

# Tax & Retirement Planning Guide



**At TD Asset Management Inc. (TDAM), we understand the importance of tax planning to investors.**

There are many tax-efficient investment vehicles available to Canadians to help maximize after-tax income and grow their investment portfolios. For example, you may consider using a Registered Retirement Savings Plan (RRSP) or a Tax-Free Savings Account (TFSA) to save for retirement, a Registered Education Savings Plan (RESP) for a child's education or a First Home Savings Account (FHSA) to save for your first home. You may also want to take advantage of appropriate deductions and government sponsored benefits. In addition, consider whether it is advantageous to hold investments that earn relatively tax-efficient income, such as Canadian dividends or capital gains.

TDAM has created this guide to help outline some tax planning information. While the guide is useful, we encourage investors to seek qualified tax planning advice to develop a strategy that's appropriate for their unique situation.

# Tax Planning

## 2024 Federal Tax Brackets & Rates

Taxable Income	Rate
Up to \$55,867	15.0%
Over \$55,867 to 111,733	20.5%
Over \$111,733 to 173,205	26.0%
Over \$173,205 to 246,752	29.0%
Over \$246,752	33.0%

Source: Canada Revenue Agency (CRA): <https://www.canada.ca/en/revenue-agency/services/tax/individuals/frequently-asked-questions-individuals/canadian-income-tax-rates-individuals-current-previous-years.html>.

## Payroll Deductions 2024<sup>1</sup>

	2024	Change from 2023
Maximum EI Premium <sup>2</sup>	\$1,049.12	▲
Maximum CPP Contribution <sup>3</sup>	\$3,867.50	▲
Top Federal Tax Rate	33%	

Source: CRA: <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/employment-insurance-ei/ei-premium-rates-maximums.html>, <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/canada-pension-plan-cpp/cpp-contribution-rates-maximums-exemptions.html>, Régie des rentes Québec (RRQ): <https://www.revenuquebec.ca/en/online-services/forms-and-publications/current-details/tp-1015-tr-v/>.

<sup>1</sup> Figures rounded to nearest dollar. <sup>2</sup> Maximum EI premium for employees outside of Québec. The maximum for Québec employees is \$834.24 as at January 1, 2024. <sup>3</sup> The maximum Québec Pension Plan (QPP) contribution per employee is \$4,160 as at January 1, 2024.

## Important Dates<sup>4</sup>:

- **RRSP Contribution Deadline:**  
February 29, 2024 for contributing to an RRSP for the 2023 tax year
- **Individual tax filing deadline:**  
April 30, 2024
- **Payment date for 2023 taxes:**  
If you owe money to the CRA, the amount must be paid by April 30, 2024 for individual and self-employed returns.
- **Self-employed tax filing deadline:**  
June 17, 2024
- **Quarterly deadlines if you pay taxes to CRA by instalments:**
  - March 15, 2024
  - June 17, 2024
  - September 16, 2024
  - December 16, 2024

<sup>4</sup> 2024 important dates are subject to change.

If a deadline falls on a weekend or official holiday, a return is considered filed on time if it is postmarked on the first business day after the filing deadline.

# Planning

# Tax Planning

## 2024 Top Marginal Personal Tax Rates<sup>5</sup>

Province/ Territory	Interest and Regular Income %	Capital Gains %	Eligible Canadian Dividends %	Non-eligible Canadian Dividends %
Federal	33.00	16.50	24.81	27.57
Alberta	48.00	24.00	34.31	42.31
British Columbia	53.50	26.75	36.54	48.89
Manitoba	50.40	25.20	37.78	46.67
New Brunswick	52.50	26.65	32.40	46.83
Newfoundland and Labrador	54.80	27.40	46.20	48.96
Northwest Territories	47.05	23.53	28.33	36.82
Nova Scotia	54.00	27.00	41.58	48.28
Nunavut	44.50	22.25	33.08	37.79
Ontario	53.53	26.76	39.34	47.74
P.E.I.	51.75	25.88	36.20	47.63
Québec	53.31	26.65	40.11	48.70
Saskatchewan	47.50	23.75	29.64	40.86
Yukon	48.00	24.00	28.93	44.04

Source: Ernst & Young Combined Federal and Provincial Personal Income Tax Rates 2024, PwC Individual - Taxes on Personal Income, CRA, Régie des rentes Québec (RRQ).

<sup>5</sup>The combined top marginal tax rate is the rate an individual will pay on income that falls into the highest tax bracket in the province or territories of residence. Non-resident rates for interest and dividends apply only in limited circumstances.

## Tax-Free Savings Account (TFSA) Contribution Limits

Tax-Free Savings Account	2009 – 2012	2013 – 2014	2015	2016 – 2018	2019 – 2022	2023	2024
Annual Contribution Limits <sup>6</sup>	\$5,000	\$5,500	\$10,000	\$5,500	\$6,000	\$6,500	\$7,000

Source: CRA: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/tax-free-savings-account/contributions.html>, as at January 31, 2024.

<sup>6</sup>The TFSA annual room limit will be indexed to inflation and rounded to the nearest \$500.

## Tax Planning

### Tax-Free Savings Account (TFSA)

The TFSA program is a way for individuals who are 18 years of age or older, and who are residents of Canada with a valid social insurance number (SIN) to set money aside tax-free throughout their lifetime. Contributions to a TFSA are not deductible for income tax purposes. Any amount contributed as well as any qualifying income earned in the account (for example, investment income and capital gains) is generally tax-free, even when it is withdrawn.

The maximum amount that an individual can contribute to their TFSA is limited by their TFSA contribution room.

The TFSA contribution room is the total amount of all of the following:

- the TFSA dollar limit of the current year
- any unused TFSA contribution room from previous years
- any withdrawals made from the TFSA in the previous year

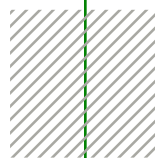
All TFSA contributions made during the year, including the replacement or re-contribution of withdrawals made from a TFSA, will count against the contribution room.

Source: CRA: [https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4466/tax-free-savings-account-tfsguide-individuals.html#P44\\_1110](https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4466/tax-free-savings-account-tfsguide-individuals.html#P44_1110). Some restrictions may apply.

### Registered Retirement Savings Plan (RRSP)

An Individual RRSP is a retirement savings plan registered with the CRA and to which an individual can contribute. Eligible RRSP contributions will reduce the individual's taxable income, and any income earned in the RRSP will be tax-deferred until the money is withdrawn from the plan as taxable income.

Source: CRA: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/registered-retirement-savings-plan-rrsp.html>. Some restrictions may apply.



# Savings

# Retirement Planning

## Registered Retirement Savings Plan (RRSP) Contribution Limits

18% of Previous Year's Earned Income to a Maximum of:

Year	Maximum RRSP Contribution
2016	\$25,370
2017	\$26,010
2018	\$26,230
2019	\$26,500
2020	\$27,230
2021	\$27,830
2022	\$29,210
2023	\$30,780
2024	\$31,560

Source: CRA: <https://www.canada.ca/en/revenue-agency/services/tax/registered-plans-administrators/pspa/mp-rrsp-dpsp-tfsa-limits-ympe.html>.

## Withholding Tax Rates for RRSP/ Registered Retirement Income Fund (RRIF)

Use the following withholding rates<sup>7</sup> for lump-sum payments:

Amount Withdrawn in Excess of Minimum <sup>8</sup>	All Provinces Except Quebec	Quebec	Non-Residents <sup>9</sup>
Up to \$5,000	10%	5% federal + 15% provincial	25%
Over \$5,000 to \$15,000	20%	10% federal + 15% provincial	25%
Over \$15,000	30%	15% federal + 15% provincial	25%

<sup>7</sup> These rates are estimates only. <sup>8</sup> This amount refers to the required annual minimum withdrawals, specifically from a RRIF. <sup>9</sup> For non-residents of Canada, withholding tax is 25% unless reduced by a treaty.

## Withdrawal Programs

	RRSP Home Buyers' Plan (HBP)	RRSP Lifelong Learning Plan (LLP)
Eligibility	Must be considered a "First-time Home Buyer" <sup>10</sup> : Cannot have lived in a home owned by the annuitant or the annuitant's spouse or common-law partner during the period between January 1 of the fourth year before the year of withdrawal, and the 31st day before the withdrawal. Other conditions apply. For more information please visit the Canada Revenue Agency website at <a href="https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/what-home-buyers-plan/participate-home-buyers-plan.html">https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/what-home-buyers-plan/participate-home-buyers-plan.html</a>	The annuitant or the annuitant's spouse or common-law partner must be enrolled full-time (part-time for students meeting one of the disability conditions) in a qualifying educational program or have a written offer to enrol at a designated educational institution before March 1 of the year following the year of first withdrawal. The program must be of at least three consecutive months' duration with 10+ hours of weekly course work. Other conditions apply. For more information please visit the Canada Revenue Agency website at <a href="https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/lifelong-learning-plan.html">https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/lifelong-learning-plan.html</a>
Limits	\$35,000 per participant.	\$10,000 per year to the total LLP limit of \$20,000.

## RRSP Home Buyers' Plan (HBP)

## RRSP Lifelong Learning Plan (LLP)

Repayment <sup>11</sup>	Generally, 1/15th per year with the repayment period starting the second year after the year of the first HBP withdrawal. To make the repayments, an individual has to contribute to their RRSP in the repayment year or the first 60 days of the following year.	Generally, 1/10th per year, with the repayment period starting the fifth year following the first LLP withdrawal. To make the repayments, an individual has to contribute in the repayment year or the first 60 days of the following year. Repayments may commence in the second year following the withdrawal, if the course is completed in the year of withdrawal. For complete details, please visit <a href="https://www.canada.ca/en/revenue-agency.html">https://www.canada.ca/en/revenue-agency.html</a> .
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Source: CRA.

<sup>10</sup> Unless you are a person with a disability or you are helping a related person with a disability buy or build a qualifying home. <sup>11</sup> Any amount that is not repaid will be added to taxable income for the year the repayment is due. You have up to 15 years to repay the HBP and up to 10 years to repay the Lifelong Learning Plan.

## First Home Savings Account (FHSA)

A FHSA is a registered plan allowing prospective first-time home buyers to save for their first home tax-free (up to certain limits). Contributions are tax-deductible, and qualifying withdrawals to purchase a qualifying home—including from investment income—are non-taxable.

The FHSA participation room for the current year is the maximum amount that an individual can contribute and/or transfer into their FHSA in the year. Currently, the maximum an individual may contribute to their FHSA is \$8,000. They can carry forward the previous year's unused participation room (a maximum of \$8,000), if an FHSA account was opened in the previous year. The new contribution amount and the carried forward participation room may not exceed \$16,000. Any excess contribution that is more than the allowable participation room, will be considered an excess amount and subject to a 1% tax every month until withdrawn or transferred out of the account. The Lifetime FHSA participation room is \$40,000.

Generally, all contributions made to FHSAs and all transfers from RRSPs to FHSAs reduce the remaining lifetime FHSA limit. Conditions and restrictions apply. For more information, please visit the Canada Revenue Agency website at [www.canada.ca/en/revenue-agency.html](http://www.canada.ca/en/revenue-agency.html).

# Grow

# Retirement Planning

## Payment Rates - Canada Pension Plan (CPP) & Québec Pension Plan (QPP)

Type of Benefit	CPP Maximum Monthly Benefit (2024)	QPP Maximum Monthly Benefit (2024)
Retirement Pension (At Age 65)	\$1,364.60	\$1364.60
Disability Pension (Under Age 65)	\$1,606.78	\$1606.75 <sup>12</sup>
Survivor's Benefit (Under Age 65)	\$739.31	\$1102.80 <sup>13</sup>
Survivor's Benefit (Age 65 and Over)	\$818.76	\$822.14
Children of Disabled Contributor Benefit	\$294.12	\$93.39
Children of Deceased Contributors Benefit	\$294.12	\$294.12
Combined Survivor's and Retirement Benefit (Retirement At Age 65)	\$1,375.41	See footnote <sup>14</sup>
Combined Survivors and Disability Benefit	\$1,613.54	See footnote <sup>14</sup>
Death Benefit (Max Lump Sum)	\$2,500.00	\$2,500.00

Source: Government of Canada from January 2024 to December 2024, Government of Canada Quarterly Report of CPP and Old Age Security (OAS) monthly amounts from January to March 2024, Régie des rentes Québec (RRQ).

<sup>12</sup> Disability pension for persons aged 18 to 59. <sup>13</sup> Beneficiary between ages 45 and 64. <sup>14</sup> Please contact RRQ for more information.

## Old Age Security Benefit Payment Rates<sup>15</sup>

Type of Benefit	Recipient	Maximum Monthly Benefit	Maximum Annual Income <sup>16</sup>
<b>Old Age Security (OAS) Pension<sup>17</sup></b>	All Recipients	\$713.34	\$142,609 <sup>18</sup> (see Old Age Security below)
<b>Guaranteed Income Supplement (GIS)</b>	Single Person	\$1,065.47	\$21,624
	Spouse of Pensioner	\$641.35	\$28,560 <sup>17</sup>
	Spouse of Non-Pensioner	\$1,065.47	\$51,840 <sup>17</sup>
	Spouse of Allowance Recipient	\$641.35	\$39,984 <sup>17</sup>
<b>Allowance</b>	All Recipients	\$1,354.69	\$39,984 <sup>17</sup>
<b>Allowance for the Survivor</b>	All Recipients	\$1,614.89	\$29,112 <sup>18</sup>

Source: Government of Canada from January 2024 to December 2024.

<sup>15</sup> For eligible recipients aged 65 to 74. OAS benefits are reviewed quarterly and generally indexed to Consumer Price Index (CPI). <sup>16</sup> The income level cut-offs do not include the OAS pension or the first \$5,000 of employment income. <sup>17</sup> Combined income. Eligible recipients aged 75 and over will see an automatic 10% increase of their OAS pension as of July 2024. <sup>18</sup> Individual income.

## Old Age Security Clawback

- If your net income before adjustments exceeds \$90,997, part or the entire OAS pension amount may need to be repaid.
- The repayment amount is equal to 15% of the amount an individual's net income exceeds the threshold (\$90,997), up to the full OAS payment.
- The OAS recovery tax is normally deducted on a monthly basis as installments or pre-payments of expected OAS clawback based off of the previous year's tax return.
- The full OAS payment is eliminated when a pensioner's net income is \$142,609 or above (age 65 to 74), or \$148,179 or above (age 75 and over).

## RRIF – Annual Minimum Withdrawals (%)

(Fair market value of RRIF on December 31 multiplied by prescribed factors below)<sup>19</sup>

Age <sup>20</sup>	2017+ Factor	Age <sup>20</sup>	2017+ Factor
71	5.28	89	10.99
72	5.40	90	11.92
73	5.53	91	13.06
74	5.67	92	14.49
75	5.82	93	16.34
76	5.98	94	18.79
77	6.17	95+	20
78	6.36		
79	6.58		
80	6.82		
81	7.08		
82	7.38		
83	7.71		
84	8.08		
85	8.51		
86	8.99		
87	9.55		
88	10.21		

<sup>19</sup> For annuitants under the age of 71, the factor is based on the following formula:  $1/(90 - \text{annuitant's or spouse's age})$ . Minimum withdrawal in the year in which the RRIF is established is nil. <sup>20</sup> Age is as of the start of the year.



# Education Planning

## Registered Education Savings Plan (RESP)

<b>Details</b>	
<b>Contribution Maximum</b>	There is no annual limit for contributions to RESPs. For each beneficiary, the lifetime contribution limit to an RESP is \$50,000.
<b>Contribution Age Limit</b>	Contributions can be made until December 31 of the 31st year following the year the plan is opened. Family plan only: final contribution must be made before the beneficiary's 31st birthday.
<b>Plan Age Limit</b>	RESP must be closed before December 31 of the 35th year following the year the plan is opened.
<b>Penalty On Over-Contribution</b>	When an over-contribution occurs, an individual will be required to pay tax in the amount of 1% per month on their share of the over-contribution until it is withdrawn.
<b>Basic Canada Education Savings Grant (CESG)</b>	20% on annual contributions made to all eligible RESPs for a qualifying beneficiary, to an annual maximum of \$500 (\$1,000 where there is unused grant room from a previous year). Additional contribution requirements apply to beneficiaries who are 16 or 17. Unused CESG grant room may be carried forward for possible use in the future. Lifetime maximum CESG amount per beneficiary is \$7,200. Please refer to CRA website for more information.
<b>Additional CESG<sup>21,22</sup></b>	Family income up to \$53,359: additional CESG on the first \$500 in annual RESP contributions is 20%.
	Family income between \$53,360 and \$106,717: additional CESG on the first \$500 in annual RESP contributions is 10%.
<b>Canada Learning Bond (CLB)<sup>21</sup></b>	Provides \$500 at first year of eligibility and \$100 annually (to a maximum of \$2000) until age 15 for children born after 2004 to families who meet certain income criteria (paid only in the years when the family's income qualifies).
<b>Québec Education Savings Incentive (QESI)<sup>23</sup></b>	10% on the first \$2,500 of annual contributions (with greater support for families that qualify based on lower income) up to a lifetime limit of \$3,600 per child. The child must be named as a beneficiary of an RESP, be a resident of Québec at the end of the year, and meet other eligibility requirements.
<b>British Columbia Training and Education Savings Grant (BCTESG)</b>	\$1,200 one-time grant to eligible beneficiaries born on or after January 1, 2006. The last day to apply is the day before the beneficiary turns 9 years old. The child must be a resident of British Columbia at the time of the application, and meet other eligibility requirements.

## Details

<b>Educational Withdrawals</b>	Educational Assistance Payment (EAP): CESG, CLB, amounts paid under a provincial education savings program, and the earnings on the money saved in the RESP. These are paid to the beneficiary and taxable as earned income for the beneficiary in the year that they are received.
	Post-Secondary Educational (PSE) Contribution Withdrawal: Payable to subscriber who may gift it to beneficiary or retain it for him/herself with no tax payable.
<b>Non-Educational Withdrawals</b>	Accumulated Income Payment (AIP): Subject to certain conditions (including the repayment of grants), income earned in the plan is payable to the subscriber who may be able to transfer the amount to his/her RRSP (subject to availability of RRSP contribution room). If taken as cash, the AIP amount is taxable based on subscriber's marginal tax rate plus an additional 20% penalty tax. Alternatively, such amounts may be paid (gifted) to a designated educational institution in Canada.
	Refund of Contributions (ROC): If a beneficiary is not eligible for an EAP, the withdrawal of contributions is not taxable, but generally trigger CESG repayments and could require the repayment of certain provincial grants.

Source: CanLearn and Employment and Social Development Canada (ESDC).

<sup>21</sup> Effective January 2005. <sup>22</sup> The range of family income for CESG is based on the number of children that are in the family. <sup>23</sup> Effective February 2007.

## Consumer Price Index (CPI)

Year	CPI	% Change
1951 – 1960	–	12.3
1961 – 1970	–	29.3
1971 – 1980	–	110.5
1981 – 1990	–	58.4
1991 – 2000	–	15.2
2001	97.8	2.5
2002	100	2.2
2003	102.8	2.8
2004	104.7	1.8
2005	107	2.2
2006	109.1	2.0

Year	CPI	% Change
2007	111.5	2.0
2008	114.1	2.3
2009	114.4	0.3
2010	116.5	1.8
2011	119.9	2.9
2012	121.7	1.5
2013	122.8	0.9
2014	125.2	2.0
2015	126.6	1.1
2016	128.4	1.4
2017	130.5	1.6
2018	134.0	2.7
2019	136.9	2.2
2020	137.0	0.7
2021	144	4.8
2022	151.2	6.8
2023	157.1	3.9

Source: Statistics Canada. Base year: 2002 = 100.0. As of January 16, 2024.

## How to Manage Personal Tax Info and More Online

The CRA offers secure access to personal tax information through their website service called “My Account”. It includes information about tax refunds or balance owing, RRSP, Home Buyers’ Plan, Lifelong Learning Plan, Tax-Free Savings Account and more. Visit [www.canada.ca/en/revenue-agency.html](https://www.canada.ca/en/revenue-agency.html) for more information. ■

For more information,  
please contact your tax and **investment professional.**

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