

Tax Season 2025

Tax Planning & Financing Trends for Canadians



INTRODUCING

**Assentt Customer
Support System**

Raise Your Ticket Now!



Start Filing Your Personal Tax

Access Assentt's easy Tax Filing forms, Personal Tax – Deductions & Deadlines, Tax-Smart Investment Strategies, Tariff War with America, Punjabi Chamber of Commerce & Rate Pulse

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President's Message

Dear Valued Clients,

As we move further into 2025, we are reminded that the financial landscape is constantly evolving. With tax season fast approaching and economic shifts influencing both personal and business finances, it's more important than ever to stay informed and proactive in our wealth planning.

At Assentt Wealth, we remain committed to providing you with the knowledge and strategies necessary to navigate these changes confidently. This edition of our newsletter is designed to equip you with essential insights into Canada's latest tax policies, smart investment strategies, and financing opportunities that can help you optimize your wealth in 2025.

As always, our team is here to support you with personalized financial solutions tailored to your needs. If you have any questions or need assistance in preparing for tax season, I encourage you to connect with your advisor. Planning today will ensure a more secure financial future tomorrow.

Thank you for your continued trust in Assentt Wealth. We look forward to guiding you toward financial success in 2025 and beyond.

Wishing you a prosperous month ahead!

Balbir Singh Saini

Balbir Singh Saini, CPA, CGA
President, Assentt



Our Services

At Assentt, our services are designed to cater to your financial needs with excellence and precision. Whether you are looking for financing options, mortgage & leasing solutions, or tax and accounting support, we have you covered with our professional expertise.

- Accounting & Taxation
- Audit & Review Engagements
- Truck Loan
- Asset Based Financing
- Working Capital Loan
- USA Tax & Accounting
- Business Plan & Projections
- Private Mortgage
- Canada Small Business Loan
- Technology Consulting
- Govt. Audit Representation
- Equipment Leasing
- Residential & Commercial Mortgage
- Business Purchase & Sale

Personal Tax 2024

Deductions & Deadlines

Personal Tax Deadlines

March 3, 2025 - RRSP Contribution Deadline

March 7, 2025 - T4, T4A, T5 Slips Issuance Deadline

April 30, 2025 - Personal Tax Filing Deadline

June 16, 2025 - Self-Employed Tax Filing Deadline

Dec 31, 2025 - FHSA Contribution Deadline

Quarterly Tax Instalments

(For Self-Employed & High-Income Earners)

If you are required to pay taxes by instalments, here are the due dates for 2025 tax instalments:

- 👉 March 15, 2025
- 👉 June 15, 2025
- 👉 September 15, 2025
- 👉 December 15, 2025

Dec 31, 2025 - Deadline for Certain Tax Credits & Contributions

- 👉 Charitable Donations
- 👉 Medical Expenses
- 👉 RESP & TFSA Contributions

Late Filing Penalties & Interests

If you owe taxes and miss the April 30, 2025 deadline the CRA will charge

- 5% late-filing penalty on the balance owing
- 1% additional penalty per month, up to 12 months
- Interest on unpaid balances starts accruing May 1, 2025

FILE TODAY!

Send us your Documents with a Single Scan



Personal Tax Deductions & Credits

- ✔ RRSP Contributions
- ✔ TFSA Investment
- ✔ Home Office Expenses
- ✔ Disability Tax Credit
- ✔ Canada Child Benefit
- ✔ Childcare Expenses
- ✔ Moving Expenses Deduction
- ✔ First Time Home Buyer Tax Credit
- ✔ Home Accessibility Tax Credit
- ✔ Student & Education Credits
- ✔ Charitable Donations Tax Credit
- ✔ Employment Expenses
- ✔ Digital News Subscription Tax Credit
- ✔ Pension Income Splitting
- ✔ Climate Action Incentive (CAI) Rebate

Self-employed Tax Deductions

If you're self-employed, you can deduct business-related expenses, including:

- ✔ Office Rent & Utilities
- ✔ Advertising & Marketing Costs
- ✔ Vehicle Expenses (if used for business)
- ✔ Equipment & Technology Purchases
- ✔ Professional Development Courses

Introducing Assentt Ticketing System



Create a New Customer Service Request

| | |
|---|--|
| <input type="text" value="First Name"/> | <input type="text" value="Last Name"/> |
| <input type="text" value="Mobile Number"/> | <input type="text" value="Email"/> |
| <input style="background-color: #FFD700; color: #000080; text-decoration: none; border: none; padding: 2px 5px; border-radius: 5px; display: inline-block; vertical-align: middle;" type="text" value="Select Category"/> ▼ | <input type="text" value="Subject"/> |
| <input type="text" value="Description"/> | |

Submit

A New Era of Client Support

At Assentt Wealth, we are committed to delivering seamless and efficient client support. To enhance your experience, we are excited to introduce the Assentt Ticketing System – a streamlined platform designed to help you get the assistance you need quickly and efficiently.

The Assentt Ticketing System is a centralized support platform that allows clients to submit, track, and manage their inquiries related to taxes, financing, investments, and wealth planning – all in one place.

How it works:

1. Visit www.app.assentt.com
2. The form opens and start by entering your first and last name, followed by contact details.
3. Select your Request category
4. Enter Subject
5. Describe the required support in the description box
6. Click Submit

Benefits of Ticketing System

- ✦ **Submit Requests Instantly** – Raise tax, financial, or service-related queries with ease.
- ✦ **Track Your Request in Real-Time** – Stay updated on the status of your inquiry.
- ✦ **Faster Response Times** – Ensuring that your concerns are addressed promptly.
- ✦ **Direct Access to Experts** – Your queries are automatically directed to the appropriate financial or tax specialist.
- ✦ **Secure & Confidential** – Your financial data remains private and protected at all times.



Scan to Submit Your Customer Support Request with us now!

PUNJABI CHAMBER *of* COMMERCE



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BALBIR SINGH SAINI
CPA, CGA & BUSINESS ADVISOR

RRSP, TFSA & Tax-Smart Investment Strategies

Maximize Your Savings: RRSP, TFSA and Investment Tax Strategies

When it comes to building wealth and minimizing taxes in 2025, understanding the differences between Registered Retirement Savings Plans (RRSPs), Tax-Free Savings Accounts (TFSAs), and First Home Savings Accounts (FHSAs) is crucial. Each offers unique tax benefits, and choosing the right one (or combination) depends on your financial goals.

Let's explore how to maximize your savings with RRSPs, TFSAs, and tax-smart investment strategies to keep more of your money working for you.

RRSP vs. TFSA: Which is Better for You in 2025?

RRSP (Registered Retirement Savings Plan)

- ♦ **Best for:** Individuals looking for tax-deferred growth and retirement savings.
- ♦ **Key Benefit:** Contributions reduce taxable income and grow tax-free until withdrawal.
- ♦ **2025 Contribution Limit:** 18% of earned income (up to \$31,560 for 2025).
- ♦ **Taxation:** Withdrawals are fully taxed as income.
- ♦ **Best Strategy:** Contribute while in a higher tax bracket and withdraw when in a lower tax bracket in retirement.

TFSA (Tax-Free Savings Plan)

- ♦ **Best for:** Short-term savings, emergency funds, and flexible investment growth.
- ♦ **Key Benefit:** Investment growth and withdrawals are completely tax-free.
- ♦ **2025 Contribution Limit:** \$7,000 (cumulative limit since 2009: up to \$95,000 if you've never contributed before).
- ♦ **Taxation:** Contributions are made with after-tax dollars, but withdrawals are not taxed.
- ♦ **Best Strategy:** Invest in growth assets (stocks, ETFs, mutual funds) to maximize tax-free gains.

RRSP or TFSA? Which One to Prioritize?

- ♦ Choose an RRSP if you're in a high tax bracket and want tax deductions today.
- ♦ Choose a TFSA if you want flexibility, tax-free growth, and access to your money without penalties.
- ♦ Consider using both: Maximize RRSP contributions for tax savings, then invest in a TFSA for tax-free growth and liquidity.

First Home Savings Account (FHSA) for First-Time Home Buyers

The First Home Savings Account (FHSA) is a powerful new tool for first-time homebuyers, combining the best of RRSPs and TFSAs with tax-free withdrawals for home purchases.

How FHSA Works

- ♦ Contributions are tax-deductible.
- ♦ Investment growth inside the account is tax-free.
- ♦ Withdrawals for a first home purchase are tax-free.

FHSA Key Details

- ♦ **2025 Contribution Limit:** \$8,000 per year, up to a lifetime limit of \$40,000.
- ♦ **Eligibility:** First-time homebuyers haven't owned a home in the past four years.
- ♦ Unused contribution room carries forward.

Final Takeaways: Building a Tax-Smart Investment Plan

- ♦ Use RRSPs for tax-deferred retirement savings.
- ♦ Maximize TFSAs for tax-free investment growth.
- ♦ Leverage the FHSA if you're a first-time homebuyer.
- ♦ Invest tax-efficiently in the right accounts to minimize capital gains and dividend taxes.



The American Tariff War with Canada

Economic Tensions and Implications

The trade relationship between the United States and Canada has long been one of the most integrated and mutually beneficial in the world. However, recent tariff disputes have strained this historically strong economic partnership, leading to economic uncertainties, industry disruptions, and geopolitical tensions.

The latest American tariff war with Canada stems from protectionist policies aimed at bolstering U.S. domestic industries, but these measures have had widespread consequences on both sides of the border. In this article, we explore the reasons behind the tariff war, its economic impact, and the future outlook for trade relations between the two North American neighbors.

The Origin of the Tariff Dispute

The American tariff war with Canada is not an entirely new development. Trade disputes between the two countries have occurred over the years, but tensions escalated in recent years due to several key factors:

1. Protectionist Trade Policies

- The "America First" trade agenda has led to an increase in tariffs aimed at protecting U.S. industries from foreign competition.
- Canada, as a major trading partner, has been affected by tariffs on steel, aluminum, softwood lumber, and dairy products.

2. Steel and Aluminum Tariffs (Section 232 Tariffs)

- In 2018, the U.S. imposed a 25% tariff on steel and 10% on aluminum imports from Canada under national security concerns (Section 232 of the Trade Expansion Act).
- Canada retaliated with its own tariffs on U.S. exports, including whiskey, ketchup, and machinery.
- Although these tariffs were lifted in 2019, tensions remain as the U.S. continues to impose new trade barriers.

3. Softwood Lumber Dispute

- The U.S. has repeatedly placed tariffs on Canadian softwood lumber, arguing that Canada unfairly subsidizes its lumber industry.
- Canadian lumber producers, however, argue that these tariffs have raised home construction costs in the U.S. and hurt both economies.

4. Dairy and Agricultural Tariffs

- The U.S. dairy industry has long been at odds with Canada's supply management system, which regulates production and pricing.
- In response, the U.S. has imposed tariffs and pushed for greater market access, sparking resistance from Canadian dairy farmers.

5. The U.S.-Mexico-Canada Agreement (USMCA) and Ongoing Disputes

- The USMCA trade deal (which replaced NAFTA) was intended to reduce trade tensions, but disputes over auto rules, dairy access, and energy policies continue.
- The U.S. has threatened more tariffs if Canada does not comply with certain provisions, particularly in energy and digital trade sectors.

Economic Impact of the Tariff War

1. Higher Prices for Consumers & Businesses

- Tariffs increase the cost of imported goods, leading to higher prices for consumers in both countries.
- Canadian businesses that rely on U.S. machinery, equipment, and raw materials face increased costs. American companies dependent on Canadian imports (such as lumber for home construction) also face price hikes.

2. Job Losses in Affected Industries

- Canadian manufacturing and export-driven industries (such as steel, aluminum, and lumber) have suffered due to reduced demand from the U.S. market.
- American farmers and manufacturers have also lost Canadian buyers due to retaliatory tariffs, impacting employment in rural areas.

3. Strained Diplomatic Relations

- Trade disputes have created diplomatic tensions between the U.S. and Canada, affecting cooperation on broader international issues.
- While both governments emphasize the importance of trade, continued disputes have eroded trust and economic certainty.

4. Supply Chain Disruptions

- Tariffs have disrupted North American supply chains, making it harder for companies to move goods efficiently and cost-effectively.
- This has had a direct impact on industries such as automobile manufacturing, construction, and agriculture.

Capital Gains Tax Changes Deferred to 2026



The Canadian government has announced a deferral of proposed capital gains tax changes, providing temporary relief to investors, business owners, and financial planners. The expected increase in the capital gains inclusion rate—which would have raised the taxable portion of investment profits from 50% to 66.7% or higher—has been postponed, though it remains a potential future policy shift.

Why Were the Changes Deferred?

The delay comes amid concerns over economic uncertainty, rising interest rates, and potential negative impacts on business investment and entrepreneurship. Additionally, with a federal election approaching, political considerations may have played a role in avoiding immediate tax increases.

What This Means for Investors

For now, capital gains will continue to be taxed at the current 50% inclusion rate, meaning only half of any profit on the sale of stocks, real estate, or business assets is taxable. However, the deferral does not mean the policy is canceled—investors should stay prepared for potential future changes.

Why was the Capital Gains Tax Increase Deferred?

The federal government cited several key reasons for deferring the capital gains tax increase:

1. Economic & Market Uncertainty

- With high interest rates, inflation, and market volatility, increasing capital gains taxes too soon could have deterred investment and business growth.
- Delaying the increase allows businesses and investors more time to adjust.

2. Backlash from Business & Investment Sectors

- Business groups and financial experts strongly opposed the changes, warning they would discourage entrepreneurship, deter investment, and hurt Canada's competitiveness.
- Many argued that an increased tax burden on investments could slow economic recovery.

3. Political Considerations

- With a federal election approaching, the government likely postponed the tax hike to avoid public backlash and maintain voter support.
- Many Canadians rely on capital gains for their retirement savings, real estate investments and business succession plans.

How to prepare for the Capital Gains Tax Changes

1. Consider Triggering Capital Gains Before 2026

- If you were planning to sell stocks, real estate, or a business, it may be advantageous to realize gains before January 1, 2026 to benefit from the current 50% inclusion rate.

2. Use Tax-Sheltered Accounts

- TFSA (Tax-Free Savings Account): Investments inside a TFSA grow completely tax-free, meaning capital gains are never taxed.
- RRSP (Registered Retirement Savings Plan): Deferring tax through RRSP contributions can help offset future capital gains taxes.
- FHSA (First Home Savings Account): A great tool for first-time homebuyers to save tax-free for a home purchase.

3. Maximize the Lifetime Capital Gains Exemption (LCGE)

- Small business owners, farmers, and fishers should plan asset sales carefully to maximize the \$1.25 million exemption that becomes effective in June 2024.

4. Consider Income Splitting & Tax Deferral Strategies

- Investors may split capital gains with family members in lower tax brackets through family trusts or spousal transfers.
- Holding assets inside a corporation may allow for better tax deferral strategies.

5. Consult a Financial Advisor

- With tax policies in flux, working with a tax professional or financial planner can help optimize your investment and tax strategy before the inclusion rate increases.

IT MAKES SENSE TO USE AN EXPERT

BUYING FIRST HOME IN CANADA

We are part of **Canada's #1 Mortgage Broker Network** and we are the experts who can help. Each VERICO Mortgage Advisor is a member of the Canadian Association of Accredited Mortgage Professionals and adhere to a strict Code of Ethics and professional conduct guide. Many have earned the Accredited Mortgage Professional designation.

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Wealth Management: Retirement & Estate Planning

Planning for retirement and estate distribution is essential for securing your financial wellbeing and ensuring that your wealth is passed on efficiently to your loved ones. In Canada, effective retirement and estate planning involves managing savings, minimizing taxes, and making strategic decisions to protect your assets.

Key Aspects of Retirement Planning

1. Maximizing Retirement Savings Accounts

- **Registered Retirement Savings Plan (RRSP):** Provides tax-deferred growth, and withdrawals are taxed as income in retirement. The contribution deadline for the 2024 tax year is March 3, 2025.
- **Tax-Free Savings Account (TFSA):** Allows for tax-free investment growth and withdrawals, with a 2025 contribution limit of \$7,000.
- **Canada Pension Plan (CPP) & Old Age Security (OAS):** Planning when to start receiving benefits (early at 60 or delayed up to 70) can maximize lifetime payouts.

2. Converting RRSPs to RRIFs

- By age 71, RRSPs must be converted into a Registered Retirement Income Fund (RRIF) or an annuity, with mandatory withdrawals starting the following year.
- RRIF withdrawals are taxable, making strategic withdrawals key to reducing overall tax burdens.

3. Tax-Efficient Retirement Income Strategies

- Withdraw from RRSPs first to manage OAS clawback risks (for high-income retirees).
- Use TFSAs for tax-free income in retirement, as withdrawals do not impact benefits.
- Pension income splitting allows a lower-earning spouse to receive a portion of taxable pension income, reducing overall tax liability.



Key Aspects of Estate Planning

1. Creating a Will & Power of Attorney

- A valid will ensures assets are distributed according to your wishes, avoiding delays and disputes.
- Power of Attorney (POA) for financial and health decisions allows a trusted person to act on your behalf if needed.

2. Reducing Estate Taxes & Probate Fees

- Naming beneficiaries on RRSPs, RRIFs, and TFSAs allows assets to bypass probate and transfer directly to heirs.
- Establishing a trust (such as a family trust or alter ego trust) can protect assets and provide tax advantages.
- Gifting assets during your lifetime can reduce estate taxes and ensure wealth is passed on efficiently.

3. Charitable Giving & Legacy Planning

- Donating to charities through your estate can reduce taxes while supporting causes you care about.
- Life Insurance policies can be structured to provide a tax-free inheritance to beneficiaries.



Final Thoughts

Retirement and estate planning in Canada require careful financial management and proactive strategies. Whether you're planning for a comfortable retirement or ensuring your legacy is preserved, working with a financial advisor can help you make tax-efficient decisions.

RATE PULSE

BANK PRIME RATE – 5.20%

Prime Mortgage (Insured)

🔑 Variable Rate - 4.29%

🔑 Fixed Rate - 4.14%

Prime Mortgage (Conventional)

🔑 Variable Rate - 4.70%

🔑 Fixed Rate - 4.44%

Alternative Mortgage

🔑 1 year - 6.04%

🔑 2 Year - 5.60%

Private Mortgage

🔑 First Mortgage - 8%

🔑 Second Mortgage - 12%

Commercial Mortgage

🔑 Prime - 5%

🔑 Alternative - 9%

Business Loan

🔑 Business Purchase
(Variable Open Loan)
8.20%

* Rates are general in nature and subject to change. You can book an appointment with our office to review your file.

Canada Tax Deadlines

- Payroll Remittance - March 17
- Corporate Tax Payment - March 17
- Corporation HST Annual Return - March 31

Personal Tax Filing

- Employed - April 30
- Self-Employed - June 16



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