2026 Tax facts sheet

Tax and retirement planning

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 2026 withdrawal, the contributor declares income if contributions were made to any spousal RRSP in 2024, 2025, or 2026.
- 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 2026 contribution limit will be $109,000.
- A monthly penalty of 1% is applied to TFSA contributions made in excess of the maximum contribution limits.

IMPORTANT DATES FOR 2025 TAX YEAR	
Individual tax filing deadline	**April 30, 2026**
Self-employed individual tax filing deadline	**June 15, 2026**

IMPORTANT DATES FOR 2026 TAX YEAR	
Personal tax installments – business day deadline	**March 16, 2026 June 15, 2026 September 15, 2026 December 15, 2026**
RESP contribution deadline	**December 31, 2026**
Last trade date for Canadian mutual funds and exchange traded funds (ETFs)[2]	**December 30, 2026**
Last trade date for U.S. stocks[2]	**December 30, 2026**
Family loan interest deadline for 2025 interest payments	**January 29, 2027***
RRSP contribution deadline	**March 1, 2027**

* The due date is January 30 but it is advisable to pay on January 29

WITHHOLDING TAX RATES FOR RRSP AND RRIF		
Amount	**Quebec**	**All other provinces**
Up to $5,000	**19%**	**10%**
$5,000–$15,000	**24%**	**20%**
Over $15,000	**29%**	**30%**

RRSP AND TFSA CONTRIBUTION LIMITS	
RRSP contribution limit • 18% of previous year's earned income to a maximum of:	**2026 – $33,810** **2027 - $35,390**
TFSA contribution limit	**2026 – $7,000**
RRSP – maximum annual deduction limit	**2026 – $33,810**

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: • $58,523 or less	**20%**
• between $58,523 to $117,045	**10%**

TYPE OF BENEFITS	CLAWBACK/CUT-OFF
OAS	Clawback when net income is between **$95,323 to approximately $154,708***
	OAS clawback is equal to 15% of the amount by which your net income (including OAS) exceeds **$95,323**
	Full repayment of OAS when net income is above **$154,708**
	Maximum OAS benefit for QI at age 65 **$742.31**
	Deferred OAS maximum benefit for QI at age 70 approximately **$1,010**

FEDERAL MAX AMOUNTS		
Tax credit		**Dollar value**
Basic personal amount[4]:	• net income up to $181,440	**$16,452**
	• net income greater than $181,440	**$14,829**
Spouse/ partner[4]:	• net income up to $181,440	**$16,452**
	• net income greater than $181,440	**$14,829**
Age 65[5]		**$9,208**
Disability	• Basic	**$10,341**
	• Under-18 supplement[5]	**$6,032**
Canada caregiver amount for other infirm dependent age 18 and older (maximum per dependent)[5]		**$8,773**
Canada caregiver amount for infirm children under age 18		**$2,740**

2026 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.

1 Individuals accumulate TFSA contribution room for that year and it carries over to the following year.

2 These are the last trade dates for settlements within 2026.

3 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.

4 Per December 2019 government proposal, in 2026, the maximum BPA is indexed from $15,705 to $16,452 for individuals with a net income of $181,440 or less. The amount is gradually reduced for individuals with net income between $181,440 and $258,482. If your net income is above $258,482, the change does not apply to you. Your BPA will be $14,829. Similar increases are proposed for the maximum spouse or common-law partner amount and the amount for an eligible dependent.

5 Subject to certain limitations.

* These amounts are not final for the 2025 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

2026 TOP MARGINAL PERSONAL TAX RATES

(Combined federal and provincial tax rates)

Amount	Interest/ foreign dividends	Capital gains	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%	49.99%
Nunavut	44.50%	22.25%	33.08%	37.79%
Ontario	53.53%	26.76%	39.34%	47.74%
PEI	52.00%	26.00%	36.54%	47.92%
Quebec	53.31%	26.65%	40.11%	48.70%
Saskatchewan	47.50%	23.75%	29.64%	41.34%
Yukon	48.00%	24.00%	28.93%	44.04%

TAX

EI – Maximum annual premium	**$1,123.07** ($895.70 in Quebec due to separate maternity and parental benefits)		
EI – Maximum annual insurable earnings	**$68,900**		
Federal basic personal amount	• net income up to $181,440	**$16,452** (base)	**$2,303** (credit)
	• net income greater than $181,440	**$14,829** (base)	**$2,076.06** (credit)
Federal age amount	**$9,208** (base) **$1,319** (credit)		
Net income threshold for age amount	$0.15 for every dollar of net income above $46,432; the full age amount is eliminated at a net income of $107,819		
Federal tax brackets and rates based on taxable income	**Taxable income**	**Federal rate**	
	Up to $58,523	**14%**	
	Over $58,523 to $117,045	**20.5%**	
	Over $117,045 to $181,440	**26%**	
	Over $181,440 to $258,482	**29%**	
	Over $258,482	**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	**$1,275,000** for 2026[9]		
LCGE for qualified farm or fishing property	**$1,275,000** for 2026[9]		

CANADA PENSION PLAN AND QUEBEC PENSION PLAN

Type of benefit	CPP monthly maximum amount, 2026.	QPP monthly maximum amount, 2026.
Retirement (at age 65)	**$1,507.65**	**$1,507.65**
Post-retirement benefit (CPP) (at age 65)	**$54.69**	**n/a**
Retirement pension supplement (QPP)	**n/a**	**0.66%** of earnings contributed in 2025
Early CPP/QPP maximum benefit at age 60	**$964.90**	**$964.90**
Deferred CPP/QPP maximum benefit at age 70/72	**$2,140.86**	**$2394.15** at age 72
Maximum CPP/QPP contributions: employer and employee	**$4,230.45** annually	**$4,895** annually
Maximum CPP/ QPP contributions: self-employed	**$8,460.90**	**$9,790**
YMPE - Yearly maximum pensionable earnings	**$74,600**	**$74,600**
Disability	**$1,741.20**	**$1,737.67**
Survivor – Younger than 65	**$803.54**	**(see Note 1)**
Survivor – 65 and older	**$904.59**	**$881.48**
Death (maximum one-time payment)	**$2,500**	**$2,500**
Combined benefits		
Survivor/retirement (retirement at 65)	**$1,531.56**	**Situational**
Survivor/disability	**$1,756.14**	**n/a**

Note 1: QPP Survivor Benefit – Younger than 45

Not disabled, no child	**$719.50**
Not disabled, with child	**$1,129.95**
Disabled	**$1,173.58**
QPP survivors – Age 45 to 64	**$1,173.58**

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 2026.

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.*

2026 CANADIAN CONTROLLED PRIVATE CORPORATIONS (CCPC) RATES[6]

(Combined federal and provincial/territorial tax rates effective January 1, 2026)

Active business income			Investment income
Jurisdiction	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	11.5%	30.0%	53.7%
NWT	11.0%	26.5%	50.2%
Nova Scotia[7]	10.5%	29.0%	52.7%
Nunavut	12.0%	27.0%	50.7%
Ontario	12.2%	26.5%	50.2%
Prince Edward Island	10.0%	30.0%	53.7%
Quebec[8]	12.2%	26.5%	50.2%
Saskatchewan	10.0%	27.0%	50.7%
Yukon	9.0%	27.0%	50.7%

2026 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

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, 2025, Nova Scotia further reduced the small-business rate to 1.50% and increased the small-business income threshold to $700,000.

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 At time of writing, the legislation to increase the LCGE had not passed

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

Commissions, trailing commissions, management fees, brokerage fees and expenses may be associated with investments in mutual funds and ETFs. Please read the mutual fund or ETF's prospectus, which contains detailed investment information, before investing. Mutual funds and ETFs are not guaranteed. Their values change frequently, and investors may experience a gain or a loss. Past performance may not be repeated. This information is for general knowledge only and should not be interpreted as tax advice or recommendations. Every individual's situation is unique and should be reviewed by his or her own personal legal and tax consultants. The statements contained herein are based on information believed to be reliable and are provided for information purposes only. Where such information is based in whole or in part on information provided by third parties, we cannot guarantee that it is accurate, complete or current at all times. It does not provide investment, tax or legal advice, and is not an offer or solicitation to buy. Graphs and charts are used for illustrative purposes only and do not reflect future values or returns on investment of any fund or portfolio. Particular investment strategies should be evaluated according to an investor's investment objectives and tolerance for risk. Fidelity Investments Canada ULC and its affiliates and related entities are not liable for any errors or omissions in the information or for any loss or damage suffered.

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