



# Other Tax Rates

## Retirement and Savings Plans—Contribution Limits

|  | 2022     | 2023     | 2024     |
|--|----------|----------|----------|
| <b>Money Purchase Registered Pension Plans</b> |          |          |          |
| Contribution limit <sup>1</sup>                | \$30,780 | \$31,560 | \$32,490 |
| Pensionable earnings <sup>2</sup>              | 171,000  | 175,333  | 180,500  |
| <b>Registered Retirement Savings Plans</b>     |          |          |          |
| Contribution limit <sup>3</sup>                | 29,210   | 30,780   | 31,560   |
| Previous year's earned income <sup>4</sup>     | 162,278  | 171,000  | 175,333  |
| <b>Deferred Profit Sharing Plans</b>           |          |          |          |
| Contribution limit <sup>5</sup>                | 15,390   | 15,780   | 16,245   |
| Pensionable earnings <sup>6</sup>              | 85,500   | 87,667   | 90,250   |
| <b>Tax-Free Savings Account</b>                |          |          |          |
| Annual contribution limit <sup>7</sup>         | 6,000    | 6,500    | 7,000    |
| <b>Tax-Free First Home Savings Account</b>     |          |          |          |
| Annual contribution limit <sup>8</sup>         | N/A      | 8,000    | 8,000    |
| Lifetime limit <sup>8</sup>                    | N/A      | 40,000   | 40,000   |
| <b>Registered Education Savings Plans</b>      |          |          |          |
| Annual limit <sup>9</sup>                      | N/A      | N/A      | N/A      |
| Lifetime limit <sup>10</sup>                   | 50,000   | 50,000   | 50,000   |
| <b>Registered Disability Savings Plans</b>     |          |          |          |
| Annual limit <sup>11</sup>                     | N/A      | N/A      | N/A      |
| Lifetime limit <sup>12</sup>                   | 200,000  | 200,000  | 200,000  |

### Notes

- (1) The money purchase registered pension plan (RPP) contribution limit indicated in the table is the maximum limit applicable each year.
- (2) The total of all employer and employee contributions to an RPP is limited to the lesser of the current year's contribution limit and 18% of the employee's pensionable earnings for the year. The amount of pensionable earnings that generates the contribution limit is indicated in the table.
- (3) The registered retirement savings plan (RRSP) contribution limit is equal to the RPP contribution limit for the preceding year.
- (4) The total of all contributions to an RRSP is limited to the lesser of the current year's contribution limit and 18% of an individual's earned income for the preceding year, plus any carry-forward contribution room. The amount of earned income that generates the contribution limit is indicated in the table.
- (5) The deferred profit sharing plan (DPSP) contribution limit is equal to one-half of the RPP contribution limit for the year.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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### Notes, continued

- (6) The total of all employer contributions to a DPSP is limited to the lesser of the current year's contribution limit and 18% of an employee's pensionable earnings for the year. The amount of pensionable earnings that generates the contribution limit each year is indicated in the table.
- (7) Canadians age 18 and over can earn tax-free income in a tax-free savings account (TFSA) throughout their lifetime. Income, losses and gains on investment in the account, as well as amounts withdrawn, are not taxable and are not taken into account for determining eligibility for certain income-tested benefits or credits. Each calendar year, a taxpayer can contribute up to the TFSA limit, plus any unused TFSA contribution room from the previous years. The annual contribution limit increased to \$10,000 (from \$5,500) for 2015, however, it was reduced back to \$5,500, effective January 1, 2016. The annual contribution limit is indexed for inflation and rounded to the nearest \$500. Generally, amounts withdrawn from a TFSA will be added to the individual's contribution room for future years. TFSA contributions are not tax-deductible.
- (8) The tax-free first home savings account (FHSA) allows certain taxpayers to contribute up to \$8,000 per year to the account, up to a lifetime maximum of \$40,000, effective April 1, 2023. Contributions to an FHSA will be deductible and income earned in the account will not be subject to tax. Generally, qualifying withdrawals from an FHSA made to purchase a first home will be non-taxable. An individual is allowed to make both an FHSA withdrawal and a Home Buyers' Plan withdrawal for the same qualifying home purchase.
- (9) Registered education savings plans (RESPs) are commonly used by parents and other guardians to save for a child's post-secondary education. Like TFSAs, contributions to RESPs are not tax-deductible, but investment income can be earned in the plan tax-free. While there is no annual limit, contributions into the plan should be carefully considered in order to maximize government assistance payments under the Canada Education Savings Grant and Canada Learning Bond programs.
- (10) For each beneficiary there is a lifetime limit of \$50,000, regardless of the number of plans in place for that beneficiary.
- (11) A registered disability savings plan (RDSP) is a savings plan to help parents and others save for the long-term financial security of a person who is eligible for the disability tax credit. Like RESPs, contributions to RDSPs are not tax-deductible, but investment income can be earned in the plan tax-free. While there is no annual limit, contributions into the plan should be carefully considered in order to maximize government assistance payments under the Canada Disability Savings Grant and Canada Disability Savings Bond programs.
- (12) Contributions on behalf of any one beneficiary are capped at a lifetime maximum of \$200,000. Contributions can continue to be made until the end of the year the beneficiary turns 59, or until the beneficiary ceases to be a resident of Canada, dies or ceases to qualify for the disability tax credit.

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