get it automatically.
- Will automatically receive in the same manner you receive your current payment.
- If you were previously not entitled to the GST/HST credit, but have filed your 2018 tax return, you may also get the one-time credit amount based on your family net income.
- This one-time payment is set to pay an additional amount of \$290 per person or \$580 per couple and \$153 per child.
- This one-time GST credit begins phasing out at 5 cents for every dollar of family income earned in 2018 over \$37,789.
- One-time special payment to be issued on April 9, 2020
- If you're late in filing your 2018 taxes, the CRA encourages you to file as soon as possible as you may be eligible for retroactive benefits and credits. The only way to get them is to file.

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- File your 2019 income tax and benefit return to ensure you continue to get your benefits and credits for the July 2020 to June 2021 benefit year.
- For more information:
- <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/covid-19-gsthstc-increase.html>

Personal Support Including Self Employed – [Government of Canada Emergency Response Benefit](#)

- Applications launch on April 6th on a rolling basis based on birthdays; if you're born in the first quarter of the year you apply on the 6th, second quarter on the 7th, etc.
- If you've already applied to EI, you don't need to apply for CERB; only apply for CERB if you're ineligible for EI and haven't applied already
 1. EI eligible Canadians who have lost their job can continue to apply here: <https://srv270.hrdc-drhc.gc.ca/AW/introduction?GoCTemplateCulture=en-CA>
 2. If you were eligible for EI benefits that started before March 15, 2020, and these benefits end before October 3, 2020, you may then apply for the Canada Emergency Response Benefit if you meet the eligibility requirements, including that you have stopped work because of reasons related to COVID-19.
- Funds to be delivered in 3-5 days for direct deposit, 10 days by mail
- Need to confirm after every month that you're not employed

Canada Mortgage & Housing Protection Program

- For anyone who holds a mortgage. Effective immediately.
- Offering tools to lenders that can assist homeowners who may be experiencing financial difficulty. Tools to include payment deferral, loan re-amortization, capitalization of outstanding interest arrears and other eligible expenses, and special payment arrangements.
- Please contact your bank and/or lender – it will be on a case-by-case basis.
- Canada's large banks have confirmed that this support will include up to a 6-month payment deferral for mortgages, and the opportunity for relief on other credit products.
- For more information on mortgage deferrals:
- <https://cba.ca/mortgage-deferral-to-help-canadians-experiencing-financial-hardship-due-to-covid-19?!=en-us>
- <https://www.cmhc-schl.gc.ca/en/finance-and-investing/mortgage-loan-insurance/the-resource/covid19-understanding-mortgage-payment-deferral>

Business Support - [Government of Canada Emergency Wage Subsidy](#)

- Based on revenues—need to see 30% decrease from the same time last year
- Up to \$847/per week per employee—75% on the first \$58,900 of salary
- Must reapply each month
- Includes hospitality (restaurants and bars), non-profits and charities
- Employers must attest they're doing everything they can to pay the remaining 25%
- Can apply online through a CRA portal that will launch in 3-6 weeks

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- Morneau wants businesses to be ready to rehire people quickly
- \$71 billion devoted to wage subsidy
- Companies that may not meet the above requirements may still qualify for the originally announced 10% wage subsidy to be paid from March 18 to June 20 up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer

The Canada Emergency Business Account (CEBA), which was announced by the Government of Canada on March 27.

- It's a \$40,000 government-guaranteed loan to help eligible businesses pay for operating expenses, payroll and other non-deferrable expenses which are critical to sustain business continuity.
- Until December 31, 2020, the Canada Emergency Business Account will be funded as a revolving line of credit for \$40,000.
- After December 31, 2020, any outstanding balance on the revolving \$40,000 line of credit will be converted into a non-revolving 5-year term loan maturing on December 31, 2025, at which time the balance must be paid in full.
- No interest applies until January 1, 2023.
- Commencing on January 1, 2023, interest accrues on the balance of the term loan at the rate of 5% per annum, payable monthly on the last day of each month.
- If you pay 75% of the balance of the term loan (as at January 1, 2021), on or before December 31, 2022, the remaining balance of your term loan will be forgiven. For example, if your balance is \$40,000 on January 1, 2021 and you repay \$30,000 on or before December 31, 2022, the remaining \$10,000 will be forgiven.
- If you do not repay 75% of the balance of the term loan (as at January 1, 2021) on or before December 31, 2022, the full loan balance and all accrued and unpaid interest will be due and payable on December 31, 2025.

I'll be in touch. Let me hear from you!

Sincerely,



<https://profit4U.ca/>

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PLEASE BE ADVISED THAT TRADING INSTRUCTIONS SHOULD NOT BE COMMUNICATED VIA E-MAIL, AND IF RECEIVED WILL NOT BE ACTED UPON.

The list of relief programs has been obtained from various sources, including government websites, bank websites and media sources. Here are some of the links used for in letter:

<https://www.canada.ca/en/department-finance/economic-response-plan.html>

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>

<https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-child-benefit-overview/canada-child-benefit-apply.html>

<https://cba.ca/mortgage-deferral-to-help-canadians-experiencing-financial-hardship-due-to-covid-19?l=en-us>

<https://www.canada.ca/en/services/benefits/ei/ceib-application.html>

<https://www.csnpe-nslsc.canada.ca/en/what-is-new>

This letter was prepared by Daria Koralewska who is an Investment Advisor of HollisWealth® . Opinions expressed in this letter are those of the Investment Advisor only and do not necessarily reflect those of HollisWealth. HollisWealth® is a division of Industrial Alliance Securities Inc., a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada.

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My most important role is to help you achieve your long-term financial goals using proven strategies for income and wealth preservation. To ensure that you are provided with no less than the best possible support from myself and my team, I offer the following services:

1. Investment & Tax Planning
2. Education Planning
3. Net worth/Cash flow analysis
4. Accounting and Legal Professional Networking
5. Retirement Planning

Whatever the financial markets are doing, it's important to keep in mind what ultimately matters – the good health and well-being of you and your loved ones. If you're worried, consider a portfolio review where we take stock of where you stand now and revisit your goals and targets. Whether it's for some hand-holding and perspective, or to make necessary changes, we're always here for you.



Think tax-smart investing all year round

Tax time? From an investing perspective, there is no wrong time to consider the tax implications of choosing, organizing or selling investments for your portfolio.

Choosing investments

Remember the old adage: don't let the tax tail wag the investment dog. The best investments for you are the ones that will help you meet your goals while being appropriate for your time horizon and risk tolerance. Any tax advantage should always be a secondary concern.

Organizing investments

Do you know that different kinds of investment income are taxed differently in Canada? Interest income, often earned from Guaranteed Investment Certificates (GICs) or bank account interest, is taxed like earned income and is the least efficient from a tax perspective. Canadian Dividend income is taxed at a lower rate thanks to the Canadian Dividend Tax Credit, and income from Capital Gains is even more tax-efficient as only 50% of the gain is taxable. Equity-type investments such as stocks are most likely sources of dividend and capital gains in your portfolio.

With this in mind, it may make sense to hold investments that pay interest income

in registered accounts like Registered Retirement Savings Plans (RRSPs) that defer the tax, or Tax-Free Savings Accounts (TFSA) that eliminate the tax liability.

Selling or moving investments

Taxes can be an important consideration when you sell an investment or move it from one account to another. For instance, for most investments that have a capital appreciation, the taxable gain is only triggered when you sell it. Withdrawals from your RRSPs will also incur a tax bill, unless they are for an allowed purpose such as the Home Buyers Plan. You can also trigger a tax liability, in this case a "deemed disposition," by transferring an investment from a non-registered account into your RRSP.

If you're looking to draw a regular income stream from your investments, designing a tax-efficient draw-down strategy is key. In this case, rely on professional assistance to maximize your after-tax income.

Being tax-savvy with your investments is a key element of building your wealth over the long term and generating efficient income when you need it. It can require some specialist knowledge and a holistic view of your individual situation. Professional advice is key. ◀