2024 Tax Planning Guide

INTRODUCTION

When it comes to tax planning, most people don't think about it until tax time, when it may be too late to put some beneficial tax-planning strategies in place. Rather than wait until the last minute, start early and look for strategies you can act on throughout the year.

Each year brings changes to the tax code. Here's a summary of the most significant tax changes that may affect your 2024 Personal Tax filing.

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2024 Tax Changes

2024 Federal Tax Bracket Rates

All five federal income tax brackets for 2024 have been indexed to inflation using the 2.4-per-cent rate. The federal brackets for 2024 are:

Net Taxable Income	Tax Rate
▪ On the first $55,867	15.0%
▪ Above $55,867 to $111,733	20.5%
▪ Above $111,733 to $173,205	26.0%
▪ Above $173,205 to $246,752	29.0%
▪ Anything above $246,752 is taxed at	33.0%

Additionally, each province also has its own set of provincial tax brackets, most of which have also been indexed to inflation using their respective provincial indexation factors.

2024 Ontario Tax Bracket Rates

Under the current tax-on-income method, provincial tax for all provinces and territories (except Quebec) is calculated the same way as federal tax. The rates below apply to Ontario only.

Net Taxable Income	Tax Rate
▪ On the first $51,446 of income	5.05%
▪ Above $51,446 to $102,894	9.15%
▪ Above $102,894 to $150,000	11.16%
▪ Above $150,000 to $220,000	12.16%
▪ Anything above $220,000 is taxed at	13.16%

2024 Top Federal and Provincial Marginal Tax Rates*

Your marginal tax rate is the combined income taxes you pay to both the federal and provincial governments on all sources of income at tax time.

The rates below apply to Ontario only. The rates provided include all surtaxes. Also, it is assumed that the only credits claimed are the basic personal amount and the low-income tax reduction (where applicable).

Province	Salary and Interest	Canadian Dividends Eligible	Canadian Dividends Non - Eligible	Capital Gains
Ontario > $246,753	53.53 %	39.34 %	47.74 %	26.77 %

*These rates are correct as of June 30, 2024, and do not reflect changes resulting from federal or provincial announcements after that date.

Marginal versus Effective Tax Rates – What's the Difference?

Marginal Tax Rate: Tax rate applicable to last dollar of income earned. Does not consider deductions and credits available to taxpayer

Effective Tax Rate: Actual rate of tax paid by taxpayer. Considers deductions, credits and graduated tax brackets.

Basic Personal Tax Credit Amount

For 2024, the amount will increase to $15,705, up from $15,000 in 2023.

2024 RRSP Contribution Limits

18% of previous year's earned income to a maximum of:	$31,560

2024 TFSA Limits

TFSA Contribution Limit	$7,000

Accumulated TFSA Contribution Limit $95,000

2024 Withholding Tax Rates for RRSP/RRIF Withdrawals

Annual Withdrawal	Ontario
Up to $5,000	10%
$5,001 - $15,000	20%
Over $15,000	30%

Tax Attribution Rules

Recipient	Gift	No or Low Interest Loan	Loan at Prescribed or Commercial Rate
Spouse or Partner			
Income	Attributed to "gift or"	Attributed to lender	No attribution
Capital Gains	Attributed to "gift or"	Attributed to lender	No attribution
2nd Generation Income	No attribution	No attribution	No attribution
Child under 18			
Income	Attributed to "gift or"	Attributed to lender	No attribution
Capital Gains	No attribution	No attribution	No attribution
2nd Generation Income	No attribution	No attribution	No attribution
Child over 18			
Income	No attribution	No attribution	No attribution
Capital Gains	No attribution	No attribution	No attribution
Corporation (e xcluding small business corporation)			
	Attribution may result if reason for transfer is to confer a benefit on a family member and reduce family tax payable	Attribution may result if reason for transfer is to confer a benefit on a family member and reduce family tax payable	No attribution

Individuals and Families

Capital Gains Inclusion Rate

As of June 25, 2024, the capital gains inclusion rate—the amount of capital gains that are taxable will increase from one-half to two-thirds on capital gains realized annually above $250,000 by individuals and on all capital gains realized by corporations and most types of trusts.

Alternative Minimum Tax (AMT)

Starting in 2024, the AMT rate will be raised from 15% to 20.5% and the basic exemption will increase from $40,000 to approximately $173,000. In addition, the taxable income base used to calculate the AMT will be broadened.

Home Buyers' Plan (HBP)

Under new HBP rules introduced in Budget 2024, Canadians can withdraw up to $60,000 from their Registered Retirement Savings Plans (RRSPs) – an increase of $25,000 – to finance the down payment of their first home. And, for now, they have an extra three years to start repaying it.

Employee ownership trusts (EOT)

The 2024 federal budget provides additional details on the $10 million exemption from taxation on capital gains realized on the sale of a business to an Employee Ownership Trust (“EOT”) that were not included in the 2023 Fall Economic Statement or Bill C-59, and also proposes to expand a qualifying business transfer (as defined for purposes of the EOT rules) to include the sale of shares to a worker cooperative corporation meeting certain definitions in the Canada Cooperatives Act..

Canada Child Benefit (CCB

The 2024 federal budget proposes paying the Canada Child Benefit (CCB) and the Child Disability Benefit for six months after a child’s death, starting in January 2025.

Volunteer Firefighters and Search and Rescue Tax Credit

Budget 2024 proposes to doubled this credit from $3,000 to $6,000 for 2024 and subsequent years, saving recipients up to $900 per year.

Mineral Exploration Tax Credit (METC)

The federal government will extend the 15-per-cent Mineral Exploration Tax Credit for investors in flow-through shares for an additional year, until March 31, 2025.

Low-interest Loans

The family loan rate will be 5% in the fourth quarter of 2024.

2024 Old Age Security (OAS) Retirement Benefits

Maximum Monthly Benefits	$727.67*
Maximum Annual Income	For the 2024 tax year, pensioners with net income of $90,997 or more are subject to OAS Clawback at a rate of 15% for each dollar beyond the threshold amount. OAS payments are fully eliminated once net income reaches $148,065.

* This amount is revised every quarter in January, April, July, and October to account for increases in the cost of living.

Lifetime Advanced Life Deferred Annuity (ALDA) Dollar Limit

The limit is $170,000 for 2024.

To purchase an ALDA, you must directly transfer a lump sum amount from one of the following registered plans:	▪ registered retirement savings plan (RRSP) ▪ registered retirement income fund (RRIF) ▪ deferred profit sharing plan (DPSP) ▪ pooled registered pension plan (PRPP) ▪ money purchase registered pension plan (MP RPP)

2024 Canada Pension Plan Retirement Benefits

Maximum monthly benefit (assuming payments begin at age 65): $1,364.60

Premiums	All provinces/territories except Quebec
Maximum Pensionable Earnings	$68,500
Basic Exemption	$3,500
Maximum Contributory Earnings	$65,000
Employee and Employer Rate	5.95%
Maximum Employee/Employer Contribution	$3,867.50
Maximum Self-Employed Contribution	$7,735.00

2024 Maximum EI Insurable Earnings

The maximum annual insurable earnings (federal) for 2024 is $63,200.

Premiums	All provinces/territories except Quebec
Maximum Yearly Insurable Earnings	$63,200
Employee’s Premium Rate	1.66%
Employer’s Premium Rate	2.32%
Maximum Yearly Employee Premium	$1,049.12
Maximum Yearly Employer Premium	$1,467.77

Medical Expenses Threshold

For 2024, the max is 3% of net income or $2,759.

Canada Caregiver Credit

Higher amount – A maximum of $8,375 in 2024 for care of dependent relatives.

Lower amount – A maximum of $2,616 in 2024 for care of dependent spouse/common-law partner or minor child.

Disability Amount

This non-refundable Disability Tax Credit is $9,872 in 2024, with a supplement of up to $5,758 for those under 18 that is reduced if childcare expenses are claimed.

Child Disability Benefit

For the period of July 2024 to June 2025, you could get up to $3,322 ($276.83 per month) for each child who is eligible.

Canada Child Benefit

In 2024, the maximum CCB benefit is $7,787 per child under six and up to $6,570 per child aged six through 17.

Measures for Corporations

Lifetime Capital Gains Exemption

The Lifetime Capital Gains Exemption (LCGE) allows small-business owners and their family to avoid taxes on capital gains when selling business shares, farm, or fishing property, up to a certain amount. It doesn't cover personal capital gains. The exemption limit is $1,250,000 for qualified farm, fishing property, or small business shares, indexed to inflation. You can subtract taxable amounts from profits using the LCGE until you reach the lifetime limit.

Canadian Entrepreneurs' Incentive

The 2024 federal budget proposes the Canadian Entrepreneurs' Incentive (CEI) to halve the capital gains inclusion rate on qualifying share sales by eligible individuals starting January 1, 2025. The lifetime limit will increase by $200,000 annually from January 1, 2025, until it reaches $2 million on January 1, 2034.

Accelerated Capital Cost Allowance

The 2024 Federal Budget proposes to temporarily increase the CCA rate for eligible new purpose-built rental projects from 4% to 10%.

Canada Carbon Rebate for Small Businesses

This refundable tax credit, announced in Budget 2024, returns a portion of federal fuel charge proceeds directly to eligible Canadian-controlled private corporations (CCPCs).

Other Notable Changes

Non-compliance with information request

The Federal Budget 2024 has given new powers to the CRA that will make non-compliance with CRA's information requests expensive. Even if the reassessment confirms that no taxes are due, you will still face a penalty for failing to furnish the information requested.

2024 Tax Year Dealines

	Date
Filing Income Tax Returns & Instalments:	
Individual	April 30, 2025
Sel-employed Individual	June 15, 2025
Deceased – Final Tax Return	
Death occurred between January 1 and October 31	April 30th of the following year
Death occurred between November 1 and December 31	Six months after the date of death
Quarterly Installments	15th of March, June, September and December
Registered Retirement Savings Plan (RRSP):	
Contributions for the year	February 29, 2025
Contributions for the year an individual turns 71 years of age	December 31, 2025
Home Buyers' Plan (HBP):	
Withdrawal — Buy or build a home before October 1st of the following year	October 1, 2025
Repayment — Starts in the second calendar year after the withdrawal	March 1, 2025
Registered Education Savings Plan (RESP):	
Contributions to receive Canada Education Savings Grants (CESGs) for the year	December 31, 2024
Registered Disability Savings Plan (RDSP):	
Contributions to receive Canada disability savings grants and bonds for the year	December 31, 2024
Capital Loss Selling:	
Disposition of investments to realize accrued capital gains or losses for the year	December 27, 2024
Family Loans:	
Interest on family loans to avoid attribution rules	January 30th of the following year
Charitable Donations	December 31, 2024

Getting Advice

Reviewing your Tax Plans? We encourage you to talk to us. Speak to your Financial Advisor or contact investor services at 1-800-608-7707.