

WELCH TIMES



WINTER 2023

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Meet Welch LLP's *Newest Partner*

The partners of Welch LLP congratulate Rita Evdokimova on her promotion to Partner in the Ottawa Office.

Rita joined Welch LLP in January of 2020. She has extensive experience, in Canadian, U.S. and global expatriate tax planning, compliance and consulting on behalf of multinational companies. In addition to advising corporate clients, Rita acts as a trusted tax advisor to individual clients providing cross border tax planning and compliance services. Rita also assists with Canadian tax issues for individuals emigrating or immigrating from / to Canada.



“I am excited and honoured to be part of the Welch partner group. I look forward to contributing towards overall success of the firm, as we continue to provide great client service and expand our US/Cross-border tax practice.”

**- Rita Evdokimova,
CPA, CA, CPA (Illinois)
Partner, U.S. Cross-border
Tax Compliance & Advisory
Services**

[Learn More About Rita](#)

the Garth Steele Faith Over Fear Fund

HOW DOES IT WORK?

Whenever Welch LLP staff achieve something on their bucket list, Welch LLP will contribute an amount of \$100 to the Fund on their behalf. The accumulated funds will be gifted to charity based on guidance from Garth and his family.

By believing in themselves, taking the initiative, and accomplishing their own dreams, the staff will encourage each other, as well as Garth in his own Faith over Fear journey.

At the end of 2022, Welch LLP created the Garth Steele Faith over Fear Fund, in honour of Partner Garth Steele. It was created to encourage Welch LLP partners and staff to push themselves outside of their comfort zone and accomplish something that is meaningful to them. This Faith Over Fear Fund serves to encourage employees to conquer their fears and overcome all the thoughts and doubts that might be holding them back from doing something they have always wanted to do.

WHAT IS THE STORY BEHIND THE NAME OF THE FUND?

Garth started at Welch LLP in the early 80s and has been with the firm for over 40 years. At the end of December 2021, Garth retired from the firm after receiving news that he was diagnosed with Amyotrophic Lateral Sclerosis (ALS).

Garth relies heavily on his faith to help him cope and to make the most of each day. Garth's talent as a communicator, and the courage to share his story, is reflected in his Faith Over Fear blog. Garth documents his journey, resilience and the support that he draws from his faith.

The Faith Over Fear fund was launched in 2022 to support Garth and his family, reflects Welch's affection for Garth, and allows us to make a positive impact in the lives of others.

TAMI'S ROAD TO THE

Boston Marathon



Tami Sylvestre
Marathon Bib 2118

Point	Time	Time of Day	Pace
Start 42km	00:00:00	7:30:22 am	---
Halfway	01:41:31	9:11:52 am	04:49
35 km	02:49:27	10:19:48 am	04:54
FINISH 42km	03:28:19	10:58:41 am	05:24
			Avg. Pace 04:57 min/km

Tami shares with us three lessons she learned throughout this journey:

1. You are never too old to start.
2. Never underestimate yourself.
3. Hard work pays off. If you persevere, you can do anything you can set your mind to.

Tami can now check "Qualifying for the Boston Marathon" off her bucket list, which will contribute a donation to the Garth Steele Faith Over Fear Fund.

Congratulations, Tami, on your incredible accomplishment!

Tami Sylvestre, Partner in our Pembroke office, has achieved her goal of qualifying for the Boston Marathon in 2023!

"I've always wanted to run a marathon, but I wanted to do it well" she tells us. At the start of 2022, Tami set a New Year's resolution for herself to run a 3:30 marathon and qualify for the Boston Marathon.

Tami trained for 16 weeks, throughout the grueling winter months, to be able to partake in the Toronto Marathon on May 1st, 2022, a qualifying race for the Boston Marathon in 2023. The billowing snow, ice on the roads, and piercing winds were only some of the obstacles she faced throughout this journey. In the cold weather running on her own, her ear pods would typically freeze in the middle of her runs, making each training session of 30km feel even more stretched. To top it all off, her training months coincided with tax season - the busiest few months of any accounting professional, especially for a Partner at the firm! And tax season wasn't over on May 1st. It actually ended May 2nd given that April 30, 2022 landed on a Saturday so Tami had to get back to finish up the last day of tax season right after her race.

"My initial reaction was *wow this is so hard*. I have a whole new respect for people who have run a marathon. I love running, but this even challenged my love of running." Tami's grit, determination, and competitive nature were the driving forces behind her motivation to keep going. Throughout the process, Tami just kept thinking to herself: "I made it this far, I'm going to keep going - I'm going to do this."

When asked what was stopping her from setting this goal and achieving it sooner, Tami tells us it was lack of time in her schedule. As a Partner at the firm, a wife, and a mother of two kids who both play sports, Tami and her family were continually on the road. Knowing the level of commitment it would take to prepare and complete a marathon, Tami knew it was something she couldn't fit into her overflowing schedule.

"I know I am not getting any younger - I was 47 when I made this New Year's resolution. Having just come off a bad bout of plantar fasciitis where I couldn't run for two months made me realize that if I don't get going now, I might never run a marathon in my life. So, I made the time to do it."

[Read the Full Story](#)

A HOCKEY ASSIGNMENT OF A LIFETIME

“Whether it’s a sport you’re playing, or whether it’s your job, in my case, it’s officiating, having children and having a family doesn’t necessarily put you off your path. It just maybe takes a little bit more motivation and energy and support around you to get to your goals.”

- Jenn Berezowski, CPA, CA, Manager, Welch LLP Trenton



Congratulations to our very own Jenn Berezowski, manager in our Trenton office!

She is one of twenty officials chosen by Hockey Canada to travel to Ostersund, Sweden for the IIHF Under-18 Women’s World Hockey Championships.



“What an amazing accomplishment! Jenn is an excellent official; she has officiated a few games of my daughters over the years. I am very pleased to hear that her talent and skills have been recognized.”

- Shawn Kelso, Partner, Welch LLP Ottawa

Jenn will be the only Canadian official at the week-long tournament, and she has been getting into top shape by refereeing local games and studying the IIHF rulebook to catch nuanced rules that aren’t in Hockey Canada’s rulebook.

Jenn is positive that her incredible opportunity will inspire the people in our firm on all levels, especially the many talented women we have in our offices across the country.

For all young girls, women, and working moms who are interested in hockey and giving back to their community, she encourages them to get involved as much as possible, have a determined work ethic and be open to feedback.

The tournament will be aired in Canada on TSN starting Sunday, Jan. 8, 2023.

The full tournament schedule can be seen at this link.

[Read the Full Story](#)



2022 Welch in the Community

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Golf Tournaments

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Charity Donations



FEATURED COMMENT FROM OUR PARTNER



Welch LLP Partner, Bryden McMaster, is featured in the latest edition of the OAX Report, created by OTUS.

The OTUS Association Exchange (OAX) helps association executives succeed by exploring strategies to overcome common challenges and exploit opportunities.

The 2022 OAX report, recording of the 2022 OAX virtual launch event, and three years of past OAX reports are available. You will find practical insights you can use to advance your organization in 2023.

[Access the OAX Report](#)

“It’s not surprising that almost half of the associations that responded to the 2022 OAX survey have seen expenses increase year-over-year. Based on the current trend in inflation – unless things change – we can expect that number to be much higher still next year. Not only has the cost of things like supplies and travel increased, but looking forward associations can expect to see significant pressure on their biggest line item – salaries and benefits (if they haven’t already).”

– BRYDEN MCMASTER, CPA, CA, PARTNER, WELCH LLP



5 THINGS YOU CAN DO AS A BUSINESS OWNER TO PREPARE FOR 2023

As we say goodbye to 2022, there seems to be a consensus that Canada will enter a recession in the latter half of 2023. Having weathered the rollercoaster of the past two years, we appreciate the concern business owners are feeling as they will no doubt face yet more twists and turns in the new year.

So what can you do as a business owner to prepare for 2023? Perhaps our recent experience through the pandemic can shine some light.



1. Plan Proactively via a Dynamic Financial Model

Proactively plan for various contingencies, from sales reductions, wage increases, interest rates increases, etc. Companies should be prepared to make decisions based on that data, and proactively anticipate the specific actions that will be taken given certain scenarios.

In recessionary times, you need to make decisions quickly. Having a 12-24-month three-way financial model with the ability to stress-test or change your assumptions will help support not only the tough financial decisions you may need to make, but also the strategic/growth-oriented ones as well.



2. Protect and Grow your Value

Not all businesses and industries will be impacted equally by a recession. Some companies will not make it, while others will thrive. Be proactive with the strategy that is right for your business, your employees, and your customers.

To protect your value or grow your value, consider the following strategies in your plan.



3. Access Alternative Capital

The starting point in telling your story is your financial model coupled with a narrative on the business (business overview, strategic plan, etc.). Have conversations early with your trusted advisors on the cash flow needs of the company and understand the potential financing available. Owners often underestimate the time that is required to get financing, so these discussions should be percolating with your finance teams early in the new year.



4. Think Strategically with Long-Term view on Growth

Mergers and Acquisitions activity will likely increase, as companies look to grow via acquisition, increasing their market share, talent pool, and their ability to compete post-recession. Determine early on, if growth by acquisition will form part of your strategy and then collaborate with a trusted advisor to help identify opportunities, perform valuation and due diligence work, source capital and structure the deal to set you up for success.



5. Be Capital- and Exit-Ready

There may be a reluctance to sell your company if we slip into a recession but know that there is, and always will be, a market for good businesses that want to sell. If you are contemplating an exit, ensure you understand what your business is worth by holding a competitive process and remember, it is never too early to start to prepare for your exit.

LIVE WEBINAR



10 TAX PLANNING TIPS FOR BUSINESS OWNERS

FEBRUARY 1, 2023 | 11AM - 12PM

[REGISTER HERE](#)

When it comes to planning for the financial well-being of your business, there are hundreds of goals you can set, and even more ways on how to reach them. But where do you start?

We deal with hundreds of businesses each year, and there are a number of common tax ideas that we see in our own client base. Some are things they have heard about, but don't fully understand. Others are ideas that they have not even considered for themselves.

In this webinar, our Family Wealth Advisor team is joined by Welch LLP's Director of Tax Services to talk about their top 10 tax planning tips that you may want to think about for your business.

Topics include:

- How the current economic environment will impact your tax planning
- Tax planning strategies for business owners that cover near and long term
- What business owners need to focus on most in 2023 (i.e. how to prioritize the strategies for your own needs)



FWA BLOG

CONVERTING YOUR RRSP INTO INCOME

You've been contributing to your RRSP throughout your career and now it's time consider reversing the flow of funds; leveraging your RRSP as an income source to help fund your retirement. Decumulation of assets and navigating retirement cash flows is a complex puzzle. The RRSP is an important and often materially significant piece. What are your options?

First note the RRSP cannot carry-on indefinitely. By December 31st in the year you turn 71, your RRSP must be closed. You have 5 options on what to do with the funds contained therein:

- 1. FULL WITHDRAWAL:** technically an option but likely not the ideal decision due to the taxable nature of RRSP withdrawals
- 2. REGISTERED RETIREMENT INCOME FUND (RRIF):** the overwhelmingly popular choice involves converting your investments into a RRIF. The most flexible of your options, a RRIF allows for continued tax-deferred growth and flexibility of investment choices and income streams. Minimum withdrawals must be made annually from the RRIF dependent on your age (or that of your spouse) and a withholding tax will apply to any withdrawal in excess of this minimum.
- 3. LIFE ANNUITY:** offered through life insurance companies, a life annuity creates a fixed income stream similar to a pension that is guaranteed for life. Payments can be fixed or indexed to compensate for cost-of-living increases, but will cease once you pass away.
- 4. FIXED-TERM ANNUITY:** similar to a life annuity offering fixed or indexed payments, but instead for a fixed term (5, 10, 15, 20 years) not to extend past the age of 90.
- 5. HYBRID:** your options are not all or nothing; a retirement income plan can synthesize any combination of the above options.

While there may be a deadline for a decision with regards to RRSP funds, many of the options above can be implemented prior to age 71 for tax minimization strategies or as personal circumstances require. Annuity and RRIF income (but not RRSP withdrawals) qualify for the \$2,000 pension income tax credit, available to those 65 and older. Should you have no other pension income sources, an early partial RRIF conversion could be an appealing strategy to access this credit for an additional seven years (65-71 inclusive). Triggering taxable income through an annuity, partial RRIF conversion, or direct withdrawals from an RRSP is a viable strategy prior to 65 if you've been able to retire early with little other income. After considering the investment income of their non-registered portfolio, it's not an uncommon planning strategy for a 60-year-old retiree with no pension income to withdraw \$5,000 - \$10,000 annually from their RRSP. The first \$14,398 of income is tax-free, after all.

Planning your retirement income streams can be a stressful endeavor. Your advisory team at Welch LLP can outline the options available to you and recommend strategies to help optimize retirement cash flow and bring you peace of mind.



New Trust Reporting and Disclosure Requirements

The proposed new trust reporting and disclosure requirements have been a hot topic for tax advisors since they were first introduced in the 2018 Federal Budget. The purpose of this proposed new legislation is to provide the Canada Revenue Agency (“CRA”) with more information with respect to the relevant parties to a trust agreement as well as assist with the assessment of potential tax liabilities for trusts and their beneficiaries.

Currently, trusts that do not earn income or make distributions are not required to file a T3 return. The new legislation will require that most Canadian resident trusts file a T3 return, regardless of the activity for the year. In addition, the T3 return will include increased information disclosure requirements.

The implementation date for these new trust reporting and disclosure requirements has been a moving target. However, on November 4, 2022, the proposed legislation was re-issued in Bill C-32 and is now expected to be effective for taxation years ending after December 30, 2023 (i.e., December 31, 2023 year-end). The first applicable filing deadline for these trusts will be March 30, 2024.

Read more on the increase in T3 return filing requirements, new disclosure requirements, penalties, and recommendations in the full blog post.

[Learn More](#)

OUR CLIENTS IN THE NEWS



C-COM PRESIDENT AND CEO DR. LESLIE KLEIN INTERVIEWS WITH SATELLITE EVOLUTION GLOBAL



COMMISSIONAIRES & BLUINK LTD
PARTNER UP TO MAKE BACKGROUND CHECKS SIMPLER



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