

PARO TAX TIPS FOR 2024

Tax Returns

Please make sure
to check out the
Resident Financial Primer
for more detailed
financial and tax
information.

IMPORTANT DATES

- The RRSP Contribution Deadline for 2024 is March 3, 2025
- 2024 Personal Income Tax Returns are due on or before April 30, 2025

HIGHLIGHTS - TAX DEDUCTIONS AND CREDITS

Canada Caregiver Credit: The Canada Caregiver Credit provides a \$8,375 credit for each infirm dependant, defined as an eligible relative with impaired physical or mental functions who is dependent on the caregiver. See Resident Financial Primer for more details.

Canada Child Benefit: The Canada Child Benefit (CCB) is not taxable, and the amount received is based on family income from your tax returns.

Canada Employment Amount: This credit is the lesser of \$1,433 and the employment income for the year and is available to anyone with employment income.

Charitable Donations: Donations made to registered Canadian charities are eligible for a tax credit.

Childcare Expenses: If you and your spouse both work, generally the lower income earner can deduct the costs incurred for childcare, though there are maximum amounts per child.

Canada Training Credit: The Canada training credit is a refundable credit available for eligible tuition and other fees paid for courses taken in 2020 and subsequent taxation years. Residents who are at least 26 years old, but less than 66, have employment income of more than approximately \$11,821, but less than \$173,205, are Canadian residents throughout the year, and file their tax return, can accumulate \$250 each year towards a Canada Training Credit to a lifetime maximum amount of \$5,000.

Digital News Subscription Tax Credit: You may claim a non-refundable tax credit worth up to \$75 related to digital news subscriptions paid in 2024 to qualified Canadian journalism organizations.

Eligible Medical Expenses: You can only deduct eligible medical expenses over a particular threshold. The threshold is the lower of 3% of your net income or \$2,759.

First Time Home Buyers' Tax Credit: This is a non-refundable tax credit of for first time home buyers This credit has a potential saving of \$1,500.

Interest on Student Loans: you can claim a tax credit for the interest paid on eligible student loans.

Moving Expenses: If you move at least 40 kilometres closer to your new place of work and / or study (full-time post secondary education in Canada), certain moving expenses are tax deductible.

RRSP: The deadline for 2024 contributions is March 3, 2025. Keep in mind that it is most beneficial to contribute to your RRSP as early in the year as possible to receive the greatest benefit from tax-free compounding of your money.

RRSP Home Buyer's Plan: You can withdraw up to \$60,000 from your RRSP to use towards a down payment if you are buying a home in the next year.

Tuition Amounts: The Federal Tuition Credit is available for 2024, which is 15% of the tuition amounts as shown on your T2202. Any unused tax credits can be carried forward to be used against future tax amounts payable.

Union Dues and Professional Fees: You can deduct PARO dues and fees paid to join professional organizations such as the CPSO, CFPC or RCPSC.

Tax Free Savings Account (TFSA): Your annual limit for 2024 is \$7,000. The annual limit for 2025 is \$7,000.

First Home Savings Account (FHSA): Starting in 2023, first-time home buyers in Canada can contribute to a FHSA to save up for their first home. You can contribute up to \$8,000 per year, with a lifetime maximum of \$40,000. Contributions can be deducted from your income for the year. Withdrawals are not taxable as long as you are using the money to purchase a home as your principle residence. The FHSA may also be used in conjunction with the RRSP Home Buyer's Plan so that withdrawals from both can be made for the same home purchase. Unused annual contributions can be carried forward.

Planning Ahead

Incorporation: Self-employed medical professionals have the ability to incorporate. When you are transitioning into practice, you may want to plan in advance and discuss the details with your tax advisor. Whether incorporation is right for you in the future will depend on your specific situation. See [Resident Financial Primer](#) for more details.

The information provided in "Tax Tips" is general in nature and is not intended to provide specific tax advice. You should consult your own tax advisor for specific advice based on your tax situation.

