

## 2022 Tax Changes

Each year brings changes to the tax code. Here's a summary of the most significant federal tax changes that may affect your 2022 Personal Tax filing.

### 2022 Tax brackets

All five federal income tax brackets for 2022 have been indexed to inflation using the 2.4-per-cent rate. The federal brackets for 2022 are:

- Zero to \$50,197 of income (15%)
- Above \$50,197 to \$100,392 (20.5%)
- Above \$100,392 to \$155,625 (26%)
- Above \$155,625 to \$221,708 (29%)
- Anything above \$221,708 is taxed at 33%

Additionally, each province also has its own set of provincial tax brackets, most of which have also been indexed to inflation using their respective provincial indexation factors.

### Basic Personal Tax Credit Amount

For 2022, the amount will increase to \$14,398, up from \$13,808 in 2021.

### RRSP Limit

The new maximum contribution amount for 2022 is \$29,210.

### TFSA Limit

For 2022, the TFSA limit remains at \$6,000.

## Individuals and Families

### Repaying COVID-19 Benefits

Those who received benefits in 2022 from COVID-19 relief programs, including the Canada Recovery Benefit (CRB), Canada Sickness Recovery Benefit (CSR) or Canada Recovery Caregiving Benefit (CRCB), will receive a T4A slip with the relevant tax-return information.

If you received the CRB and your net income after certain adjustments is more than \$38,000, then you may have to repay all or part of the benefits you received in 2022.

If you've already repaid all or part of your 2022 COVID-19 benefits, you can choose which year to claim the tax deduction for the repayment on, either the year you received the benefit, or the year you repaid it.

Additionally, if you received any one-time provincial payments to help you through



COVID-19, they will not be taxable, and you don't need to report them as income on your 2022 tax return.

## **Claim up to \$500 for Work-From-Home Expenses**

Once again, if you worked from home in 2022 due to the pandemic, you can claim the work-from-home tax credit. If you kept track of your expenses, you can claim your calculated total. Otherwise, you can use the flat rate method of \$2 per day.

## **New OAS Limit Amounts**

For the 2022 tax year, you will need to repay some of your Old Age Security (OAS) if your taxable income was over \$81,761. Note that if your taxable income was over \$134,626, you would not have received any OAS payments. Also, under the CRA's new Affordability Plan, seniors aged 75 and over received an automatic 10% increase of their Old Age Security pension, as of July 2022.

## **Canada Pension Plan Maximum Contributions Increased**

For 2022, the Canada Pension Plan (CPP) and Québec Pension Plan (QPP) have been increased by 2.7%. The maximum pensionable earnings are \$64,900, with a basic exemption of \$3,500. For CPP, the Employee and employer maximum contribution is \$3,039.30; for QPP it is \$3,315.60.

Note that any self-employed individuals must account for both the employer and the employee sides of the contribution. For 2022, their maximum contribution amount for the CPP is \$6,078.60 and for the QPP it is \$6,999.60.

## **The New Proposed FHSA**

Over the summer, the federal government moved one step closer to launching the new Tax-Free First Home Savings Account (FHSA) with the introduction of draft legislation and a request for comments. The proposed account offers a number of advantages, starting with the ability to contribute up to \$40,000 on a tax-free basis, with a yearly contribution limit of \$8,000. What's more, your annual contributions to an FHSA are tax-deductible, and you won't pay any taxes on capital gains or interest earned. In essence, the account combines the tax benefits of an RRSP and a TFSA.

## **Automobile Income Tax Deduction Limits**

Changes for the 2022 tax year include an increase in Capital Cost Allowance (CCA) ceiling limits for zero emission and passenger vehicles, deductible monthly leasing costs increased by \$100, and the per kilometer rate paid by employers to employees who use their personal vehicle for work has increased by 2 cents per km from last year.

## **Ontario Tax Credits**

### **The Ontario Staycation Credit**

This is a one-time tax credit for Ontarians who'll be able to claim 20% of their stay



in an Ontario hotel, cottage or campground, during 2022 up to \$1,000 individually or \$2,000 as a family.

### **The Ontario Seniors Care at Home Tax Credit**

This refundable personal income tax credit is intended to help seniors with eligible medical expenses, including expenses that support aging at home. The credit is equal to 25% of your eligible medical expenses up to \$6,000, for a maximum credit of \$1,500.

### **The Seniors' Home Safety Tax Credit**

This is a refundable credit worth 25 per cent of up to \$10,000 per household in eligible expenses, to a maximum credit of \$2,500. It can be shared by people who live together, including spouses and common law partners.

## **Getting Advice**

---

Reviewing your Tax Plans? We encourage you to talk to us. Speak to your Financial Advisor or contact investor services at 1 800 608 7707.

