# 2024 TAX GUIDE

Updates + Tax Slips

Wealth Management - National Bank of Canada
CANADA



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### **2024 UPDATE**

#### INTRODUCTION

This guide summarizes the various tax slips you may receive from the various subsidiaries of the Wealth Management division of National Bank of Canada (NBC). You'll find information about government slips and statements, as well as other relevant information.

This guide is intended for individuals residing in Canada and does not apply to corporations or trusts.

If you have any questions about reports or forms related to products you hold with NBC (such as the report on gains and losses, stripped coupons, linked notes, declarations of foreign property - form T1135, etc.), we recommend that you contact your tax or accounting experts or advisor - they will be able to provide you with personalized advice tailored to your situation.

**IMPORTANT:** The information in this Guide is for informational purposes and should in no way be regarded as legal or tax advice. Clients should always consult their accountant or tax specialist before acting based on the information found in this Guide.

#### **USEFUL LINKS**

#### Canada Revenue Agency (CRA):

- Website (home page)
- "My Account" for Individuals
- Income Tax Package
- Financial slips and summaries

#### Digital resources of the various National Bank of Canada subsidiaries

- National Bank Financial Wealth Management
- National Bank Direct Brokerage
- Private Banking 1859



#### **A FEW TAX UPDATES**

#### 1. Capital Gains Inclusion Rate

The increase in the capital gains inclusion rate, originally scheduled for June 25, 2024, has been postponed to January 1, 2026. Until that date, capital gains will continue to be taxed at a 50% inclusion rate. As of January 1, 2026, this rate will be increased to 66.67%, but only for gains exceeding \$250,000 in a year for individuals. It should be noted that the government of Quebec stated the harmonization with the deferral until January 1, 2026, of the increase in the capital gains inclusion rate. Taxpayers are advised to follow the development(s) related to this measure. We also remind you that your tax specialists can provide you with guidance regarding potential implications of this measure.

#### 2. Alternative Minimum Tax (AMT)

Since 2024, the calculation of the Alternative Minimum Tax (AMT) has been considerably modified. Very generally, the AMT rate has been increased, the base of income covered by the tax has been broadened while further limiting exemptions, deductions and credits. However, the basic exemption has been raised. This has been raised from \$40,000 to an amount equivalent to the lower threshold of the fourth federal tax bracket, i.e. \$173,206 for 2024.

#### 3. Tax-Free Savings Account (TFSA)

The TFSA continues to be an effective tax-planning tool, allowing individuals aged 18 and over to contribute annually and grow their investments tax-free. For 2024, the contribution limit is \$7,000. It's important to note that the amount not contributed in a given year is carried forward and can be used for future contributions. Gains generated by funds invested in the TFSA (dividends, interest and capital gains) are not taxable, even when withdrawn. TFSA contributions are also flexible, allowing holders to withdraw money tax-free, and to re-contribute in subsequent years using their accumulated contribution room.

#### 4. Home Buyers' Plan (HBP)

As of April 16, 2024, Canadians can withdraw up to \$60,000 per individual, a significant increase over the previous limit of \$35,000. This withdrawal, made under the Home Buyers' Plan (HBP), allows first-time homebuyers to withdraw funds from their RRSPs (Registered Retirement Savings Plans) tax-free, provided they meet the repayment rules. In addition, for withdrawals made between January 1, 2022, and December 31, 2025, the 15-year repayment period has been extended by three years. This gives individuals more time to repay their withdrawals.



#### **IMPORTANT DATES**

The following table summarizes the government slips and statements you'll need to prepare your tax return. These documents reflect the year's transactions and income, and some may not apply to your situation. Before submitting your return, make sure you've received all your slips to avoid having to submit an amended return. Investment summaries can help you verify tax slips.

#### **NON-REGISTERED ACCOUNT**

Type of Income / Expense	Slip / Summary	Submission deadline <sup>1</sup>
Dividends, interest, foreign income	T5 and Summary	February 28, 2025
All investment income, interest and fees paid	Investment Income Summary³	February 28, 2025
Realized gains and losses	T5008 and Securities Transactions Summary <i>T</i> <sup>3</sup>	February 28, 2025
Income from stripped coupons	Accumulated Interest Report	February 28, 2025
Trust income <sup>2</sup>	T3 and Summary of Trust Income <sup>3</sup>	March 31, 2025
Limited partnerships	T5013	March 31, 2025

#### **REGISTERED ACCOUNTS**

Accounts	Slip	Submission deadline
RRSP	T4RSP	February 28, 2025
RRIF/LRIF/ LIF	T4RIF	February 28, 2025
RESP/RDSP	T4A	February 28, 2025
FHSA <sup>4</sup>	T4FHSA	February 28, 2025

- 1. Government-prescribed date.
- 2. The first time T3 slip are issued, a "Summary of Upcoming Trust Units" may be sent to you. This summary will list trusts for which the issuers have not yet provided the tax information necessary for the filing of tax slips, and for which a tax slip will be sent later.
- 3. This summary is not government-prescribed, but NBC commits to issuing it at the specified date, if needed.
- 4. T4FHSAs include RRSP contributions and transfers.

#### **RRSP CONTRIBUTIONS**

Time of Contribution	<b>Contribution Deadline</b>	Time of Reception
First 60 days of 2024	February 29, 2024	You should have received it in March 2024
Rest of the year 2024	N/A.	You should have received it in January 2025
First 60 days 2025	March 3, 2025	You should receive it in March 2025



## **NON-REGISTERED ACCOUNTS**

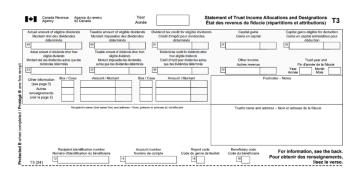
#### T3 SLIP - STATEMENT OF TRUST INCOME

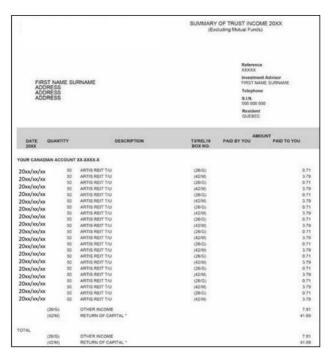
If you hold interests in mutual funds, income trusts, royalty trusts or real estate investment trusts (REITs), you will receive a T3 slip and a Summary of Trust Income from us, detailing the amounts and nature of distributions made to your non-registered account.

Mutual fund companies are responsible for issuing their own tax slips. You will receive a separate T3 slip for each mutual fund. Some fund companies issue consolidated T3 slip. In this case, you will receive a single consolidated slip.

To simplify your tax return, you can use *My CRA Account*. However, please note that T3 slips are issued in the name of the trust, and you will not find a T3 slip in the name of NBC. To accurately verify the amounts, carefully consult your Trust Income Statement Summary. The information on the Summary will help you reconcile your T3 slip for each trust. Expenses in the "paid by you" section consist mainly of foreign taxes withheld on income paid to you.

**IMPORTANT:** You may receive tax documents in April, due to late filings by certain issuers or changes made by certain income trusts and limited partnerships. Don't rush: don't file your tax return until you've received all the slips you need.







#### **T5 SLIP – STATEMENT OF INVESTMENT INCOME**

The T5 slip shows income from dividends, interest and foreign taxes paid on your investments in a non-registered account.

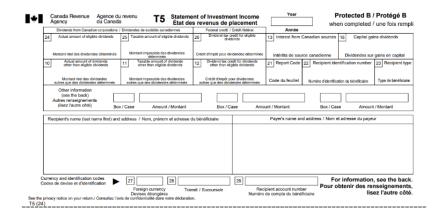
Here's some relevant information to consider:

- If your investment income is less than \$50, a T5 slip may not be issued, but you must still report it.
- The T5 slip does not cover income from discount bonds, which must be reported separately.
- The T5 slip does not include income from discount bonds, such as treasury bills and commercial paper, but these must also be reported.
- If you hold shares in a split-share corporation, U.S. real estate company or U.S. Limited Investment Fund, you will receive an additional T5 for these investments.

#### **Lending income from the Fully Paid Securities Lending Program**

Income generated by the lending of your securities under the Fully Paid Securities Lending Program must be included in your income tax return. It is reported in Box 14 - Other Canadian-source income on your T5 slip and will also appear on your Summary of Investment Income.

You should be able to deduct agent fees from your loan income under the program, which will also be reported on your Investment Income Summary. We recommend that you consult a tax specialist to understand the tax implications of your participation in this program.





#### **T5008 SLIP – STATEMENT OF SECURITIES TRANSACTIONS**

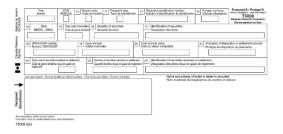
If you sold securities from your non-registered account during the year, you will receive a T5008 slip.

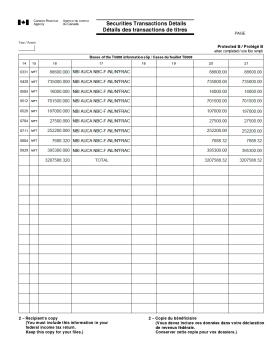
#### Here's some information about the T5008 slip:

- Boxes 14 to 21 on page 1 of the T5008: These boxes are empty, as information concerning securities transactions carried out during the year can be found on the page(s) entitled "Details of securities transactions".
- Box 20 on the Securities Transaction Details page: This amount represents the cost we have in our systems, including adjustments such as transaction fees, reinvested distributions, return of capital or certain reorganization events related to the security. If box 20 is blank, this means that the institution does not have the exact information. In all cases, you should consult your records to determine the Adjusted Cost Base (ACB) in order to correctly calculate your gain or loss. You may also wish to consult your external advisor.
- Adjusted Cost Base (ACB): The amount in Box 20 of the T5008 slip may not correspond to the ACB required to calculate the gain or loss, even though it is identical to the amount shown in the Realized Gains and Losses Report provided for information purposes.
- Calculating the gain or loss: In all cases, you must use the ACB calculated on the basis of your personal data.

For more information, have a look at the CRA's T4037 Capital Gains Guide.

**IMPORTANT:** Keep a record of your ACB calculations. This will enable you to respond to requests for additional information from the tax authorities if necessary.







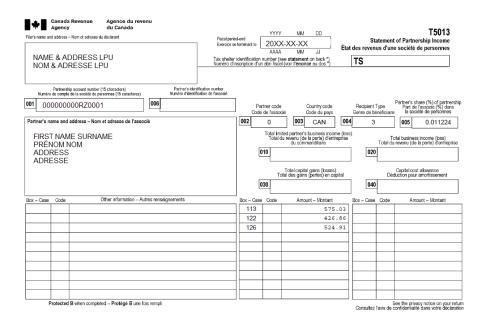
#### **T5013 SLIP – STATEMENT OF PARTNERSHIP INCOME**

If you hold units of a limited partnership (or units of a partnership), you will receive the corresponding tax information on a T5013 slip. It is important to note that you will receive a separate T5013 for each limited partnership (or partnership) you own.

A holder of partnership units must report to the CRA the allocation of amounts made by the partnership, even though these amounts may differ from those actually received. Thus, the taxpayer must rely on the amounts shown on the T5013 slip, although the amount actually distributed is generally specified for information purposes in the right-hand corner of the slip.

It is now possible to use the CRA's *My Account* system to facilitate the preparation of the return. However, the information on T5013 will be displayed in the name of each partnership, not in the name of NBC.

Because of the complexity of the T5013 slip, we strongly recommend that you consult the instructions available on the CRA website, as well as the explanations for partnerships, particularly those concerning the taxation of deferred amounts and their reporting: T5013-INST Statement of Partnership Income - Instructions for recipient





## **REGISTERED ACCOUNTS**

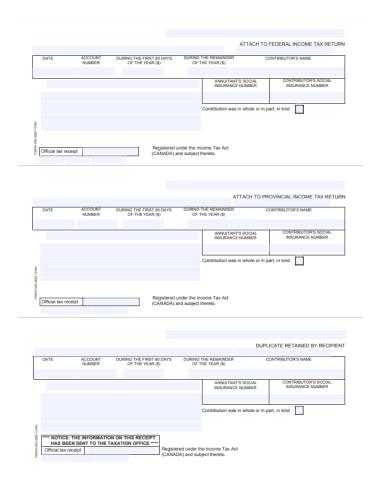
#### **RRSP CONTRIBUTIONS**

If you have made contributions to an RRSP under which you or your spouse or common-law partner is the annuitant, between March 1, 2024, and March 03, 2025, you will receive one or more RRSP contribution receipts. These receipts will be spread over two periods:

- March 1, 2024, to December 31, 2024.
- January 1, 2025, to March 3, 2025 (the first 60 days of the year).

It is essential that you complete Schedule 7 of your 2024 tax return and include all receipts, including those for contributions made during the first 60 days of 2025. This applies even if you do not claim an RRSP deduction for some or all of the contributions made between March 1, 2024, and March 3, 2025, on your 2024 tax return.

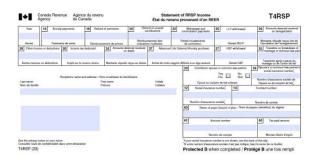
You can contribute to a spousal or common-law partner's RRSP instead of yours. These contributions will be deductible on your income tax return based on your RRSP deduction limit (i.e., RRSP contribution room). You will need to separately identify, in Schedule 7, the contributions made to your own RRSP from those made to your spousal or common-law partner's RRSP.





#### RRSP OR RRIF WITHDRAWAL - T4RSP AND T4RIF SLIPS

If you made a withdrawal from your RRSP or RRIF account during the year, you will receive a T4RSP or T4RIF slip, as applicable, showing the amount withdrawn and the tax withheld at the source. The tax withheld at the source will be credited to your tax liability on your income tax return. You may still have to pay tax, particularly if you have other sources of income.

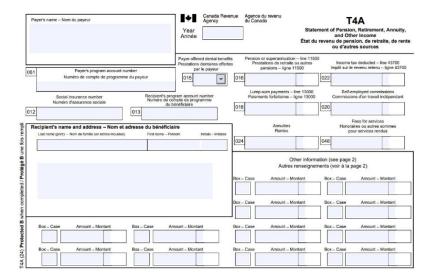






#### **RESP WITHDRAWAL - T4A SLIP**

A withdrawal of grants or income from a RESP will be followed by the issuance of a T4A slip in the name of the plan beneficiary. Withdrawals of capital from a RESP are not subject to income tax.

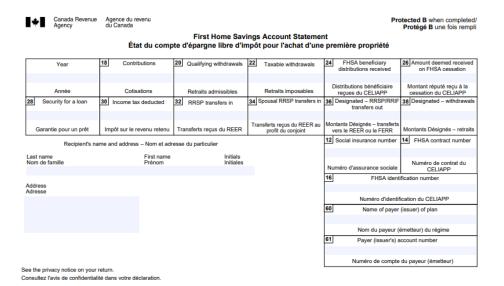




#### FIRST HOME SAVINGS ACCOUNT - T4FHSA

T4FHSAs are used to report amongst others, account openings, contributions, transfers, eligible withdrawals and taxable amounts allocated or paid to FHSA account holders or beneficiaries.

For more information: Reporting FHSA activities on your income tax and benefit return



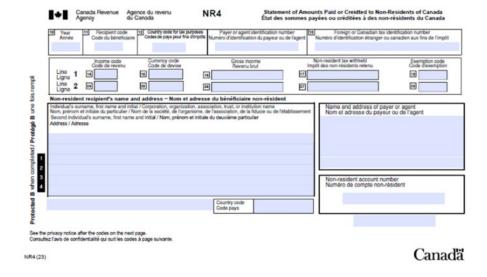


### **MISCELLANEOUS**

#### NR4 SLIP (FEDERAL) – STATEMENT OF AMOUNTS PAID OR CREDITED TO NON-RESIDENTS OF CANADA

Non-residents of Canada will receive an NR4 slip detailing gross investment income, withholding tax (if applicable) and withdrawals from registered accounts. As a general rule, the withholding tax will be considered a final tax, which means that the non-resident will not have to file a Canadian income tax return, except in certain special situations.

In addition, Canadian non-residents holding limited partnership units (or partnership units) may also receive a T5013 slip. For more information on the T5013 slip, please see the previous section.





#### STRIPPED COUPONS AND RESIDUAL BONDS

There are specific tax rules for stripped coupons/residual bonds, so it's important to consult your external advisor. That said, to assist you in preparing your tax return, you will receive an annual **Accumulated Interest Report** indicating the notional interest amount to be added to your return.

	ACCU	UMULATED INTERE	ST (CAD)				
					THEORETICA	L PRICE	
Client Name	Description	Last Purchase Tran	s. Type Quantity	YTM Cost	Beginning	Ending	Accum. Interes
	INT-ONTARIO PROV 2JUN20	2019/03/29 Held	ı		n/a	n/a	n/a
	INT-QUEBEC HYD 15AG21	2019/03/29 Sell	(51,510)	1.91	96.27	97.53	658.47
	INT-QUEBEC HYD 15AG21	2019/03/29 Sell	(51,525)	1.91	96.27	97.99	893.9
							\$ 1,552.4
	INT-ONTARIO PROV 2JN22	2019/03/29 Held	43,785	2.14	93.82	95.84	881.95
	INT-ONTARIO PROV 2DC22	2020/03/25 Buy	35,961	1.09	97.12	97.85	263.03
	INT-ONTARIO PROV 2DC22	2020/03/25 Sell	(8,170)	1.09	97.12	97.32	16.20
							\$ 279.2
	INT-ONTARIO PROV 2JN26	2019/06/28 Buy	54,000	2.11	86.45	88.15	919.90
	INT-QUEBEC HYD 15AG27	2019/03/29 Held	82,650	2.77	80.24	82.48	1,856.91
	INT-QUEBEC HYD 15AG28	2019/03/29 Held	56,235	2.55	79.60	81.64	1,148.63
	INT-QUEBEC HYD 15AG28	2019/08/19 Buy	18,000	1.90	84.35	85.94	286.87
	INT-QUEBEC HYD 15AG28	2019/09/17 Buy	9,900	2.29	81.61	83.32	169.27

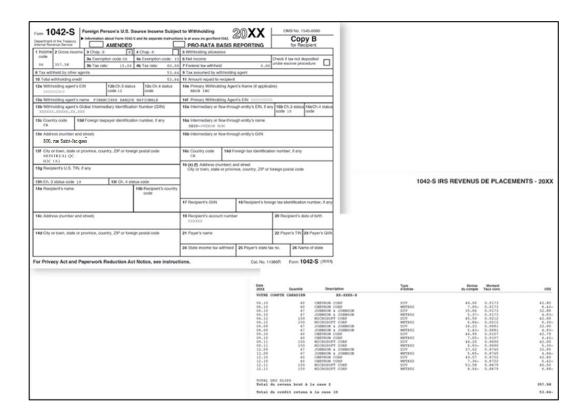


## FORM 1042-S – FOREIGN PERSON'S U.S. SOURCE INCOME SUBJECT TO WITHHOLDING

If you are not a U.S. citizen and have received U.S.-source income from an account, such as a RESP, TFSA or FHSA, you will receive a 1042-S form indicating the income generated and the income tax withheld. However, registered accounts (RRSPs, RRIFs, LIFs, LIRAs, LRSPs) do not require a 1042-S form, as NBC files a joint return with the IRS. Under the Canada-U.S. tax treaty, these accounts are exempt from withholding tax, unless the holder has been a non-resident of Canada for more than 5 years and is not a citizen or resident of the U.S., in which case withholding tax applies according to the tax treaty with the holder's country of residence.

#### Rules for Publicly Traded Partnerships (PTPs) generating Effectively Connected Income (ECI) in the U.S.

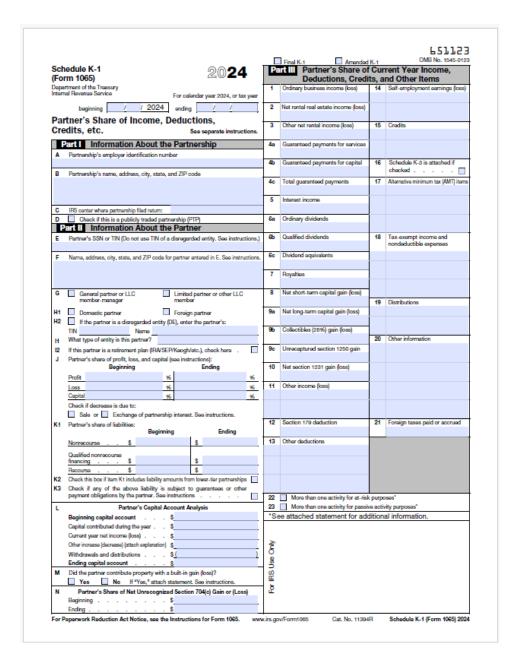
Holding PTP units can result in the issuance of multiple 1042-S tax slips for each type of passive income generated, such as U.S.-source dividends or interest (PTPs and non-PTPs). Since January 2023, when a PTP is sold or transferred, a 10% withholding tax is applied to the proceeds of disposition, regardless of whether there is a gain or loss. A 1042-S slip will be issued to report this disposition and withholding. A non-U.S. unitholder can recover a portion of this withholding by filing a U.S. tax return, requiring an ITIN. Each PTP generates a 1042-S slip, so holding multiple PTPs will result in multiple forms being issued.





# FORM K-1 – US PARTNERSHIP TAX RETURNS (Partner's Share of Income, Deductions, Credits, etc.)

A broker acting as nominee must forward the information required to produce the U.S. K-1 tax form for the PTP to the accounting firm engaged for this purpose. The broker must ask unitholders for their U.S. ITIN and keep proof of this request, even if the unitholder does not have an ITIN, in which case he or she will probably have to apply for one. The K-1, used for the U.S. tax return, shows the PTP portion of income, gains, losses, deductions and credits. If an amended K-1 is required, the holder should contact the PTP or the accounting firm. PTP unit holders may be required to file a U.S. tax return and should consult a tax advisor to analyze their obligations.





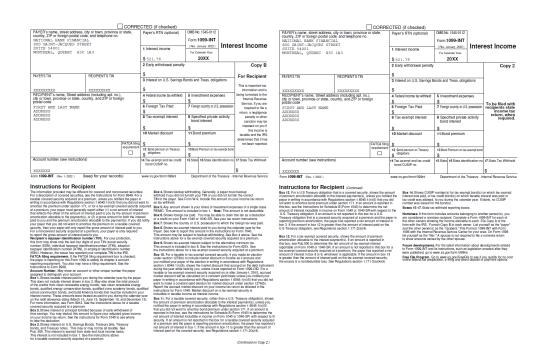
## FORM 1099-DIV – DIVIDEND AND DISTRIBUTIONS & FORM 1099-INT – INTEREST INCOME

If you are a "documented" U.S. investor, U.S. resident or not, you will receive a Form 1099-DIV and/or a Form 1099-INT corresponding to your U.S.-source dividend and interest income generated by your investments in your RESP, RDSP, TFSA and TFSA accounts.

If you are a "non-documented" U.S. investor, you will receive a Form 1099-DIV or Form 1099-INT for U.S.-source income from your non-registered accounts, in addition to income from your RESPs, RDSPs, TFSAs and TFSAAPPs, as well as withholdings made and remitted to the U.S. taxing authority, the Internal Revenue Service ("IRS").

In this context, "documented" refers to supporting documentation establishing the client's U.S. residency or citizenship that can be established by providing IRS Form W-9.



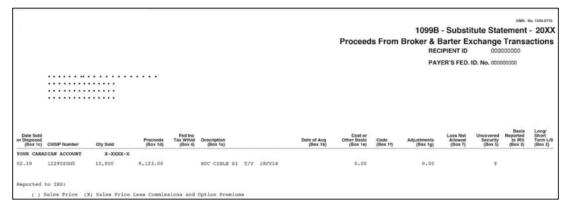




## FORM 1099-B – PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS

If you are a "documented" U.S. investor residing in the U.S., you will receive a Form 1099-B for all dispositions of securities in your RESP, RDSP, TFSA and TFSA accounts. If you are a "non-documented" investor residing in the U.S., you will receive this same form for dispositions of securities and withholdings made and remitted to the U.S. Internal Revenue Service ("IRS") from your non-registered accounts in addition to the accounts mentioned. No Form 1099-B is filed for U.S. investors who are not U.S. residents. The term "documented" refers to proof of U.S. residency or citizenship, usually provided with IRS Form W-9. These forms are used to complete the U.S. income tax return (Form 1040).

							IRS TRADING SUMMARY - 20XX				
							RECIPIENT ID	000000000			
	FIRST NAME SURNAME ADDRESS ADDRESS ADDRESS										
DATE	QUANTITY SECURITY DESCRIPTION	PRICE	PROCEEDS 4006TE)	COMM	CONV	PROCEEDS ACOSTS USS	COMM UNCOVERED USS (YM)	WASH SALE USS	GAIV TI	ONOV HORS TETM 6.70	
TOUR	CANADIAN ACCOUNT X-XXXX-X										
11.14	250- ALTER HHG CORP-HEM	2.71	609.73		0.0026	530.17	¥	0.00	0.00		
71	stal Proceeds					538.17					
11.14	128,972- MLI GRW OPP CL /W	27.398	3,533.57		0.8826	3,110.73	¥	0.00	6.00		





#### **NOTE LÉGALE**

You agree to release National Bank of Canada and National Bank Financial Inc., its affiliates, employees, agents, representatives, officers and directors, even in the case of gross negligence or misconduct, from and against all liabilities, claims, losses and/or damages (including legal fees and expenses) and from all proceedings, claims or any other cause of action as to the accuracy of the information herein (as well as in the mentioned documents and statements) and the fiscal impacts resulting from their use.

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