

A photograph of a person's hands working at a desk. The person is wearing a silver watch and a pearl bracelet. They are using a laptop and a calculator. The background is blurred, showing a desk with a small potted plant and a mug.

Tax information

To help you prepare
your 2024 taxes

WEALTH MANAGEMENT

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Introduction

Desjardins Wealth Management has prepared this tax information bulletin to give you an overview of some key things you may find useful for your 2024 tax return and your 2025 planning. It focuses on personal taxes for individuals who live in Quebec.

In order to facilitate your fiscal approach, we invite you to take a look at what's new and what to watch for in 2025. You'll find some important reminders and key dates, tables that illustrate how tax brackets are indexed and information about tax slips.



Helpful links

Government of Quebec

- [Revenu Québec](#)
- [Retraite Québec](#)

Government of Canada

- [My Account](#)
- [Savings and pension plans](#)
- [Annual limits](#)
- [Maximum benefit amounts and related figures](#)

Institute of financial planning

- [Projection Assumption Guidelines](#)

What's new this tax season

ANNUAL CONTRIBUTION LIMIT			DETAILS
	2024	2025	
TFSA	\$7,000	\$7,000	An eligible individual who was 18 or older in 2009 and who has never contributed to a TFSA would have \$102,000 in total contribution room in 2025.
FHSA	\$8,000	\$8,000	An eligible individual can carry forward up to \$8,000 of unused contribution room to the following year, allowing for a maximum contribution of \$16,000 per year, with a lifetime limit of \$40,000.
RRSP	\$31,560	\$32,490	The new RRSP contribution limit is 18% of the previous year's earned income or the annual limit, whichever is lower, less the pension adjustment (PA) for the previous year.

Measures whose implementation is uncertain due to the prorogation of Parliament until March 24, 2025

1. Changes to the capital gains inclusion rate¹

The capital gains inclusion rate represents the portion of capital gains that is taxable. The 2024 federal budget tabled in April included a proposal to increase the inclusion rate from 50% to 66.67% as of June 25, 2024. The proposed increase applied to capital gains realized annually in excess of \$250,000 for individuals. For corporations and most types of trusts, it applied to all capital gains.

On January 31, 2025, Canada's Department of Finance announced it was **postponing the capital gains inclusion rate hike until January 1, 2026**. On February 3, 2025, the Ministère des Finances du Québec confirmed it would follow suit.

Key takeaway: If you've carried out transactions that generated capital gains, the inclusion rate is staying at 50% for 2024 and 2025. It's still not clear what will happen in 2026 and beyond. The proposed increase has to go through the legislative process before it can go into effect.

The following measures, which were also tabled in the 2024 federal budget on April 16, are moving forward:

- **The lifetime capital gains exemption increased to \$1.25 million on June 25, 2024.** It applies to the sale of qualified small business shares and farming and fishing property. The previous lifetime maximum of \$1,016,836 will apply for transactions carried out between January 1 and June 24, 2024.
- **The new Canadian Entrepreneurs' Incentive** was rolled out on January 1, 2025, to encourage entrepreneurship. See section 2 on page 6 for more details.

The government has said it will table legislation to effect these measures in due course.

Gains in a cryptocurrency portfolio:

Remember that cryptocurrency is considered property for tax purposes, not currency. This means you must report any gains in a cryptocurrency portfolio on your tax return.

¹ Sources :

DEPARTMENT OF FINANCE CANADA (January 31, 2025). [Government of Canada announces deferral in implementation of change to capital gains inclusion rate](#)

THE CANADIAN PRESS (February 4, 2025) [Gain en capital : Québec suit Ottawa / Finance et Investissement](#)

2. Canadian Entrepreneurs' Incentive: A tax break that reduces the tax rate on capital gains realized on the disposition of qualifying property

The 2024 federal budget proposed the new Canadian Entrepreneurs' Incentive (CEI) that would come into effect as of January 1, 2025, which can be combined with the cumulative lifetime capital gains exemption (LCGE) for individuals. The incentive would reduce the inclusion rate by half for capital gains realized on the sale of qualifying property, up to a lifetime capital gains limit of \$2 million. This cumulative limit will be increased by \$400,000 each year until it reaches \$2 million in 2029. Qualifying property includes qualified farm or fishing property (QFFP), that meet the same criteria as those for the LCGE and qualified small business corporation (QSBC) shares, but additional conditions must also be satisfied.

Note that some businesses are not eligible for the CEI. These excluded businesses include certain professions like lawyers, physicians, consultants and real estate services providers. The corporation and the seller will also have to meet a number of conditions to qualify. These criteria are different from those that apply to the LCGE.

3. Charitable donations – Extension to February 28, 2025

The governments of Canada and Quebec announced their intention to amend their respective tax systems to extend the deadline for declaring charitable donations in the 2024 taxation year, until February 28, 2025.



Measures where 2024 is considered the first taxation year under the new rules

1. Alternative minimum tax

The alternative minimum tax (AMT) applies to individuals who benefit from tax advantages that considerably reduce or eliminate their tax liability in a particular taxation year. Based on the calculation, they pay either the regular tax or the AMT, whichever is higher. Any tax due under the AMT can be carried forward for 7 years as long as the regular tax is higher in those years.

With the adjustments for 2024, many taxpayers will no longer be subject to the AMT, but those who still are may face an even heavier tax burden. Another major change under the new AMT rules is the inclusion of capital gains on donations of publicly listed securities as income. If you're affected by this addition, you should make sure that you're following the best strategy for your charitable donations.

For individuals with no other source of income, the new parameters for calculating the AMT would mean that a capital gain that entitles them to a capital gains deduction will be higher than before 2024. As a result, they may be able to declare a capital gain of close to \$600,000 without incurring any AMT.

2. Intergenerational business transfers

Up until recently, business owners didn't receive the same tax benefits when transferring their qualifying shares to the next generation compared to selling them to a third party. Since the start of 2024, new measures have been implemented to rectify this tax disadvantage for families as long as certain conditions are met. To prevent the capital gain realized on the disposition of the shares from being qualified as a taxable dividend, the parents can opt for an immediate intergenerational business transfer (3-year test) or a gradual intergenerational business transfer (5-to-10-year test).



Other important amendments

New withdrawal rules for Quebec-regulated life income funds

For tax purposes, a life income fund (LIF) is a specific type of registered retirement income fund (RRIF) that results from a locked-in retirement account (LIRA). It can be used to draw retirement income from the funds in a former employer's pension plan. The funds held in a LIF are locked in and subject to minimum and maximum annual withdrawal limits. Prior to 2025, additional withdrawals were allowed before the age of 65.

As of January 1, 2025, there's a new formula for calculating the maximum LIF withdrawals for owners under age 55. This amount is now based on the person's actual age at the time the application for income is filed, whereas it used to be based on the person's age on December 31 of the year preceding the application. Under the new rules, the withdrawal limit for LIF owners ages 55 and up has been eliminated. This means they can withdraw unlimited funds from their LIF as long as they meet the mandatory minimum withdrawal requirement set by law. With access to more funds, LIF owners may be able to make headway on a special project or, better yet, postpone their application for government benefits to boost their payments from the Québec Pension Plan (QPP) and Old Age Security (OAS) pension.

While they'll have better access to their locked-in assets, they'll no longer be able to transfer funds directly from a LIF to an RRSP (LIRA/LIF unlocking strategy) or a RRIF.

Additional flexibility for first-time homebuyers

The Home Buyers' Plan (HBP) is a way for eligible individuals to borrow money tax free from their RRSP to buy or build their first home. You have 15 years to pay back the amounts, starting the second year after the first withdrawal. If you don't meet this requirement, the unpaid portion will be added to your taxable income for that year.

As of April 17, 2024, the maximum an individual can withdraw from an RRSP under the HBP has been increased from \$35,000 to \$60,000. Under a temporary measure, the grace period before repayments must begin has also been extended by an additional 3 years for HBP participants who made their first withdrawal between January 1, 2022, and December 31, 2025. This means the first repayment installment is now due in the fifth calendar year following the year they made the withdrawal. Since this repayment relief measure is only temporary, any withdrawals made from 2026 will be subject to the standard rules. If a withdrawal is made under the HBP during 2026, for example, the first repayment will be due before March 1, 2029, which is 60 days after the end of the 2028 taxation year.

Changes to the tax credit for career extension

The tax credit for career extension is a Quebec tax credit created to encourage experienced workers ages 60 or older to continue working or rejoin the workforce. It reduces the income tax payable on part of eligible work income above \$5,000.

Effective for the 2025 taxation year, the Quebec government announced that the following changes will be applied to the tax credit for career extension:

- The age of eligibility will be raised from 60 to 65 years.
- The first \$7,500 of eligible work income is now excluded (up from \$5,000) and this exemption amount will be indexed annually to inflation.
- The reduction threshold will be based on net income instead of only work income.

Clearer reporting requirements for bare trusts

The government clarified reporting rules for trusts by announcing that Canadians with bare trusts will now have fewer filing obligations. This measure is designed to reduce the administrative burden on taxpayers, particularly as they prepare for the filing requirements that take effect for the 2025 taxation year. To make it easier to file their returns, bare trusts are exempt from reporting requirements for the 2024 taxation year.

Second additional contribution for the Québec Pension Plan

The Québec Pension Plan (QPP) was amended in 2019 to boost retirement pension. The government implemented the first additional contribution based on additional maximum pensionable earnings (AMPE). For 2025, earnings between \$71,300 and \$81,200 will be subject to a second additional contribution rate.

Elimination of the pension penalty for people with disabilities ages 65 and up

As of January 1, 2025, anyone age 65 or older who received disability pension payments between the ages of 60 and 65 is entitled to 100% of their retirement pension. This amount is calculated based on their contributions to the plan, without any reduction for their period of disability.

Other legal considerations



Documenting parental gifts

Given the current real estate environment and high interest rates, it's no surprise that many parents have opted to help their adult children become homeowners. When parents gift funds to their children, however, it's very important to get a record of the gift and keep track of the funds. This helps avoid complications in the event of divorce or other legal circumstances. Depending on the type of matrimonial regime, a parental gift may lead to differences in how much the child and their spouse contribute to the purchase of the property. As a result, the gift may have to be divided between the 2 spouses if no measures are taken to exclude it from the family patrimony.

That's why it's a good idea to have the parental gift recorded in a legal document—that's ideally notarized—such as an undivided co-ownership agreement, cohabitation agreement or deed of sale. It's also advisable to keep a record of the deposits and withdrawals made with funds from the gift.



New parental union regime coming into effect on June 30, 2025

Couples who are not married or in a civil union and become parents of the same child, born or adopted after June 29, 2025, will now be automatically covered under Quebec's new parental union regime. The law reform comes with its share of rights and obligations for unmarried parents. In the event of separation, the family patrimony is shared equally between the spouses. This includes the family residence, the furniture in the residence and the motor vehicles used by the family. Unmarried parents can choose to opt out of the parental union regime by way of notarial deed. On the other hand, those with children born or adopted before June 30, 2025, can voluntarily opt in to the plan.

Personal income tax rates

Indexing of federal personal income tax rates and thresholds

The indexing factor for 2025 is 2.7%. Here are the new tax rates and income thresholds:

TAX RATE FOR TAXABLE INCOME ABOVE THE THRESHOLD*		
	2025	2024
12.53%	\$16,129	\$15,705
17.12%	\$57,375	\$55,867
21.71%	\$114,750	\$111,733
24.22%	\$177,882	\$173,205
27.56%	\$253,414	\$246,752

Indexing of Quebec personal income tax rates and thresholds

The indexing factor for 2025 is 2.85%. Here are the new tax rates and income thresholds:

TAX RATE FOR TAXABLE INCOME ABOVE THE THRESHOLD		
	2025	2024
14%	\$18,571	\$18,056
19%	\$53,255	\$51,780
24%	\$106,495	\$103,545
25.75%	\$129,590	\$126,000

Combined marginal tax rates

The marginal tax rate is the rate that applies to the highest dollar of taxable income

TAX RATE FOR TAXABLE INCOME ABOVE THE THRESHOLD*		
	2025	2024
26.53%	Up to \$53,255	Up to \$51,780
31.53%	Over \$53,255 up to \$57,375	Over \$51,780 up to \$55,867
36.12%	Over \$57,375 up to \$106,495	Over \$55,867 up to \$103,545
41.12%	Over \$106,495 up to \$114,750	Over \$103,545 up to \$111,733
45.71%	Over \$114,750 up to \$129,590	Over \$111,733 up to \$126,000
47.46%	Over \$129,590 up to \$177,882	Over \$126,000 up to \$173,205
49.97%	Over \$177,882 up to \$253,414	Over \$173,205 up to \$246,752
53.31%	Over \$253,414	Over \$246,752

* The table takes into account the federal tax abatement for Quebec residents. The tax rate calculations take into account the basic personal amount in Quebec (\$18,571) and at the federal level (\$16,129), however, not accounted for is the gradual reduction of the basic personal amount to \$14,538 when net income is between \$177,882 and \$253,414.

2024 tax slips

Here's some information about the different tax slips you may receive in the coming weeks and a table of mailing deadlines.

T4RSP, T4RIF and RL-2 slips

Withdrawals and transfers from registered accounts

Withdrawals from registered retirement savings plans (RRSPs), locked-in retirement accounts (LIRAs), registered retirement income funds (RRIFs) and life income funds (LIFs) made between January 1 and December 31, 2024, must be added to your income for 2024. If you made withdrawals from these accounts, you'll receive a T4RSP or T4RIF slip, as applicable, along with an RL-2 slip indicating the amount withdrawn and taxes deducted at source.

You'll receive a T4RIF/RL-2 slip and transfer receipt if you transferred funds from a RRIF or LIF to an RRSP or LIRA.

T4A and RL-1 slips

Tax on RESP withdrawals

A T4A/RL-1 slip will be issued in the plan beneficiary's name if you withdrew accumulated income or grants from an RESP. However, capital withdrawals are not taxable.

T4FHSA and RL-32 slips

FHSA contributions and withdrawals

You'll receive a T4FHSA and an RL-32 slip (if applicable) if you withdrew from or contributed to your FHSA in 2024. These tax slips will show the amounts contributed or withdrawn as well as any taxes deducted at source, as applicable.

Contributions to an FHSA are tax-deductible under certain conditions. You can also carry forward any undeducted contributions from 2024 to a future taxation year.

T3 and RL-16 slips

Income from mutual funds

If you had mutual fund investments in a non-registered account in 2024, the fund trustee will send information directly to you about these investments, which details the various forms of income generated by the fund and allocated to you. Income is allocated to the unitholder on specific dates set by the fund, regardless of the date the units were purchased and how long they were held. An information slip will be issued for all your fund holdings.

T5013 and RL-15 slips

Partnership income (limited partnerships) – Certain accounts only

If you hold an interest in a partnership (limited partnership), you'll receive a separate information slip for each partnership.

T5 and RL-3 slips

Interest and dividends

Interest earned on cash for all of your active Canadian and US accounts, as well as dividend and interest income on securities held in non-registered portfolios in 2024, will be reported on the T5 and RL-3 slips issued and sent by Desjardins Trust (the custodian) in late February. Details are shown on the list of transactions. Note that interest and dividends not reported on a T5 or RL-3 slip must still be included in your income calculation. No slip will be issued if the only income distribution is "other income" less than \$50.



T5008 and RL-18 slips

Statement of securities transactions

A T5008/RL-18 slip indicates the amounts paid or credited to you for any securities in your non-registered accounts that you disposed during the year. You will need to pay attention when calculating the gain/loss from the disposition as the amount shown in Box 20 may not accurately represent the tax cost of the disposed security. Check out the CRA's [guide](#) for more detailed explanations on how to prepare a T5008 return of securities transactions.

2024 RRSP contribution receipts

RRSP contributions are deductible, subject to certain limits. Receipts for contributions made between March 1 and December 31, 2024, will be mailed out in mid-January 2025. Amounts that were reported but not deducted on previous tax returns may be deducted in whole or in part on your 2024 return. You can also carry forward any undeducted contributions to a future taxation year.

RRSP contribution receipts for the first 60 days of 2025

Contributions made in the first 60 days of 2025 can also be deducted on your 2024 return. The contribution deadline is March 3, 2025. If you make contributions, you'll receive your slips in early March 2025.

Statement and tax slip mailing dates

REGISTERED ACCOUNTS		
Slip	Type of slip	Sent by
RRSP contribution receipts	Contributions made between March 1 and December 31, 2024	Mid-January 2025
	Contributions made between January 1 and March 3, 2025	Each week starting the third week of January 2025
NR4	Withdrawal by a non-resident	March 31, 2025
T4RSP/RL-2*	Withdrawal from an RRSP or LIRA	February 28, 2025
T4RIF/RL-2*	Withdrawal from a RRIF or LIF	
T4A/RL-1*	Taxable withdrawals from an RESP or TFSA (income after death)	
T4A/RL-2*	Annuity from an individual pension plan (IPP)	
T4FHSA	Contributions to an FHSA made between January 1 and December 31, 2024	
	Qualifying withdrawals and transfers from an FHSA	
T4FHSA/RL-32*	Non-qualifying withdrawals from an FHSA	

NON-REGISTERED ACCOUNTS		
Slip	Type of slip	Sent by
T5/RL-3*	Dividend or interest income totalling \$50 or more	February 28, 2025
T5/RL-3* Split corps	Split corp income totalling \$50 or more	
T5008/RL-18*	Securities transactions statement	
T3 (trust units) / RL-16*	Income from trust units	March 31, 2025**
T3 (mutual funds) / RL-16*	Income distributions and returns of capital for mutual funds	March 31, 2025, by fund company**
T5013/RL-15*	Partnership income (Make sure you have received the statement before filing your tax return if, for example, you have a Brookfield LPU-type investment.)	March 31, 2025
NR4	Distributions to non-residents: - Investment income totalling \$50 or more - Company income - Split corp income	March 31, 2025
1099-INT 1099-DIV	Interest or dividend income received by a US citizen or resident	January 31, 2025
1099-B	Proceeds of a sale for US residents only	February 17, 2025
1042-S	Interest or dividend income from a US source paid to a non-US resident in an RESP	March 17, 2025

* RL-1, RL-2, RL-3, RL-15, RL-16, RL-18 and RL-32 slips are only produced for Quebec residents.

** For mutual fund trusts with a taxation year ending December 15, 2024, the deadline is March 17, 2025.

Note: Since we need to wait for information from issuers, some statements may not be sent out until early April.

Key dates in 2025

Start of the year

- Whenever possible, plan your TFSA and RRSP contributions for the year.
- You can ask to reduce your tax deductions at source for almost any significant deduction or tax credit you expect in 2025, by submitting forms TP-1016-V or TP-1015.3-V (provincial) and T1213 or TD1 (federal) along with the appropriate supporting documentation. Examples include RRSP contributions and deductible childcare expenses and support payments.
- Take inventory of the documents you need for your 2024 tax returns such as tax slips, medical expenses and charitable donations. File and group the documents as you receive them.

March 3, 2025

- This is the deadline for making contributions to your RRSP if you want to deduct them from your 2024 tax return.
- It's also the deadline for annual Home Buyers' Plan (HBP) and Lifelong Learning Plan (LLP) repayments.

March 17, 2025

- This is the deadline for the first 2025 quarterly federal/provincial installment payment, if you need to make one. If need be, you can use non-registered investments or borrow funds to pay what you need to by the deadline. Otherwise, you could face penalties and high interest charges (which are non-deductible).

April 30, 2025

- This is the deadline for filing your 2024 tax return. If you or your spouse is self-employed, the deadline is extended until June 16, 2025.
- It's also the deadline for paying any taxes owing to avoid penalties and interest. If you're claiming a refund, file your return sooner than later so you can receive what you're owed as quickly as possible.



June 16, 2025

- This is the deadline for making your second quarterly installment payment, if you need to.
- It's also the deadline to file your tax return if you or your spouse is self-employed.

Summer 2025

- Check your federal and provincial notices of assessment for 2024. If there's anything you need to dispute, make sure to act before the deadline.



September to December 2025

- This is a good time to think about the tax implications of transactions you've made so far this year.
- You might want to consider selling some assets for tax efficiency.

September 15, 2025

- This is the deadline for making your third quarterly installment payment, if you need to.

September 30, 2025

- This is the deadline for having an agreement to buy or build a qualifying home if you withdrew funds from your RRSP in 2024 under the HBP.

December 15, 2025

- This is the deadline for making your final quarterly installment payment, if you need to.

December 31, 2025

- This is the deadline for making contributions to your FHSA if you want to deduct them from your 2025 tax return.
- It's also the deadline for anyone who turned 71 in 2025 to convert their RRSPs/LIRAs into RRIFs/LIFs or purchase an eligible annuity.



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