

## 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 tax planning strategies in place. Rather than wait until the last minute, look at strategies that 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 2022 Personal Tax filing.

## 2022 Tax Changes

### 2022 Federal Tax Bracket Rates

All five federal income tax brackets for 2022 have been indexed to inflation using the 2.4-per-cent rate. The federal brackets for 2022 are:

Net Taxable Income	Tax Rate
▪ On the first \$50,197 of income	15.0%
▪ Above \$50,197 to \$100,392	20.5%
▪ Above \$100,392 to \$155,625	26.0%
▪ Above \$155,625 to \$221,708	29.0%
▪ Anything above \$221,708 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.

### 2022 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 \$46,226 of income	5.5%
▪ Above \$46,226 to \$92,454	9.15%
▪ Above \$92,454 to \$150,000	11.16%
▪ Above \$150,000 to \$220,000	12.16%
▪ Anything above \$220,000 is taxed at	13.16%



## 2022 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 >\$220,000	53.53%	39.34%	47.74%	26.77%

\*These rates are correct as of November 14, 2022, 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 2022, the amount will increase to \$14,398, up from \$13,808 in 2021.

## 2022 RRSP Contribution Limits

18% of previous year’s earned income to a maximum of:	\$29,210
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## 2022 TFSA Limits

TFSA Contribution Limit	\$6,000
Accumulated TFSA Contribution Limit \$81,500	

## 2022 Withholding Tax Rates for RRSP/RRIF Withdrawals

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



## Tax Attribution Rules

Recipient	Gift	No or Low Interest Loan	Loan at Prescribed or Commercial Rate
<b>Spouse or Partner</b>			
Income	Attributed to "giftor"	Attributed to lender	No attribution
Capital Gains	Attributed to "giftor"	Attributed to lender	No attribution
2 <sup>nd</sup> Generation Income	No attribution	No attribution	No attribution
<b>Child under 18</b>			
Income	Attributed to "giftor"	Attributed to lender	No attribution
Capital Gains	No attribution	No attribution	No attribution
2 <sup>nd</sup> Generation Income	No attribution	No attribution	No attribution
<b>Child over 18</b>			
Income	No attribution	No attribution	No attribution
Capital Gains	No attribution	No attribution	No attribution
<b>Corporation</b> (excluding 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

### Repaying COVID-19 Benefits

Those who received benefits in 2022 from COVID-19 relief programs, including the Canada Recovery Benefit (CRB), Canada Sickness Recovery Benefit (CSR) or Canada Recovery Caregiving Benefit (CRCB), will receive a T4A slip with the relevant tax-return information.

If you received the CRB and your net income after certain adjustments is more than \$38,000, then you may have to repay all or part of the benefits you received in 2022.

If you've already repaid all or part of your 2022 COVID-19 benefits, you can choose which year to claim the tax deduction for the repayment on, either the year you received the benefit, or the year you repaid it.

Additionally, if you received any one-time provincial payments to help you through COVID-19, they will not be taxable, and you don't need to report them as income on your 2022 tax return.



## Claim up to \$500 for Work-From-Home Expenses

Once again, if you worked from home in 2022 due to the pandemic, you can claim the work-from-home tax credit. If you kept track of your expenses, you can claim your calculated total. Otherwise, you can use the flat rate method of \$2 per day.

## Labour Mobility Deduction for Tradespeople

The labour mobility deduction provides eligible tradespeople and apprentices working in the construction industry with a deduction for certain temporary relocation expenses. Eligible individuals may be able to deduct up to \$4,000 in eligible expenses per year.

## Automobile Income Tax Deduction Limits

Changes for the 2022 tax year include an increase in Capital Cost Allowance (CCA) ceiling limits for zero emission and passenger vehicles, deductible monthly leasing costs increased by \$100, and the per kilometer rate paid by employers to employees who use their personal vehicle for work has increased by 2 cents per km from last year.

## Low-interest Loans

The family loan rate until Dec. 31 is 3%.

## Lifetime Capital Gains Exemption

The lifetime capital gains exemption is \$913,630 in 2022.

## Age amount

Clients can claim this amount if they were aged 65 or older on Dec. 31st of the taxation year. The maximum amount they can claim in 2022 is \$7,898.

## 2022 Old Age Security (OAS) Retirement Benefits

Maximum Monthly Benefits	\$642.25 *
Maximum Annual Income	For the 2022 tax year, pensioners with net income of \$81,761 or more are subject to OAS Clawback. The Clawback rate is 15% for each dollar beyond \$81,761. OAS payments are fully eliminated once net income reaches \$134,626.

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

Also, under the CRA's new Affordability Plan, seniors aged 75 and over received an automatic 10% increase of their Old Age Security pension, as of July 2022.



## Lifetime Advanced Life Deferred Annuity (ALDA) Dollar Limit

The limit is \$160,000 for both 2022 and 2023.

<p>To purchase an ALDA, you must directly transfer a lump sum amount from one of the following registered plans:</p>	<ul style="list-style-type: none"> <li>▪ registered retirement savings plan (RRSP)</li> <li>▪ registered retirement income fund (RRIF)</li> <li>▪ deferred profit sharing plan (DPSP)</li> <li>▪ pooled registered pension plan (PRPP)</li> <li>▪ money purchase registered pension plan (MP RPP)</li> </ul>
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## 2022 Canada Pension Plan Retirement Benefits

Maximum monthly benefit (assuming payments begin at age 65): \$1,223.59

Premiums	All provinces/territories except Quebec
Maximum Pensionable Earnings	\$64,900
Basic Exemption	\$3,500
Maximum Contributory Earnings	\$61,400
Employee and Employer Rate	5.7%
Maximum Employee/Employer Contribution	\$3,499.80
Maximum Self-Employed Contribution	\$6,999.60

## 2022 Maximum EI Insurable Earnings

The maximum annual insurable earnings (federal) for 2022 is \$60,300.

Premiums	All provinces/territories except Quebec
Maximum Yearly Insurable Earnings	\$60,300
Employee's Premium Rate	1.58%
Employer's Premium Rate	2.21%
Maximum Yearly Employee Premium	\$952.74
Maximum Yearly Employer Premium	\$1,333.84

## Medical Expenses Threshold

For 2022, the max is 3% of net income or \$2,479.

## Medical Expense Tax Credit (For Surrogacy and Other Expenses)

The list of eligible medical expenses has been expanded to include amounts paid to fertility clinics and donor banks in Canada to obtain donor sperm or ova to enable the conception of a child by the individual, the individual's spouse or common-law partner, or a surrogate mother on behalf of the individual. In addition, certain expenses incurred in Canada for a surrogate or donor are considered medical expenses of the individual.



## Canada Caregiver Credit

If you have a dependant under the age of 18 who's physically or mentally impaired, you may be able to claim up to an additional \$2,350 in 2022 in calculating certain non-refundable tax credits. For infirm dependants 18 or older, the 2022 amount is \$7,525.

## Disability Amount

This non-refundable credit is \$8,870 in 2022, with a supplement of up to \$5,174 for those under 18 that is reduced if childcare expenses are claimed.

## Disability Tax Credit

For 2021 and later tax years, an individual diagnosed with type 1 diabetes is deemed to have met the two times and 14 hours per week requirements for life-sustaining therapy.

## Child Disability Benefit

The child disability benefit is a tax-free benefit of up to \$2,985 in 2022 for families who care for a child under 18 with a severe and prolonged impairment in physical or mental functions.

## Canada Child Benefit

In 2022, the maximum CCB benefit is \$6,997 per child under six and up to \$5,903 per child aged six through 17.

## First-Time Home Buyer's Tax Credit

The amount used to calculate the first-time home buyers' tax credit has increased to \$10,000 for a qualifying home purchased after December 31, 2021.

## The New Proposed FHSA

The federal government has announced it will roll out the Tax-Free First Home Savings Account (FHSA) on April 1, 2023.

This new savings option offers a number of advantages, starting with the ability to contribute up to \$40,000 on a tax-free basis, with a yearly contribution limit of \$8,000. There's more good news. Based on a change made to the FHSA in late 2022, you can now contribute simultaneously to both the FHSA and the Home Buyers' Plan (HBP). Eligible buyers could put up to \$75,000 (in lifetime contributions) into the two tax-advantaged savings plans toward their home purchase.

Additionally, your annual contributions to an FHSA are tax-deductible, and you won't pay any taxes on capital gains or interest earned. In essence, the account combines the tax benefits of an RRSP and a TFSA.



## Critical Mineral Exploration Tax Credit

The critical mineral exploration tax credit (CMETC) is a new 30% investment tax credit for the exploration of specified minerals. The CMETC will only apply to expenditures renounced under eligible flow-through share agreements entered into after April 7, 2022, and before April 1, 2027.

## Self-employed and Business

### Air Quality Improvement Tax Credit

If you were self-employed or a member of a partnership in 2022, you may be eligible to claim a refundable tax credit equals to 25% of your total ventilation expenses to improve ventilation or air quality at your place of business.

## Ontario Tax Credits

### The Ontario Staycation Credit

This is a one-time tax credit for Ontarians who'll be able to claim 20% of their stay in an Ontario hotel, cottage or campground, during 2022 up to \$1,000 individually or \$2,000 as a family.

### The Ontario Seniors Care at Home Tax Credit

This refundable personal income tax credit is intended to help seniors with eligible medical expenses, including expenses that support aging at home. The credit is equal to 25% of your eligible medical expenses up to \$6,000, for a maximum credit of \$1,500.

### The Seniors' Home Safety Tax Credit

This is a refundable credit worth 25 per cent of up to \$10,000 per household in eligible expenses, to a maximum credit of \$2,500. It can be shared by people who live together, including spouses and common law partners.



## 2022 Tax Deadlines

	Date
<b>Filing Income Tax Returns &amp; Instalments:</b>	
Individual	April 30, 2023
Sel-employed Individual	June 15, 2023
<b>Deceased – Final Tax Return</b>	
Death occurred between January 1 and October 31	April 30 <sup>th</sup> of the following year
Death occurred between November 1 and December 31	Six months after the date of death
Quarterly Installments	15 <sup>th</sup> of March, June, September and December
<b>Registered Retirement Savings Plan (RRSP):</b>	
Contributions for the year	March 1, 2023
Contributions for the year an individual turns 71 years of age	December 31, 2022
<b>Home Buyers' Plan (HBP):</b>	
Withdrawal – Buy or build a home before October 1st of the following year	October 1, 2023
Repayment – Starts in the second calendar year after the withdrawal	March 1, 2023
<b>Registered Education Savings Plan (RESP):</b>	
Contributions to receive Canada Education Savings Grants (CESGs) for the year	December 31, 2022
<b>Registered Disability Savings Plan (RDSP):</b>	
Contributions to receive Canada disability savings grants and bonds for the year	December 31, 2022
<b>Capital Loss Selling:</b>	
Disposition of investments to realize accrued capital gains or losses for the year	December 27, 2022
<b>Family Loans:</b>	
Interest on family loans to avoid attribution rules	January 30 <sup>th</sup> of the following year
<b>Charitable Donations</b>	
	December 31, 2022

## 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.

