

RRSP OVERCONTRIBUTION RULES

- A monthly penalty tax of 1% is applied to RRSP contributions made in excess of the maximum contribution limits.
- If an individual is over the age of 18, he or she is entitled to a cumulative overcontribution limit of \$2,000 to an RRSP before the penalty tax is applied.

SPOUSAL RRSP RULES

- Any amounts that may be contributed to an individual's own plan under his or her personal RRSP deduction limit may be contributed to a spousal RRSP instead.
- For a 2025 withdrawal, the contributor declares income if contributions were made to any spousal RRSP in 2022, 2023, 2024.
- Contributions to a spousal RRSP may be made by a contributing spouse up to and including the year his or her spouse turns 71 (tax deductible to contributing spouse), provided the contributor has available RRSP room.

TFSA CONTRIBUTION LIMITS

- Individuals must be the age of majority in their province of residence to open a TFSA. The age of majority is 18 in all provinces except BC, NB, NFL, YU, NWT, NU and NS, where the age of majority is 19.¹
- If you have never contributed to a TFSA and were at least 18 years of age in 2009 and have been a Canadian resident since then, your 2025 contribution limit will be \$102,000.

IMPORTANT DATES FOR 2024 TAX YEAR	
Individual tax filing deadline	April 30, 2025
Self-employed individual tax filing deadline	June 15, 2025

IMPORTANT DATES FOR 2025 TAX YEAR	
Personal tax installments – business day deadline	March 15, 2025
	June 15, 2025
	September 15, 2025
	December 15, 2025
RESP contribution deadline	December 31, 2025
Last trade date for Canadian mutual funds and exchange traded funds (ETFs) ²	December 30, 2025
Last trade date for U.S. stocks ²	December 30, 2025
Family loan interest deadline for 2025 interest payments	January 30, 2026
RRSP contribution deadline	March 2, 2026

WITHHOLDING TAX RATES FOR RRSP AND RRIF		
Amount	Quebec	All other provinces
Up to \$5,000	5%	10%
\$5,000–\$15,000	10%	20%
Over \$15,000	15%	30%

RRSP AND TFSA CONTRIBUTION LIMITS	
RRSP contribution limit • 18% of previous year's earned income to a maximum of:	2025 – \$32,490 2026 – \$33,810
TFSA contribution limit	2025 – \$7,000
RRSP – maximum annual deduction limit	2025 – \$32,490

IMPORTANT RESP LIMITS	
Lifetime contribution limit per beneficiary	\$50,000
Maximum total CESG limit per beneficiary	\$7,200
Basic CESG rate on the first \$2,500 of annual contributions	20%
Additional CESG rate on the first \$500 or less of RESP contributions made in respect of a beneficiary, based on the adjusted family net income of the beneficiary's primary caregiver. If net family income is:	20%
• \$53,360 or less	20%
• between \$53,360 to \$106,717	10%

TYPE OF BENEFITS	CLAWBACK/CUT-OFF
OAS	Clawback when net income is between \$93,454 to \$151,668*
	OAS clawback is equal to 15% of the amount by which your net income (including OAS) exceeds \$93,454
	Full repayment of OAS when net income is above \$151,668
	Maximum OAS benefit for QI at age 65 \$727
	Deferred OAS maximum benefit for QI at age 70 \$989

INDIVIDUAL PENSION PLAN (IPP)
T4 earnings required to contribute the maximum to an IPP for the year: \$181,000 for 2025

FEDERAL MAX AMOUNTS		
Tax credit		Dollar value
Basic personal amount ⁴ :	• net income up to \$177,882	\$14,538
	• net income greater than \$253,414	\$16,129
Spouse/partner ⁴ :	• net income up to \$177,882	\$16,129
	• net income greater than \$253,414	\$14,538
Age 65 ⁵		\$9,028
Disability	• Basic	\$10,138
	• Under-18 supplement ⁵	\$5,914
Canada caregiver amount for other infirm dependent age 18 and older (maximum per dependent) ⁵		\$8,601
Canada caregiver amount for infirm children under age 18		\$2,687

2025 KEY NON-REFUNDABLE FEDERAL TAX CREDITS		
Personal tax credits as percentage of base amounts		
Tax credit		Percentage value
Charitable donations	First \$200	15%
	Amount over \$200 ³	29% or 33%
Dividend tax credit (on grossed-up amount)	Eligible	15.02%
	Non-eligible	9.03%

Up to 75% of a taxpayer's net income can be claimed as donations, except in the year of death or the year preceding death, when 100% of net income can be claimed as donations. The donation limit can also be increased when capital property is donated. A donation must be received by the charity by December 31 in order to receive a charitable donation receipt for that taxation year.

- Individuals accumulate TFSA contribution room for that year and it carries over to the following year.
- These are the last trade dates for settlements within 2024.
- As part of tax changes introduced in late 2015, the calculation of the federal charitable donation tax credit was amended to allow higher-income donors to claim a 33% federal tax credit, but only on the portion of donations made from income that is subject to the new 33% top marginal tax rate. However, top-rate taxpayers should note that this 33% donation tax credit rate is only available for donations made after 2015 and will not be available for donations carried forward from a previous year to 2016 or thereafter.
- Per December 2019 government proposal, in 2023, the maximum BPA is increased from \$15,000 to \$15,705 for individuals with a net income of \$173,205 or less. The increase is gradually reduced for individuals with net income between \$173,205 and \$246,752. If your net income is above \$246,752, the change does not apply to you. Your BPA will be \$14,156. Similar increases are proposed for the maximum spouse or common-law partner amount and the maximum amount for an eligible dependent.
- Subject to certain limitations.

* These amounts are not final for the 2024 income year and will be adjusted to reflect the quarterly adjustment of OAS benefits.

GOVERNMENT CONTACT INFORMATION

Canada Revenue Agency
1 800 959-8281
<https://www.canada.ca/en/revenue-agency.html>

Phone number and website for CPP and OAS queries
1 800 277-9914
<https://www.canada.ca/en/employment-social-development/corporate/contact/oas.html>

Phone number and website for QPP queries
1 800 463-5185
<https://www.retraitequebec.gouv.qc.ca/en/nous-joindre/Pages/nous-joindre.aspx>

2025 TOP MARGINAL PERSONAL TAX RATES
(Combined federal and provincial tax rates)

Amount	Interest/foreign dividends	Capital gains ¹¹	Eligible dividends	Non-eligible dividends
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%	26.25%	32.40%	46.83%
Newfoundland and Labrador	54.80%	27.40%	46.20%	48.96%
NWT	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%
PEI	51.37%	25.88%	36.20%	47.63%
Quebec	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%

TAX

El – Maximum annual premium	\$1,077.48 (\$860.67 in Quebec due to separate maternity and parental benefits)		
El – Maximum annual insurable earnings	\$65,700		
Federal basic personal amount	<ul style="list-style-type: none"> net income up to \$177,882 net income greater than \$253,414 	\$14,538 (base) \$16,129 (base)	\$2,181 (credit) \$2,419.35 (credit)
Federal age amount	\$8,790 (base) \$1,319 (credit)		
Net income threshold for age amount	\$0.15 for every dollar of net income above \$44,325; the full age amount is eliminated at a net income of \$102,925		
Federal tax brackets and rates based on taxable income	Taxable income	Federal rate	
	Up to \$57,375	15%	
	Over \$57,375 up to \$114,750	20.5%	
	Over \$114,750 up to \$177,882	26%	
	Over \$177,882 up to \$253,414	29%	
Over \$253,414	33%		
Eligible dividends (most public companies)	Gross up is 38%; taxable amount is 138%; federal tax credit is 15.0198% of taxable dividend		
Non-eligible dividends	Gross up is 15% taxable amount is 115%; federal tax credit is 9.0301% of taxable dividend		
Lifetime Capital Gains Exemption (LCGE) for qualified small business corporation shares	\$1,250,000 for 2025		
LCGE for qualified farm or fishing property	\$1,250,000 for 2025		

CANADA PENSION PLAN AND QUEBEC PENSION PLAN

Type of benefit	CPP monthly maximum amount, 2025.	QPP monthly maximum amount, 2025.
Retirement (at age 65)	\$1,433	\$1,433
Post-retirement benefit (CPP) (at age 65)	\$47	n/a
Retirement pension supplement (QPP)	n/a	0.66% of earnings contributed in 2024
Early CPP/QPP maximum benefit at age 60	\$917	\$917
Deferred CPP/QPP maximum benefit at age 70/72	\$2,035	\$2,275 at age 72
Maximum CPP/QPP contributions: employer and employee	\$4,034 annually	\$4,735 annually
Maximum CPP/QPP contributions: self-employed	\$8,068	\$9,470
YMPE - Yearly maximum pensionable earnings	\$71,300	\$71,300
Disability	\$1,673	\$1,673
Survivor – Younger than 65	\$770	(see Note 1)
Survivor – 65 and older	\$859	\$844
Death (maximum one-time payment)	\$2,500	\$2,500
Combined benefits		
Survivor/retirement (retirement at 65)	\$1,449	Situational
Survivor/disability	\$1,683	n/a

Note 1: QPP Survivor Benefit – Younger than 45

Not disabled, no child	\$689
Not disabled, with child	\$1,091
Disabled	\$1,134
QPP survivors – Age 45 to 64	\$1,134

FIRST HOME SAVINGS ACCOUNT (FHSA) CONTRIBUTIONS

Lifetime contribution limit	\$40,000
Annual contribution limit	\$8,000 per year
Note: \$8,000 of unused annual contribution amount can be carried forward to the next year (subject to the lifetime contribution limit). The annual contribution limit is \$8,000 in any year, including 2025.	
Contribution period	January 1 to December 31 (calendar year)
Unlike contributions to an RRSP, contributions made to an FHSA during the first 60 days of the year cannot be deducted on your income tax and benefit return for the previous year.*	

2025 CANADIAN CONTROLLED PRIVATE CORPORATIONS (CCPC) RATES⁶
(Combined federal and provincial/territorial tax rates effective January 1, 2025)

Jurisdiction	Active business income		Investment income
	Active business income to \$500,000 ⁶	Greater than \$500,000 ⁶	
Federal	9.0%	15.0%	38.7%
Alberta	11.0%	23.0%	46.7%
British Columbia	11.0%	27.0%	50.7%
Manitoba	9.0%	27.0%	50.7%
New Brunswick	11.5%	29.0%	52.7%
Newfoundland and Labrador	12.0%	30.0%	53.7%
NWT	11.0%	26.5%	50.2%
Nova Scotia ⁷	11.5%	29.0%	52.7%
Nunavut	12.0%	27.0%	50.7%
Ontario	12.2%	25.0%	50.2%
Prince Edward Island	10.0%	31.0%	54.7%
Quebec ⁸	12.2%	26.5%	50.2%
Saskatchewan ⁹	9.5%	25.0%	50.7%
Yukon ¹⁰	9.0%	17.5%	50.7%

2025 T1135 GUIDELINES

- Canadian resident individuals, corporations and trusts that, at any time during the year, own specified foreign property costing more than \$100,000 (based on the adjusted cost basis, not fair market value)
- Certain partnerships that hold more than \$100,000 of specified foreign property
- An individual does not have to file a T1135 for the first year he or she is a resident of Canada

2024 Federal Budget announced an increase in the capital gains inclusion rate from one half to two thirds for corporations and trusts, and from one half to two thirds on the portion of capital gains realized in the year that exceed \$250,000 for individuals, for capital gains realized on or after June 25, 2024. The capital gains inclusion rate will remain at one half for individuals under \$250,000. Subsequently, it was announced that the implementation date was deferred to January 1, 2026.

6 The federal small business deduction (SBD) applies to the first \$500,000 of income from an active business carried on in Canada by a Canadian-controlled private company (CCPC). It must be shared with associated CCPCs and may be clawed back for “large” corporations with taxable capital of associated corporate groups exceeding \$10 million (and is completely eliminated when the associated group’s taxable capital exceeds \$15 million). Similarly, the provinces and territories offer reduced rates, generally up to the first \$500,000 of active business income.

7 Effective April 1, 2020, Nova Scotia’s general corporate tax rate will decrease to 14.00% from 16.00%. The small business rate will be reduced from 3.00% to 2.50%, also effective April 1, 2020. The proposal received royal assent on March 10, 2020.

8 Quebec’s small business deduction is generally available to corporations only if their employees were paid for at least 5,500 hours in the taxation year (proportionally reduced for short taxation years) or if their employees and those of their associated corporations were paid for at least 5,500 hours in the previous taxation year, to a maximum of 40 hours a week per employee (excluding the hours paid to a subcontractor). The small business deduction is reduced linearly between 5,500 and 5,000 hours, and falls to zero at 5,000 hours. In the event the number of hours paid exceeds 5,500 hours and the proportion of activities is between 25% and 50%, the corporation in the primary and manufacturing sector will be eligible for the regular small business deduction and a proportion of the additional deduction.

9 Saskatchewan increased the province’s general corporate income tax rate to 12% (from 11.5%) effective January 1, 2018. In addition, Saskatchewan increased the province’s small business income threshold to \$600,000 effective January 1, 2018, such that Saskatchewan’s combined tax rate on active business income between \$500,000 and \$600,000 is 17% (i.e., 15% federally and 2% provincially).

10 The Yukon M&P rate is less than the small-business rate. 10.50% applies to M&P income eligible for the SBD, while 11% is for non-M&P income.

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* Transfers made to a FHSA from a RRSP cannot be claimed as a deduction.

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