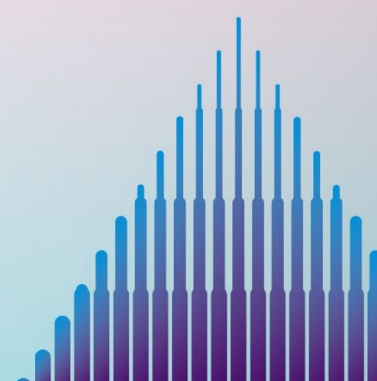




TaxNewsNow

Canada



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TFSA Contribution Limit Increases in 2024

The Tax-Free Savings Account (TFSA) contribution limit will increase to \$7,000 (from \$6,500) for 2024

The Tax-Free Savings Account (TFSA) contribution limit will increase to \$7,000 (from \$6,500) for 2024. This new limit means that a taxpayer who has never contributed to a TFSA and has been eligible for one since its inception will have a cumulative contribution room of \$95,000.

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| Years | TFSA contribution limit | Total |
|-----------|-------------------------|-----------------|
| 2009-2012 | \$5,000 per year | \$20,000 |
| 2013-2014 | \$5,500 per year | \$11,000 |
| 2015 | \$10,000 per year | \$10,000 |
| 2016-2018 | \$5,500 per year | \$16,500 |
| 2019-2022 | \$6,000 per year | \$24,000 |
| 2023 | \$6,500 per year | \$6,500 |
| 2024 | \$7,000 per year | \$7,000 |
| | | \$95,000 |

Canadians aged 18 years and older can earn tax-free income in a 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 Income, losses and gains on investment in the account, as well as amounts withdrawn, are not taxable and are not taken into account for determining eligibility for certain income-tested benefits or credits.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 year. 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 Generally, amounts withdrawn from a TFSA will be added to the individual's contribution room for future years.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.

For more information, contact your KPMG adviser.

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