

TAX FACTS & FIGURES

FOR TAX PREPARATION AND PLANNING
DECEMBER 2024

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CHAPTER 1 - PERSONAL INCOME TAX

1.1 FEDERAL TAX RATES – INDIVIDUALS

The following federal tax rates apply for 2024:

Taxable Income	from	but not over	the tax	of the amount	over
	\$0	\$55,867	\$0	+ 15%	\$0
	55,868	111,733	8,380.05	+ 20.5%	55,867
	111,734	173,205	19,832.58	+ 26%	111,733
	173,206	246,752	35,815.30	+ 29%	173,205
	246,753	n/a	57,143.93	+ 33%	246,752

1.2 FEDERAL PERSONAL TAX CREDITS

The following non-refundable federal tax credits apply for 2024:

	Gross	Credit (15%)
Basic personal ⁽¹⁾	\$15,705	\$2,355.75
Married or equivalent ⁽²⁾	15,705	2,355.75
Age ⁽³⁾	8,790	1,318.50
Disability Amount	9,872	1,480.80
Supplement for children with disabilities (maximum) ⁽⁴⁾	5,758	863.70
Canada Caregiver Credit – infirm spouse/dependent or child under 18	2,616	392.40
Canada Caregiver Credit – infirm adult dependent relative ⁽⁵⁾	8,375	1,256.25
First Time Home Buyer Amount	10,000	1,500.00

(1) The 2024 basic personal amount ('BPA') before enhancement is \$14,156, resulting in an additional BPA of \$1,549 through the enhancement legislation. For 2024, the enhanced BPA starts being reduced once personal income reaches the second highest income threshold of \$173,206 and is eliminated once income reaches \$246,752.

(2) Reduced by spouse's net income and eliminated when this amount exceeds \$15,705.

(3) The Age credit is reduced by an amount equal to 15% of an individual's net income exceeding \$44,325 and eliminated when income exceeds \$102,925.

(4) Reduced when the total childcare and attendant care expenses claimed for this taxpayer by anyone exceeds \$3,373 and eliminated when it exceeds \$9,131

(5) Reduced when relative's income exceeds \$19,666 and eliminated when it exceeds \$28,041.

1.3 ADDITIONAL FEDERAL TAX CREDITS

The following additional non-refundable federal tax credits apply for 2024:

Pension income	15% of amount up to \$2,000 for a maximum credit of \$300
Medical expense	15% of amount in excess of lesser of: 3% of net income or \$2,759
Tuition fees	15% of amount paid in respect of attendance at a post-secondary
Charitable donations	15% for first \$200; 29%/33% ⁽³⁾ of balance, limited to 75% of net income ⁽¹⁾⁽²⁾
Canada Pension Plan	15% of contributions up to \$4,056 for a maximum credit of \$608.40
Employment Insurance	15% of contributions up to \$1,049 for a maximum credit of \$157.35
Adoption Expenses	15% of expenses up to \$19,066 for a maximum credit of \$2,859.90
Canada Employment Credit	15% of employment income up to \$1,433 for a maximum credit of \$214.95

⁽¹⁾ Limitation is increased to 100% in the year of death.

⁽²⁾ Limitation can be increased by 25% of taxable capital gains arising from a gift of capital property made in the year and included in taxable income.

⁽³⁾ The 33% rate will apply to the extent that an individual has income that's subject to the 33% tax rate.

1.4 REFUNDABLE MEDICAL EXPENSE SUPPLEMENT

The refundable medical tax credit is equal to the lesser of \$1,399 and 25% of the medical expenses eligible for the medical credit, reduced by 5% of family net income in excess of \$30,964, which is completely eliminated when net income reaches \$58,944. To be eligible for the credit, a person must be a resident of Canada throughout the year, be 18 years old or over at the end of the year and must have total employment and/or business income for the year of at least \$4,083.

1.5 TRANSFERABILITY OF TAX CREDITS

Certain tax credits, if not fully utilized by a taxpayer, may be transferred to a spouse or a supporting person. The following chart shows the transfers available:

Tax Credit	Transferable to
Age	Spouse
Disability	Spouse or supporting person
Pension	Spouse
Tuition tax credit ⁽¹⁾	Spouse or supporting person (transfer limited to \$5,000 of federal credit)

⁽¹⁾ Unused tuition tax credit not transferred by the student may be carried forward indefinitely and applied to reduce the student's tax payable in subsequent years.

1.6 ONTARIO TAX RATES – INDIVIDUALS

Ontario personal tax brackets and rates are set independently of the federal tax brackets and rates. The following Ontario tax rates apply for 2024 (excluding surtax – see below):

Taxable Income	from	but not over	the tax	of the amount	over
	\$0	\$51,446	\$0	+ 5.05%	\$0
	51,447	102,894	2,598.02	+ 9.15%	51,446
	102,895	150,000	7,305.51	+ 11.16%	102,894
	150,001	220,000	12,562.54	+ 12.16%	150,000
	220,001	n/a	21,074.54	+ 13.16%	220,000

For 2024, the surtax is calculated as 20% of Ontario tax between \$5,554 and \$7,108, and an additional 36% of Ontario tax in excess of \$7,108 for a maximum of 56%. The first level of surtax i.e. 20% arises at taxable income of approximately \$90,599 and the second level of surtax (56%) arises at taxable income of approximately \$106,732 for a single taxpayer with only the basic personal tax credit. The surtax effectively increases the top marginal tax rate for Ontario residents to 20.53% (13.16% x 1.56).

1.7 ONTARIO PERSONAL TAX CREDITS

The following non-refundable Ontario tax credits apply for 2024:

	Gross	Credit (5.05%)
Basic personal	\$12,399	\$626.15
Married or equivalent ⁽¹⁾	10,528	531.66
Age ⁽²⁾	6,054	305.73
Disability Amount	10,017	505.86
Supplement for children with disabilities (maximum) ⁽³⁾	5,843	295.07
Canada Caregiver Credit – infirmed spouse/dependent or child under 18 ⁽⁴⁾	0	0
Canada Caregiver Credit – infirmed spouse/dependent or adult over 18 ⁽⁵⁾	5,844	295.12

⁽¹⁾ Reduced by spouse's net income in excess of \$1,053 and eliminated when income exceeds \$11,581.

⁽²⁾ The Age credit is reduced by an amount equal to 5.05% of an individual's net income exceeding \$45,068 and eliminated when income exceeds \$85,428.

⁽³⁾ Reduced when the total childcare and attendant care expenses claimed for this taxpayer by anyone exceeds \$3,422 and eliminated when it exceeds \$9,265.

⁽⁴⁾ Ontario does not have the additional credit for an infirm spouse/eligible dependent or child under 18.

⁽⁵⁾ Reduced when relative's income exceeds \$19,994 and eliminated when it exceeds \$25,838.

1.8 ADDITIONAL ONTARIO TAX CREDITS

The following additional non-refundable Ontario tax credits apply for 2024:

Pension income	- 5.05% of amount up to \$1,714 for a maximum credit of \$86.56
Medical expense	- 5.05% of amount in excess of lesser of: 3% of net income or \$2,807
Tuition fees	- \$0
Education amount	- \$0
Charitable donations	- 5.05% for first \$200; - 11.16% of balance, limited to 75% of net income ⁽¹⁾⁽²⁾
Canada Pension Plan	- 5.05% of contributions up to \$4,056 for a max credit of \$204.83
Employment Insurance	- 5.05% of contributions up to \$1,049 for a max credit of \$52.98

- (1) Increased by 25% of taxable capital gain arising from a gift of capital property and by 25% of recaptured capital cost allowance arising from a gift of depreciable capital property.
 (2) Limitation is increased to 100% in the year of death.

1.9 DIVIDENDS

The following amount of Canadian dividends (actual amount, not taxable amount) can be received by an Ontario resident with **no federal tax, no provincial tax, and no minimum tax**, assuming no other income or deductions other than the personal and dividend tax credits.

2024		2023	
Eligible	Ineligible	Eligible	Ineligible
\$ 71,779	\$ 34,313	\$ 55,000	\$ 32,773

For federal tax purposes, the gross-up rate for eligible dividends remains 38% and the federal dividend tax credit remains 15.02% of the grossed-up amount (20.73% of the cash amount).

For non-eligible dividends, the dividend gross-up rate remains 15% and the federal dividend tax credit remains 9.03% of the grossed-up amount (10.39% of the cash amount).

For Ontario tax purposes, the dividend tax credit on eligible dividends remains 10% of the grossed-up amount (13.80% of the cash amount). For non-eligible dividends, the dividend tax credit remains 2.99% of the grossed-up amount (3.43% of the cash amount).

1.10 CAPITAL GAINS

The capital gains inclusion rate is 50%. The Canadian federal government deferred the proposed increase in the capital gains inclusion rate from 50% to 66.67% on capital gains realized by individuals above \$250,000 annually. Initially set to take effect on June 25, 2024, the implementation has been deferred to January 1, 2026.

The inclusion rate is 0% for capital gains resulting from donations of publicly traded securities and ecologically sensitive land to certain registered charities.

1.11 MARGINAL TAX RATES – INDIVIDUALS

Below you will find a table showing the combined Federal and Ontario marginal rates. This assumes all federal and provincial taxes and surtaxes are included; and the taxpayer only qualifies for the basic personal tax credit.

Current Combined Federal & Ontario Tax Brackets (Including Surtax)

Taxable Income	Salary, interest, etc.			Dividends (Eligible/non-eligible)			Capital Gains		
	Federal	Ontario	Total	Federal	Ontario	Total	Federal	Ontario	Total
	%	%	%	%	%	%	%	%	%
\$15,705 - or less	0	0	0	0	0	0	0	0	0
15,706 - 51,446	15.00	5.05	20.05	-0.03/6.87	-6.83/2.37	-6.86/9.24	7.50	2.53	10.03
51,447 - 55,867	15.00	9.15	24.15	-0.03/6.87	-1.17/7.08	-1.20/13.95	7.50	4.58	12.08
55,868 - 90,599	20.50	9.15	29.65	7.56/13.19	-1.17/7.08	6.39/20.28	10.25	4.58	14.83
90,600 - 102,894	20.50	10.98	31.48	7.56/13.19	1.36/9.19	8.92/22.38	10.25	5.49	15.74
102,895 - 106,732	20.50	13.39	33.89	7.56/13.19	4.68/11.97	12.24/25.16	10.25	6.70	16.95
106,733 - 111,733	20.50	17.41	37.91	7.56/13.19	10.23/16.59	17.79/29.78	10.25	8.70	18.95
111,734 - 150,000	26.00	17.41	43.41	15.15/19.52	10.23/16.58	25.38/36.10	13.00	8.70	21.70
150,001 - 173,205	26.00	18.97	44.97	15.15/19.52	12.38/18.38	27.53/37.90	13.00	9.48	22.48
173,206 - 220,000	29.32	18.97	48.29	19.73/23.34	12.38/18.38	32.11/41.72	14.66	9.48	24.14
220,001 - 246,752	29.32	20.53	49.85	19.73/23.34	14.53/20.17	34.26/43.51	14.66	10.26	24.92
246,753 - or over	33.00	20.53	53.53	24.81/27.57	14.53/20.17	39.34/47.74	16.50	10.26	26.76

1.12 OLD AGE SECURITY BENEFITS

	2024	2023
January – March	\$713.34	\$687.56
April – June	713.34	691.00
July – September	718.33	698.60
October – December	727.67	707.68

Benefits start in the month following the 65th birthday and are paid in the month of death.

Old Age Security (“OAS”) pensioners aged 75 or older are eligible for a 10% increase to their regular OAS pension. For example, for eligible seniors, the OAS monthly payment for the fourth quarter will be \$800.44 instead of \$727.67.

For 2024, benefits are repayable if net income exceeds \$90,997. The repayment is 15% of the excess income and is fully clawed back when income reaches \$148,451 (\$154,196 for seniors aged 75 or older). Tax withholdings are deducted from the monthly OAS payment in respect of the claw-back based upon the prior year’s net income.

1.13 CANADA PENSION PLAN BENEFITS - MAXIMUMS

	Annual Total	2024	2023
Death Benefit	n/a	\$2,500.00	\$2,500.00
Retirement pension - per month	\$16,375.20	1,364.60	1,306.57
Disability pension - per month	19,281.36	1,606.78	1,538.67
Survivor pension - under 65, per month	8,871.72	739.31	707.95
- 65 and over, per month	9,825.12	818.76	783.94
Orphan’s benefit - per month	3,529.44	294.12	281.72

These maximums assume collection of benefits starts at age 65 (i.e. no reduction/premium for early/late collection).

1.14 EMPLOYMENT INSURANCE BENEFITS

	2024	2023
Maximum, per week - 55% of insurable earnings	\$668.00	\$650

Benefits are repayable when net income exceeds \$79,000 in 2024 (2023 - \$76,875).

1.15 CANADA WORKERS BENEFIT (CWB)

The **Canada Workers Benefit (CWB)** is a refundable tax credit that provides tax relief for eligible low-income individuals and families who are in the workforce.

The table below summarizes the 2024 information in comparison to the 2023 information without including Disability Supplement Factors.

Basic Factors affecting Benefits	2024 - Single	2024 - Couple	2023 - Single	2023 - Couple
Base amount of working income	\$3,000	\$3,000	\$3,000	\$3,000
% applied to excess of income over base amount	27%	27%	27%	27%
Maximum CWB/ WITB amount	1,590	2,739	1,518	2,616
Adjusted net income base amount	26,149	29,833	24,975	28,494
% of NI over base amount to reduce benefit	15%	15%	15%	15%
NI at which benefit is reduced to zero	36,749	48,093	35,095	45,934
Working Income where benefit is maxed out	8,889	13,144	8,623	12,689

For disabled persons, an additional credit equal to 27% of earned income in excess of \$1,150 (up to a maximum of \$821) will be allowed.

An individual will qualify for the credit if they are a Canadian resident throughout the year and have attained age 19 by the end of the year. Persons who are full-time students for more than 3 months will not qualify for the credit unless they have a dependent child.

1.16 CANADA CHILD BENEFIT AND ONTARIO CHILD BENEFIT

For the Canada Child Benefit, you will find below the payment amounts for the periods July 2023 – June 2024 and July 2024 – June 2025:

Basic Canada child benefit amount		
Age of Children	July 2024 – June 2025	July 2023 – June 2024
For children under 6	\$7,787	\$7,437
For children aged 6 to 17	6,570	6,275

The benefits will be phased out based on the adjusted family net income (see table below).

-Phase out rates-		
Number of Children	\$36,502 to \$79,087	Over \$79,087
1 child	7.0%	3.2%
2 children	13.5%	5.7%
3 children	19.0%	8.0%
4 or more	23.0%	9.5%

Benefits for the period of July 2024 to June 2025 will be based on the adjusted family net income for the 2023 tax year. For example, a family with adjusted family net income of \$80,000 and two children under the age of six would have their annual benefit of \$15,574 phased out based on the total of the following amounts:

- 13.5% of the adjusted family net income between \$36,502 and \$79,087 ($\$42,585 \times 13.5\% = \$5,749$); and
- 5.7% of the adjusted family net income over \$79,087 ($\$913 \times 5.7\% = \52)

As a result, the family would receive an annual Canada Child Benefit of \$9,773 ($\$15,574 - \$5,749 - \52) or \$814 a month.

Ontario Child Benefit

Monthly payments are issued for each child under 18. The maximum annual payment per child will be as follows:

Period		Amount
July 2023	- June 2024	1,607
July 2024	- June 2025	1,680

A reduction equal to 8% of family net income over \$25,646.

1.17 GST/HST CREDIT

For the period July 2024 to June 2025, the credit will be calculated as follows:

All eligible taxpayers	\$340
Addition for single taxpayers ⁽¹⁾ - 2% of net income in excess of \$11,039 to a	179
Addition for spouse or equivalent	340
Addition for each qualifying child	179

Reduced by 5% of combined net income in excess of \$44,324.

⁽¹⁾ No reduction for single parents.

A single person would receive the credit for July 2024 to June 2025 if their 2023 adjusted family net income was \$54,704 or less. A married/common-law couple with 2 children would receive the credit if their adjusted family net income was \$65,084 or less.

For the period July 2023 to June 2024, the credit is calculated as follows:

All eligible taxpayers	\$325
Addition for single taxpayers ⁽¹⁾ - 2% of net income in excess of \$10,544 to a	171
Addition for spouse or equivalent	325
Addition for each qualifying child	171

Reduced by 5% of combined net income in excess of \$42,335

⁽¹⁾ No reduction for single parents.

1.18 PENSION CONTRIBUTION LIMITS

	RRSP	RPP	DPSP
2023	\$30,780	\$31,560	\$15,780
2024	31,560	32,490	16,245
2025	32,490	-	-

- The above limits include both employee and employer contributions.
- The maximum RRSP contribution is 18% of the prior year's "*earned income*" subject to adjustments for individuals who are members of RPPs and DPSPs.
- Unused RRSP contribution room can be carried forward indefinitely.

1.19 EXCHANGE RATE – PER BANK OF CANADA

		2024	2023
Average rate for year	- U.S. \$	1.3698	1.3497
	- U.K. £	1.7504	1.6784
	- Euro	1.4818	1.4597

1.20 PRESCRIBED INTEREST RATES FOR INDIVIDUALS – FEDERAL

	2024	2023
January - March	6.00%	4.00%
April - June	6.00%	5.00%
July - September	5.00%	5.00%
October - December	5.00%	5.00%

Average annual rates

2020 – 1.50%
 2021 – 1.00%
 2022 – 1.75%
 2023 – 4.75%
 2024 – 5.50%

1.21 PRESCRIBED INTEREST RATES - ONTARIO

	2024	2023
	Over-due Tax	Over-due Tax
January - March	10.00%	8.00%
April - June	10.00%	9.00%
July - September	9.00%	9.00%
October - December	9.00%	9.00%

Average annual rates

2020 – 6.00%

2021 – 5.00%

2022 – 5.75%

2023 – 8.75%

2024 – 9.50%

For purposes of taxable benefit calculations, the Ontario prescribed rate is the same as the federal prescribed rate.

1.22 INCOME TAX INSTALMENTS

- Quarterly tax instalment payments are required if net tax owing was more than \$3,000 in 2024 and in either 2023 or 2022.

CHAPTER 2 - CORPORATE INCOME TAX

2.1 CORPORATE TAX RATES FOR CCPC'S - COMBINED FEDERAL AND ONTARIO

	Federal	Ontario	2024 Total	2023 Total
General rate	15.00%	11.50%	26.50%	26.50%
Manufacturing	15.00%	10.00%	25.00%	25.00%
Small business - below \$500,000	9.00%	3.20%	12.20%	12.20%
- over \$500,000	15.00%	11.50%	26.50%	26.50%
Investment Income	38.67%	11.50%	50.17%	50.17%

2.2 CORPORATE INTEGRATION - 2024 COMBINED FEDERAL AND ONTARIO RATES

The following charts show the after-tax dollars available for use by an individual with different types of income. The calculations first show the two layers of tax where the income is received by the corporation and then paid by dividend to the individual (Total of Amounts (A) and (B)). The second part shows the tax paid when the income is directly received by the individual (Amount (C)).

Please note the calculations use the highest marginal personal tax rates, such that it would apply to individuals with taxable income over \$246,753.

		Small Business Income <500,000	Active Business Income >500,000
	Income in corporation	\$1,000	\$ 1,000
(A)	Corporation tax	(122)	(265)
	Available for dividend	878	735
(B)	Personal tax (maximum rate)	(419)	(289)
	Net after tax cash	459	446
	Income earned directly	1,000	1,000
(C)	Personal tax (maximum rate)	(535)	(535)
	Net after tax cash	465	465
(C - A)	Deferral of tax	413	270
	Deferral of tax as a percentage	41.3%	27%
(C - A - B)	Savings (-cost)	(6)	(19)
	Savings (-cost) of tax as a percentage	-0.6%	-1.9%

Corporate Integration – 2024 Combined Federal and Ontario Rates – cont'd

		Investment Income	Dividend Income
	Income in corporation	\$1,000	\$ 1,000
(A)	Corporation tax	(502)	(383)
(A.1)	Dividend refund	307	383
	Available for dividend	805	1,000
(B)	Personal tax (maximum rate)	(384)	(393)
	Net after tax cash	421	607
	Income earned directly	1,000	1,000
(C)	Personal tax (maximum rate)	(535)	(393)
	Net after tax cash	465	607
(C - A)	Deferral of tax	34	10
	Deferral of tax as a percentage	3.4%	1.0%
(C - A+A.1 - B)	Savings (-cost)	(44)	0
	Savings (-cost) of tax as a percentage	-4.4%	0%

2.3 TAXABLE CAPITAL GRIND ON SMALL BUSINESS DEDUCTION

For taxation years ending before April 7, 2022, the Federal small business deduction ("SBD") is "clawed back" where the prior year taxable capital employed in Canada exceeds \$10,000,000, increasing on a pro rata basis and eliminated when taxable capital reaches \$15,000,000. For taxation years ending after April 7, 2022, the upper limit was increased from 15,000,000 to 50,000,000, allowing for more medium sized CCPCs to benefit from the SBD. There is a table below which outlines the federal tax savings. Ontario has also adopted the same change to the Ontario SBD.

Prior year taxable capital	SBD limit for tax years before April 7, 2022	SBD limit for tax years after April 7, 2022	Federal savings
10 million	500,000	500,000	0
12 million	300,000	475,000	10,500
15 million	0	437,500	26,250
20 million	0	375,000	22,500
30 million	0	250,000	15,000
40 million	0	125,000	7,500
50 million	0	0	0

2.4 PASSIVE INCOME GRIND ON SMALL BUSINESS DEDUCTION

Additionally, the federal SBD is clawed back depending on the level of investment income ("AAIL"). A passive income threshold of \$50,000 has been set meaning any private corporations with AAIL over \$50,000 (together with associated corporations) in the preceding year will be subject to a grind of the SBD. The SBD limit is reduced by \$5 for every \$1 of investment income over \$50,000 i.e. the federal SBD limit is fully eliminated once investment income reaches \$150,000 for an associated group. Ontario did not harmonize, and the AAIL grind does not apply to the Ontario SBD.

2.5 ONTARIO CORPORATE MINIMUM TAX

The Ontario Corporate Minimum Tax (CMT) applies to corporations that have assets totaling more than \$50,000,000 and revenues totaling more than \$100,000,000. The CMT rate is 2.7%.

Corporate Minimum Taxable income is a corporation's accounting income, adjusted for specific income inclusions and deductions. A corporation must pay the higher of the CMT and the regular income tax. Any excess of the CMT over the regular income tax can be carried forward and applied as a credit against regular income tax in subsequent years.

2.6 INCOME TAX INSTALMENTS

Monthly federal instalments required for 2024 if total taxes payable for 2023 or 2022 exceeded \$3,000. CCPC's qualify to make quarterly instalments instead of monthly if they meet the following criteria:

- SBD claim was made in either the current or previous year
- Taxable income (together with associated corporations) for either the current or previous year does not exceed \$500,000
- Taxable capital employed in Canada (together with associated corporations) for either the current or previous year does not exceed \$10 million and;
- Corporation has a perfect compliance history in the last twelve months.

2.7 WITHHOLDING TAX ON PAYMENTS TO NON-RESIDENTS

Type of Payment	United Kingdom	United States
Interest	10%	NIL
Estate or Trust Income	15%	15%
Copyright, etc.	NIL	NIL
Immovable Property (rents)	25%	25%
Alimony	NIL	NIL
Dividends		
- corporate shareholder owns (U.K. - controls) at least 10% of voting shares of payor	5%	5%
- other cases	15%	15%
Periodic Pension Payments	NIL	15%
Periodic Annuity Payments:		
- income averaging annuity contracts	25%	25%
- other	10%	15%
Lump Sum Pension, Annuity or similar type payments	25%	25%
Fees for services performed in Canada	15%	15%

CHAPTER 3 - PAYROLL AND EMPLOYEE BENEFITS

3.1 CANADA PENSION PLAN CONTRIBUTIONS

	2024	2023
Contributory earnings	\$ 68,500	\$ 66,600
Basic exemption	<u>3,500</u>	<u>3,500</u>
Maximum contributory earnings	\$ 65,000	\$ 63,100
Maximum contributions:		
employees – 5.95% / 5.70% ⁽¹⁾⁽²⁾	3,868	3,754
self-employed – 11.9% / 11.4%	7,735	7,509

⁽¹⁾ Starting in 2019, the Canada Pension Plan (CPP) was gradually enhanced, meaning that taxpayers received higher benefits in exchange for making higher contributions. During Phase 1 from 2019 to 2023, the contribution rate for employees gradually increased by one percentage point (from 4.95% to 5.95%) on earnings between \$3,500 and the original earnings limit. Phase 2 for the period 2024 to 2025 will only affect those at higher income levels.

⁽²⁾ One-half of the CPP contributions payable by self-employed individuals is deductible against income.

3.2 EMPLOYMENT INSURANCE PREMIUMS

	2024	2023
Employee maximum: 1.66% x \$63,200 (2023 - 1.63% x \$61,500)	\$ 1,049.12	\$ 1,002.45
Employer maximum: 1.4 x \$1,049 (2023 - 1.4 x \$1,002)	1,468.77	1,403.43

Self-employed individuals can enter into an agreement with the Canada Employment Insurance Commission and start paying EI premiums on their self-employment income. The premium rate will be the same as salaried employees currently pay. The payment of the premiums for individuals opting in during the 2024 calendar year will be made through their 2024 tax return.

3.3 ONTARIO EMPLOYER HEALTH TAX

The Employer Health Tax (EHT) is remitted by employers based on their Ontario payroll. Effective January 1, 2020, employers are exempt from tax on the first \$1 million of Ontario payroll. The EHT exemption is indexed to inflation and the next scheduled adjustment for is January 1, 2029.

Employers with annual Ontario payroll over \$5 million cannot claim this exemption. Only one annual exemption is available for an associated group of employers. When the combined total Ontario remuneration of all associated employers exceeds \$5 million, these employers are not eligible for the exemption.

Registered charities, including those with payrolls over \$5 million, remain eligible for the exemption. The EHT rates vary from 0.98% on Ontario payroll less than \$200,000, up to 1.95% for payroll in excess of \$400,000 and the amount of EHT an employer pays is calculated by multiplying the total Ontario payroll for the year by the applicable tax rate, after deducting any tax exemptions. See rates below:

Ontario Payroll	Rate
Up to \$200,000.00	0.98%
\$200,000.01 to \$230,000.00	1.101%
\$230,000.01 to \$260,000.00	1.223%
\$260,000.01 to \$290,000.00	1.344%
\$290,000.01 to \$320,000.00	1.465%
\$320,000.01 to \$350,000.00	1.586%
\$350,000.01 to \$380,000.00	1.708%
\$380,000.01 to \$400,000.00	1.829%
Over \$400,000.00	1.95%

Starting in 2021, eligible employers are not required to remit tax instalments until the cumulative remuneration exceeds the \$1.2 million instalment threshold. The instalment requirement is as follows:

Annual total Ontario remuneration	Employers (not associated) eligible for EHT exemption	Employers (associated) eligible for EHT exemption	Employers not eligible for EHT exemption
Up to \$1M	No instalments No annual return required	If associated group employers' total Ontario remuneration up to \$1M: No instalments No annual return required	No instalments Annual return required by March 15 of the following year
From \$1M to \$1.2M	No instalments Annual return required by March 15 of the following year	No instalments Annual return required by March 15 of the following year for members with taxable remuneration One member must file Associated Employer Exemption Allocation Form	No instalments Annual return required by March 15 of the following year
Over \$1.2M	Monthly instalments required by the 15th of the following month Annual return required by March 15 of the following year	Monthly instalments required by the 15th of the following month Annual return required by March 15 of the following year One member must file Associated Employer Exemption Allocation Form	Monthly instalments required by the 15th of the following month Annual return required by March 15 of the following year
Ontario remuneration paid once-a-year (special filers)	Employers who pay all their Ontario remuneration once-a-year will continue to receive Special returns		

3.4 ONTARIO HEALTH PREMIUM

The Ontario Health Premium is based on an individual's taxable income for a taxation year. Individuals with taxable income of \$20,000 or less will be exempt from this premium.

The rates for 2024 are as follows:

Taxable Income	Premium
\$0 - \$20,000	\$0
\$20,001 - \$24,999	6% over \$20,000
\$25,000 - \$36,000	\$300
\$36,001 - \$38,499	\$300 + 6% over \$36,000
\$38,500 - \$48,000	\$450
\$48,001 - \$48,599	\$450 + 25% over \$48,000
\$48,600 - \$72,000	\$600
\$72,001 - \$72,599	\$600 + 25% over \$72,000
\$72,600 - \$200,000	\$750
\$200,001 - \$200,599	\$750 + 25% over \$200,000
\$200,600 and Over	\$900

The maximum Ontario Health Premium for 2024 is \$900.

This health care premium is included in source deduction withholdings for an employee. Otherwise, the health premium is paid when the individual files the personal income tax return.

3.5 SOURCE DEDUCTION REMITTANCES

The frequency of source deduction remittances by employers is based on the average monthly remittances made in the second preceding year. (i.e. 2024 frequency is based on average monthly remittances made in 2022). However, employers may choose to base the timing of their remittances on the prior year's average remittances, if beneficial.

The due dates for remittances are as follows:

Average Monthly Remittance	Due Date
Under \$25,000 (Regular)	15 th day of month following month when the deduction was made
\$25,000 - \$99,999 (Threshold 1 accelerated)	25 th day of same month 10 th day of the next month
\$100,000 and over (Threshold 2 accelerated)	3 rd working day after the 7 th 3 rd working day after the 14 th 3 rd working day after the 21 st 3 rd working day after the last day of the month

New employers with total monthly withholdings of less than \$1,000 can automatically remit quarterly instead of monthly.

3.6 AUTOMOBILES USED IN BUSINESS

1. Restrictions on deductibility of expenses for 2024

Leasing costs	\$1,050/month (30-day period) (2023 - \$950)
Interest	\$350/month (2023 - \$300)
CCA	Depreciable cost limited to \$37,000 plus HST (2023 - \$36,000) (net of applicable input tax credits or rebates)
	\$61,000 before tax for eligible zero-emission passenger vehicles
Allowance to employees	\$0.70/km for first 5000 km (\$0.68 - 2023) \$0.64/km for additional kms (\$0.62 - 2023) (Yukon, N.W.T. and Nunavut are \$0.74 and \$0.68 respectively for first 5000 and over 5000 kms)

2. Employee Benefits:

Standby Charge:

Company owned car	2% x original cost (including HST) x number of months vehicle available for use
Company leased car	2/3 x lease payments (including HST) x number of months vehicle available for use
Operating Cost Benefit:	\$0.33/personal use kms (\$0.33 - 2023) \$0.30/personal use kms (\$0.30 - 2023) for employees principally in selling or leasing automobiles

A reduction of the standby charge is available if the automobile was used by the employee for more than 50% business use and the personal use was not more than 1,667 kilometers per 30-day period.

Please note these rates are provided with respect to employment in Ontario.

GST/HST implications on standby charge and operating cost benefit

The employer must remit a portion of the standby charge and operating cost benefit as GST/HST. The remittance rates for 2024 are 12/112 (no change from 2023) of the standby charge and 9% of the operating cost benefit. (Please see table below if employer is a large business subject to restricted input tax credit).

The GST/HST remittance rates on standby charges and operating cost benefits for large businesses are as follows:

Taxation Year(s)	Standby Charge	Operating Cost Benefit
2011 - 2014	6.0%	4/104
2015	6.6%	6/106
2016	7.2%	8/108
2017	7.8%	10/110
2018	8.4%	12/112
2019 and subsequent years	9.0%	12/112

ADDENDUM

QUEBEC TAX FACTS AND FIGURES

DECEMBER 2024

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ADDENDUM - QUEBEC TAX FACTS AND FIGURES DECEMBER 2024

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ADDENDUM - QUEBEC TAX FACTS AND FIGURES DECEMBER 2024

1. QUEBEC TAX RATES – INDIVIDUALS

The following Quebec tax rates apply for 2024:

Taxable income in excess of	but not over	the tax		of the amount over
\$0	\$51,780	0	+ 14%	\$0
51,780	103,545	4,721	+ 19%	51,780
103,545	126,000	14,557	+ 24%	103,545
126,000	n/a	19,946	+ 25.75%	126,000

The Quebec tax brackets and non-refundable tax credits are fully indexed each year. The indexation rate for 2024 is 5.08%.

2. QUEBEC PERSONAL TAX CREDITS

The personal credits listed below apply for 2024:

	Gross	Credit (14%)	
Basic personal	\$18,056	\$2,527	
Person living alone ⁽¹⁾	2,069	290	
Married ⁽²⁾	18,056	2,528	
Dependent child (18 years old and over) ⁽³⁾	5,416	758	
- Post-secondary students (under 18 years old)	3,717	520	per term (max. 2)
Single parent family ⁽³⁾	2,554	358	
Other dependents ⁽³⁾	5,416	758	
Disability	4,009	561	
Age ⁽¹⁾	3,798	532	

⁽¹⁾ Reduced by 14% of net family income in excess of \$40,925

⁽²⁾ Reduced by spouse's net income

⁽³⁾ Reduced by dependent's net income

3. ADDITIONAL QUEBEC TAX CREDITS

The following amounts are additional non-refundable tax credits applicable for 2024:

Pension income ⁽¹⁾	-	14% of amount up to \$3,374 for a maximum credit of \$472
Medical expense	-	20% of amount in excess of 3% of net income ⁽²⁾
Charitable donations	-	20% for first \$200; 24%/25.75% of balance, limited to 75% of net income ⁽³⁾⁽⁴⁾
Quebec Parental Insurance	-	15% of contributions (federal tax credit)
Tuition fees	-	8% of fees
Union dues, professional fees	-	10% of amount paid

⁽¹⁾ Reduced by 15% of net family income in excess of \$40,925

⁽²⁾ For married taxpayer, total net income of the two individuals.

⁽³⁾ 100% in the year of death.

⁽⁴⁾ Increased by 25% of taxable capital gain arising from a gift of capital property and by 25% of recaptured capital cost allowance arising from a gift of depreciable capital property.

4. TRANSFERABILITY OF TAX CREDITS

Any tax credits, if not fully utilized by a taxpayer, may be transferred to a spouse or a supporting person.

5. DIVIDENDS

A Quebec resident with no federal tax, no provincial tax, and no minimum tax, assuming no other income or deductions other than the personal and dividend tax credits, can receive the following amount of Canadian dividends (actual amount, not taxable amount).

2024		2023	
Eligible	Non-eligible	Eligible	Non-eligible
\$ 50,794	\$ 20,776	\$ 48,340	\$ 18,181

For Quebec tax purposes, the gross-up for “eligible dividends” remains 38%. The Quebec dividend tax credit is at 11.70% of the grossed-up dividend. These rates apply to dividends paid by public corporations or other non-Canadian controlled private corporations (CCPC’s) or by CCPC’s out of business income not subject to the small business deduction.

For Quebec tax purposes the gross-up rate for non-eligible dividends remains at 15 % and the Quebec dividend tax credit is now at 3.42% of the grossed-up dividend.

6. MARGINAL TAX RATES - INDIVIDUALS

The following **marginal rates** (in %) are in effect for **Quebec** income for 2024. This assumes: all federal and provincial surtaxes are included, and the taxpayer only qualifies for the basic personal tax credit.

Taxable Income		Salary, Interest, etc.			Dividends (Eligible/Non-eligible)			Capital Gains		
		Federal	Quebec	Total	Federal	Quebec	Total	Federal	Quebec	Total
		%	%	%	%	%	%	%	%	%
\$18,056	or less	0	0	0	0	0	0	0	0	0
18,056	51,780	12.53	14.00	26.53	-0.03/6.87	3.18/11.03	3.15/17.90	7.50	5.77	13.27
51,781	- 55,867	12.53	19.00	31.53	-0.03/6.87	10.08/16.78	10.05/23.65	7.50	8.26	15.76
55,867	- 103,545	17.12	19.00	36.12	7.56/13.19	8.83/15.74	16.39/28.93	10.25	7.81	18.06
103,546	- 111,733	17.12	24.00	41.12	7.56/13.19	15.73/21.49	23.29/34.68	10.25	10.31	20.56
111,734	- 126,000	21.71	24.00	45.71	15.15/19.52	14.48/20.44	29.63/39.96	13.00	9.83	22.86
126,001	- 173,205	21.71	25.75	47.46	15.15/19.52	16.59/22.45	32.04/41.97	13.00	10.73	23.73
173,206	- 246,752	24.88	25.75	50.23	19.73/23.34	16.14/21.82	35.87/45.16	14.66	10.46	25.12
Over	246,753	27.56	25.75	53.31	24.81/27.57	14.71/21.13	40.11/48.70	16.50	10.15	26.65

These rates do not take into account the Federal and Quebec alternative minimum tax.

7. QUEBEC PENSION PLAN CONTRIBUTIONS

	2024	2023
Contributory earnings	\$ 68,500	\$ 66,600
Basic exemption	<u>3,500</u>	<u>3,500</u>
Maximum contributory earnings	65,000	63,100
Maximum contributions		
employees - 6.40%	4,160.00	4,038.40
self-employed - 12.80%	8,320.00	8,076.80

One-half of the QPP contributions payable by self-employed individuals is deductible against income.

Effective January 1, 2024, the first additional QPP contribution and the second additional QPP contribution must be deducted from remuneration subject to Québec income tax for each pay period. For details, see the Guide for Employers: Source Deductions and Contributions.

8. EMPLOYMENT INSURANCE PREMIUM

	2024	2023
Employee maximum: $1.32\% \times \$63,200$ (2023 - $1.27\% \times \$61,500$)	\$ 834.24	\$ 781.05
Employer maximum: $1.4 \times \$834.24$ (2023 - $1.4 \times \$781.05$)	\$ 1,167.94	\$ 1,093.47

Since January 31, 2010, self-employed individuals can enter into an agreement with the Canada Employment Insurance Commission and start paying EI premiums on their self-employment income. The premium rate will be the same that salaried employees currently pay. For 2024, the rate is 1.32% of insurable earnings. The payment of the premiums for individuals opting in during the 2024 calendar year will be made through their 2024 tax return.

9. QUEBEC PARENTAL INSURANCE PLAN PREMIUMS

	2024	2023
Employee maximum: $0.494\% \times \$94,000$ (2023 - $0.494\% \times \$91,000$)	\$ 464.36	\$ 449.54
Employer maximum: $1.4 \times \$464.36$ (2023 - $1.4 \times \$449.54$)	\$ 650.48	\$ 629.72
Self-employed maximum: $0.878\% \times \$94,000$ (2023 - $0.878\% \times \$91,000$)	\$ 825.32	\$ 798.98

Self-employed workers are also subject to Quebec parental insurance plan premiums on their net business income if his or her place of business is in Quebec on December 31st of that year.

10. CONTRIBUTION TO THE HEALTH SERVICES FUND

Income	Premium payable
Up to \$17,630	Nothing
From \$17,631 to \$61,314	1% of the income higher than \$17,630 up to a max contribution of \$150
Over \$61,314	\$150 + 1% of income higher than \$61,314 up to a max contribution of \$1,000

In general, contributions are required with respect to self-employment income, pension income, investment income other than dividends paid by taxable Canadian corporations, and capital gains. Certain deductions may reduce the income subject to the contribution such as contributions to an RRSP or an RPP, support payments, carrying charges and interest expenses and business investment loss.

11. PREMIUM PAYABLE UNDER THE QUÉBEC PRESCRIPTION DRUG INSURANCE PLAN

If you are not covered throughout the year by basic prescription drug insurance provided by a group insurance plan and you are not in a situation that allows you to be exempt, you have to pay \$744 (2023: \$731) for your premium under the Québec Prescription Drug Insurance Plan.

12. REFUNDABLE TAX CREDIT FOR CHILD-CARE EXPENSES

The credit is based on net family income and is usually claimed by the supporting person who has the lower income.

For 2021, the tax credit rate is maintained at 75% as long as net family income does not exceed \$35,950. The tax credit rate is gradually reduced by the increase of the net family income. When net family income exceeds \$157,545, the applicable tax credit rate is reduced to 26%. This chart is useful to apply for advance payments of the tax credit for childcare expenses.

Net Family income From	To	Tax credit rate (%)
\$0	\$24,110	78
24,110	42,515	75
42,515	44,085	74
44,085	45,670	73
45,670	47,225	72
47,225	48,805	71
48,805	116,515	70
116,515	or more	67

13. PRESCRIBED INTEREST RATES

	2024		2023	
	Over-Tue Tax	Refund	Over-Due Tax	Refund
January – March	10.00%	5.00%	9.00%	3.75%
April – June	10.00%	5.00%	10.00%	4.25%
July – September	10.00%	4.75%	10.00%	4.00%
October – December	10.00%	4.75%	10.00%	4.50%
Average Annual Rates	2020 -	6.25%		
	2021 -	5.00%		
	2022 -	5.75%		
	2023 -	9.75%		
	2024 -	10.00%		

For purposes of taxable benefit calculations, the Quebec prescribed rate is the same as the federal prescribed rate.

14. CORPORATE TAX RATES - COMBINED FEDERAL AND QUEBEC

	Federal	Quebec	2024 Total	2023 Total
General rate	15.00%	11.50%	26.50%	26.50%
Manufacturing ⁽²⁾	15.00%	11.50%	26.50%	26.50%
Small business ^(3,4)				
- below \$500,000	9.00%	3.20%	12.20%	12.20%
- over \$500,000	15.00%	11.50%	26.50%	26.50%
Investment Income ⁽¹⁾	38.67%	11.50%	50.17%	50.17%

- (1) The refundable portion of part I tax is 30.67%. The dividend refund rate is 38 1/3% of taxable dividend paid.
- (2) There is no longer an additional deduction for small and medium enterprise in primary and manufacturing sectors. The rate is the same as any small and medium enterprise.
- (3) Corporations must meet a minimum number of hours paid to qualify for the small business deduction. The corporation can meet the requirement if the hours paid to its employees during the taxation year is at least 5,500 hours or if during the previous taxation year, the hours paid to its employees and those from all the associated corporations totaled at least 5,500 hours. If the number of hours paid is less than 5,500, the small business deduction will be reduced and will become nil at 5,000 hours or less.
- (4) The 2022 budget proposed an increase to the range of the taxable capital reduction. The upper limit was increased from 15 million to 50 million, allowing for more medium sized CCPCs to benefit from the small business deduction.

15. CORPORATE INTEGRATION - 2024 COMBINED FEDERAL AND QUEBEC RATES

The following charts show the after-tax dollars available for use by an individual of different types of income. The calculations first show the two layers of tax where the income is received by the corporation and then paid by dividend to the individual (Total of Amounts (A) and (B)). The second part shows the tax paid when the income is directly received by the individual (Amount (C)).

*Calculation based on a December 31, 2024 year end.

		Small Business Income < \$500,000	Active Business Income > \$500,000
	Income in Corporation	\$ 1,000	\$1,000
(A)	Corporation tax	(122)	(265)
	Available for Dividend	878	735
(B)	Personal tax (maximum rate)	(428)	(295)
	Net after tax cash	450	440
	Income earned directly	1,000	1,000
(C)	Personal tax (maximum rate)	(533)	(533)
	Net after tax cash	467	467
(C - A)	Deferral of tax	411	268
	Deferral of tax as a percentage	41.1%	26.8%
(C - A - B)	Savings (-cost)	(17)	(27)
	Savings (-cost) of tax as a percentage	-1.7%	-2.7%

Corporate Integration - 2024 Combined Federal and Quebec Rates - (cont'd)

		Investment Income	Dividend Income
	Income in Corporation	\$ 1,000	\$1,000
(A)	Corporation tax	(502)	(383)
(A.1)	Dividend refund	307	383
	Available for Dividend	805	1,000
(B)	Personal tax (maximum rate)	(392)	(401)
	Net after tax cash	413	599
	Income earned directly	1,000	1,000
(C)	Personal tax (maximum rate)	(533)	(401)
	Net after tax cash	467	599
(C - A)	Deferral of tax	31	18
	Deferral of tax as a percentage	3.1%	1.8%
(C - A+A.1 - B)	Savings (-cost)	(54)	(0)
	Savings (-cost) of tax as a percentage	-5.4%	0%

16. INCOME TAX INSTALMENTS

- Individuals - Quarterly instalments required in 2024 if net tax owing was more than \$1,800 in either 2023 or 2022 (both federal and Quebec).
- Corporations - Monthly instalments required if total taxes payable in 2023 or 2022 exceeded \$3,000 (both federal and Quebec).
- CCPC's qualify to make quarterly instalments instead of monthly if they are entitled to the small business deduction, the taxable income of the associated group must not exceed \$500,000 and the taxable capital of the associated group must not exceed \$10 million, all in the current or previous year.