

**To all to whom these presents shall come, greeting. The 2025 tax season is upon us.**

Below are some tax reminders for you to review when filing your 2025 tax return.

(Circle any changes that may apply and please let me know the changes. Thank you.)

-Did you change your **name, address, phone number, email, or bank information**?

-Did your **marital status** change? YES / NO

-Do you have a **physical disability**? YES / NO

-Did you **buy / sell** your house in 2025? YES / NO

-Did you make **tax instalments** for 2025? YES / NO

**If yes, how much \$** \_\_\_\_\_

-Do you care for an adult (**Caregiver Amount**)? YES / NO

-Did you have a **baby** in 2025? YES / NO

#### **Tax Information Slips / Sources of Income**

- T4** Employment Income
- T5, T3** Investment Income
- T4E** Employment Insurance
- T4A-OAS** Old Age Security
- T4A(P)** Canada Pension Plan
- T4A** Pension, **Red River Co-op**
- T4RSP** Registered Retirement Savings Plan
- T4RIF** Registered Retirement Income Fund
- T5007** Workers Comp / Social Assistance
- T4PS** Profit Sharing
- T5013** Statement of Partnership Income
- Foreign Pension** income received
- Rental Income** from rental property
- Business** Self-Employed income
- Child support / Spousal support** received
- Medical** (drugs, glasses, travel, Blue Cross premiums, renos for **Home Accessibility**)
- Union dues** paid
- Rent or Property taxes paid statement**

#### **Deductions and Tax Credits**

- Investment** expense (interest)
- Charitable** donations
- T2202** Tuition and Enrollment Certificate
- Disability Tax Credit T2201**
- RRSP** receipts (purchased in 2025 and first 60 days of 2026)
- T2200 Employment Expense** (must be signed by employer)
- Child Care** expenses
- Child support / Spousal support** paid
- Moving expenses** (at least **40 kms** closer to your new job or school)
- year-end paystubs for **Company Health Premiums** paid in 2025 (medical expense)
- Student Loan interest**
- Child support / Spousal support** paid

## **WHAT'S NEW FOR THE 2025 TAX YEAR**

### **For my Winnipeg, Manitoba clients**

The City of Winnipeg has approved a 5.95% increase in property taxes for 2025.

A new Manitoba tax credit (the **Homeowners Affordability Tax Credit**) will be introduced to offset school taxes for homeowners, providing up to \$1,500 in relief. This replaces the previous education tax rebates.

Also, for Manitobans the **Renters Affordability Tax Credit** (for renters) will increase to \$575 for the 2025 tax year.

### **Manitoba tax credit programs**

Even if you do not have to pay tax, you may be entitled to the **primary caregiver tax credit, personal tax credit, education property tax credit, renters affordability tax credit and school tax credit for homeowners.**

Claims for Manitoba credit amounts must be made within three years of the end of the tax year they relate to. Because it is 2026, we can only claim the above credits for the tax years 2025, 2024 and 2023.

### **For all my clients in Canada**

#### **Canada Worker's Benefits (CWB)**

The CWB is a refundable tax credit that supports workers with low to moderate income. For 2025, the maximum basic amount for the CWB has increased to \$1,590 for single individuals and \$2,739 for families.

A new secondary earner exemption has also been introduced, allowing a lower-earning spouse to exclude up to \$14,000 of income when calculating the CWB.

For 2025, **seniors** with a **net income over \$93,454** will see a “**claw back**” of their **OAS benefits**. If possible, either try to limit your income or defer OAS payments for up to 5 years to avoid any claw backs.

#### **Canada Pension Plan (CPP) Income Sharing**

Canadians can now share their CPP retirement pension with a spouse or common-law partner to reduce taxes. An application to the CRA is needed. (Download Form ISP1002 from CRA)

### **Registered Retirement Savings Plan (RRSPs)**

A Canadian resident can open an RRSP and hold it until the age of 71. There is no minimum age requirement to buy an RRSP.

Contributions up to your allowable deduction limit are tax-deductible.

The deadline for the 2025 tax year is **March 2, 2026**.

### **Registered Retirement Income Fund (RRIF)**

By December 31 of the year that you turn 71, it is important to convert your RRSPs into a RRIF.

If you don't convert your RRSPs by age 71, the funds will be considered "deregistered" and taxed as income.

### **Tax-Free Savings Account (TFSA)**

A Canadian resident aged 18 and over can open a TFSA. Contributions are not tax-deductible and must be made before the end of the year.

Earnings and withdrawals are tax-free, and withdrawals can be made at any time.

The TFSA contribution limit for 2025 is \$7000.

The lowest federal personal tax rate has been reduced from 15% to 14%, effective July 1, 2025.

For first-time home buyers, there is no longer any GST on homes costing up to 1 million dollars.

The Federal **Basic Personal Amount (BPA)** has increased to \$16,129.

The Manitoba **Basic Personal Amount (BPA)** has remained at \$15,780.

Both the Federal BPA and the Manitoba BPA allow taxpayers to earn income up to this amount without paying taxes on that portion of income.

The **Volunteer Firefighter and Search and Rescue Amount** has increased from \$3,000 to \$6,000 for 2025.

**Canada Revenue Agency general enquiries: 1-800-959-8281**

**Canada child tax benefit enquiries: 1-800-387-1193**

**Business enquiries: 1-800-959-5525**

## **WHAT STAYED THE SAME**

The **deadline** for filing your personal taxes for 2025 is **April 30, 2026**.

If you are self-employed the **deadline extends** until **June 15, 2026**. If there is a balance owing it must be paid by April 30, 2026.

**March 2, 2026**, is the **deadline** to contribute to **RRSPs** for the 2025 tax year.

### **First Home Savings Account (FHSA)**

The FHSA gives prospective first-time home buyers the ability to save for the purchase of a home. Like an RRSP, contributions are deductible (up to \$8,000 per year), and withdrawals to purchase a first home would be non-taxable like a TFSA.

**Note:** Contributions you make to your FHSAs during the first 60 days of the year cannot be deducted on your income tax and benefit return for the previous year, unlike contributions to an RRSP.

Transfers from your RRSPs to your FHSAs cannot be claimed as a deduction on your income tax and benefit return.

A Canadian resident aged 18 or older who is a first-time homebuyer can open an FHSA.

The account can be held for up to 15 years or until the first home is purchased.

A withdrawal is considered qualified when used to purchase your first home; otherwise, it will be taxable.

The annual contribution limit is \$8,000, with a lifetime limit of \$40,000, per person.

### **Multigenerational Home Renovation Tax Credit**

This is a refundable credit that would provide recognition of eligible expenses for a qualifying renovation. A qualifying renovation would be one that creates a secondary dwelling unit to permit an eligible person (a senior or a person with a disability) to live with a qualifying relative.

You can claim up to \$50,000 in qualifying expenditures for each qualifying renovation that is completed. The tax credit is 15% of your costs, up to a maximum of \$7,500, for each claim you are eligible to make.

The **Children's Arts and Cultural Tax Credit** is available in Manitoba **for children under 16 in 2025**, or under 18 if eligible for the disability tax credit. Up to \$500 may be claimed per individual in 2025; \$1000 if disabled. Eligible non-fitness activities include artistic, cultural, recreational, or developmental activities.

The **Canadian Dental Care Plan (CDCP)** provides dental care coverage to qualifying Canadian residents.

To be eligible you must meet all 4 requirements:

- You don't have access to dental insurance
- You and your spouse must have filed your tax returns in Canada for the previous year
- Your adjusted family net income is less than \$90,000
- You're a Canadian resident for tax purposes

The **Manitoba Fitness Amount** is available for 2025 **for children under 16 and for young adults aged 16 through 24**. Up to \$500 may be claimed per individual in 2025; \$1000 if disabled.

If you were a resident of Manitoba at the end of the year, you can claim up to \$500 for fees paid in 2025 on registration or membership for a prescribed program of physical activity for the following individuals: yourself, if you are under 25 years of age at the end of the year, your (or your spouse's or common law partner's) child under 18 years of age at the end of the year, your spouse or common law partner, if they were a young adult, (the young adult must have been between 18 and 24 years of age at the end of the year.)

### **Home Buyers' Plan (HBP)**

The HBP is a program that allows you to withdraw from your registered retirement savings plans (RRSPs) to buy or build a qualifying home for yourself or for a disabled person. Currently the HBP withdrawal limit is \$60,000.

You have up to 15 years to repay to your RRSP the amounts you borrowed from your RRSP under the HBP.

The borrowed funds must be in your RRSP for at least 90 days before taken out. Withdraw the money no later than 30 days after the closing date.

### **First-Time Home Buyers' Tax Credit (HBTC)**

The HBTC allows first-time home buyers who acquire a qualifying home to claim a non-refundable tax credit worth \$1,500 (\$10,000 X 15%).

To be eligible, in 2025, you (or your spouse) must have:

acquired a qualifying home, did not live in another home inside or outside Canada that you (or your spouse or common-law partner) owned in the year of acquisition or in any of the four preceding years (first-time home buyer) unless you are a person with a disability).

One or both of the spouses or common-law partners may claim this amount.

### **Eligible Educator School Supply Tax Credit**

Eligible educators that purchase eligible supplies (up to \$1,000) receive a refundable credit of up to \$250.

The **Tradespeople tools expense** has remained at \$1000 for 2025. You may be able to deduct the cost of eligible tools you bought in 2025 to earn employment income as a tradesperson.

### **Home Accessibility Tax Credit (HATC)**

This is a \$20,000 non-refundable tax credit for home renovation or alteration expenses that allow a qualifying individual to gain access to, or to reduce the risk within the eligible dwelling.

To qualify, you must be either **disabled**, and or **65 and older**.

A qualifying renovation is a renovation or alteration that is of an enduring nature and is integral to the eligible dwelling (including the land that forms part of the eligible dwelling). The renovation must meet either of the following conditions:

It must allow the qualifying individual to gain access to, be mobile within and functional within, or it must reduce the risk of harm to the qualifying individual within the dwelling, and or in gaining access to the dwelling. Any item that you buy that will not become a permanent part of your dwelling is generally not eligible.

### **Labour Mobility Deduction (LMD)**

This deduction available to a **tradesperson** or **apprentice** will allow them to claim eligible temporary relocation expenses paid in 2025. Deductions are for transportation, meals and temporary lodging costs incurred for travelling significant distances to earn income at a temporary work location from temporary employment in construction.

The labour mobility deduction (LMD) allows tradespeople to claim transportation, meals, and temporary-lodging costs of up to \$4,000 annually. To qualify, you need to be an eligible tradesperson or apprentice working in the construction industry in Canada.

### **Medical Expense Tax Credit (METC) for Surrogacy and Other Expenses**

Payments made for a medical service involving in-vitro fertilization (IVF), prescribed fertility drugs, ultrasounds, and monies paid to fertility clinics to obtain donor sperm or ova are eligible.

**Canada Training Credit Limit** is a refundable tax credit available for workers between the ages of 25 and less than 65 who paid **tuition fees** in 2025. (University or college students.)

If eligible, you earn \$250 towards your Canada training limit each year to a lifetime maximum of \$5,000. Since the program started in 2020, the maximum amount you could have for 2025 is \$1,500.

**Cannabis as a medical expense** is eligible for 2025, certain conditions apply.

**Fertility Treatment Tax Credit** is a refundable tax credit available for fertility treatment fees paid in 2025. This credit is 40% of fees paid (40% of \$40,000) up to a maximum \$16,000.

**Registered Disability Savings Plan** is a savings plan intended to help **parents and others** save for the long-term financial security of a person who is eligible for the disability tax credit. Its sort of like an RESP. The Government can also contribute to this savings plan from 100% to 300% (to a max. of \$3500).

When you open an RDSP, you can apply for a Canada Disability Savings Grant and Bond. The Canada Disability Savings Grant is a matching grant that is paid up until December 31 of the year you turn 49. That means that, **if you contribute to your plan, the government will also put money into your plan, and the maximum yearly grant amount is \$3,500, with a limit of \$70,000 over your lifetime.**

The Canada Disability Savings Bond is money the government contributes to the RDSPs of low- and modest-income individuals. **You do not need to make any contributions to your plan to receive the bond. The maximum yearly bond amount is \$1,000 until you reach the limit of \$20,000.**

If you looked after a dependant (including your spouse) in 2025 you may be eligible for the **Canada Caregiver Credit**. This would be a spouse or common-law partner, a dependant, parent, grandparent, brother, sister, uncle, aunt, niece, or nephew with a **physical or mental disability**. This credit is a non-refundable federal credit.

There is also the **provincial Caregiver Amount** available for 2025 if, at any time, you kept a dwelling where you and one or more of your dependants lived. This credit is non-refundable.

The **Primary Caregiver Tax Credit** is a refundable **provincial** credit of \$1400 available to all caregivers who provide care for a minimum of 90 days in 2025. The due date for the registration form is the same due date for filing your personal income tax return. No retroactive claims allowed prior to registration.

#### **Examples of eligible medical expenses:**

- Bathroom aids (prescription required)
- Dental services
- Diapers or disposable briefs
- Gluten-free products (some conditions apply)
- Moving expenses (ask for details)
- Blue Cross, Sun Life premiums
- Renovation or construction expenses to your home for medical purposes
- Travel expenses greater than 40 km one-way
- **Home accessibility expenses to a maximum of \$20,000 to allow or improve access to homes.**

Please note the information contained in this newsletter is subject to change. Payless Income Tax Inc. is not responsible for any errors or omissions in this newsletter. It is for information purposes only to help in the filing of your 2025 taxes. If there are found to be any discrepancies or disputes, Revenue Canada Taxation will be the final authority.

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