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WaterSchool Update



New Tax Reporting Related to National Dental Care

As a part of the roll out of the Canadian Dental Care Plan, the CRA is requiring employers to report whether your employees, former employees, or any spouse of a deceased employee has access to Dental Care as of December 31, 2023.

A couple of important points to consider:

1. The CRA considers a health spending account as dental coverage, so if you don't have a dental plan, but do have a health spending account, then the CRA considers your employees as having dental coverage.
2. The CRA wants to know if your employees have access to the plan, not if they've selected to take it. So, for example,
 - a. If an employee has chosen to waive their dental coverage due to their spouse's plan, you would still mark them as having access to the plan.
 - b. If you don't have a dental plan, but do have a health spending account and allow employees to allocate their credits between the health spending and a wellness account, you would mark the employee as having access, even if they put all of their credits in the wellness account.
3. The insurers will not be providing a report on this because their systems do not capture all of the necessary information to code an employee.

4. The code will go in Box 45 on T4s and Box 015 on T4As. The codes are listed below:

Code	Description
1	No access to any dental care insurance, or coverage of dental services of any kind
2	Access to any dental care insurance, or coverage of dental services of any kind for the payee*
3	Access to any dental care insurance, or coverage of dental services of any kind for the payee, spouse, and dependents
4	Access to any dental care insurance, or coverage of dental services of any kind for only the payee and their spouse
5	Access to any dental care insurance or coverage of dental services of any kind for only the payee and dependents

*payee refers to employee

Please let us know if you'd like any support with this – specifically if you have questions about whether the program you offer to employees qualifies as dental coverage in the eyes of the CRA. It's likely your payroll service provider will also be a good source of support and information.

2024 Employment Insurance Adjustments

The federal government announced the annual adjustments to the regular Employment Insurance (EI) maximums and premium rates. Effective January 1, 2024, the following changes will affect Short Term Disability (STD) volumes and premiums:

Maximum Insurable Earnings	Premium Rate per \$100 of Insurable Earnings	Maximum Annual Contribution	Maximum EI Weekly Benefit
\$63,200	Employee: \$1.66 Employer: \$2.32	Employee: \$1,049.12 Employer: \$1,468.77	\$668

*Employer Contribution is equal to 1.4 times the employee premium.

This change affects an insured STD plan if:

- The benefit is a flat amount equal to the EI maximum
- The STD maximum is equal to the EI maximum
- STD benefits are calculated using EI maximum insurable earnings

If your insured STD plan or self-insured sick leave plan provides a maximum weekly benefit of less than the new EI weekly maximum benefit of \$668, your plan may not qualify for the EI premium reduction program.



RRSP vs. TFSA: Which is a better savings vehicle?

For the most part, it depends on your savings goals.

RRSPs are a great way to save, if you're:

- saving for retirement.
- at the stage of your career when your income is higher, and you could make good use of the tax breaks.
- likely to have a lower income tax rate when you take your money out.

TFSAs are a great way to save, if you're:

- saving for something short- or mid-term, like new technology, car repairs, or an emergency fund.
- at the start of your career and expect your income to grow in the future.
- likely to want a little flexibility in retirement, to pay for something unexpected, renovate, or travel.

You don't need to choose one or the other. Both can work hard for you in different ways. Instead, think about how each can help you reach your savings goals.

Ask yourself ...

To decide what makes sense for you, start by asking yourself some questions. Then ask them again from time to time, in case your answers have changed.

What am I saving for? How long do I have before I'll need the money?

- If it's retirement, it may be better to save in an RRSP.
- If it's something short-term, like home renovations, or your emergency fund, it may make more sense to save in a TFSA.

Will I make more money in the future?

- If your salary's already high, it may be better to save in an RRSP – since your contributions might lower the income tax you'll have to pay.
- If you expect your salary to get higher, it may be better to save in a TFSA right now – building up your RRSP contribution limit for later, when you're making more money and need the tax breaks.

Will my employer contribute for me?

- If your employer is offering company contributions to your RRSP or another plan, take advantage of it. If the amount they put in is based on the amount you put in, make sure you're getting as much as you can out of that offer.
- Then decide what to do with any extra money you want to save.

Working together – in retirement!

Ideally, if you plan well for your retirement ...

- your RRSP, other retirement plans, and government benefits can cover your basic living expenses – a reliably consistent “pay day” each month.
- your TFSA can give you the flexibility of a little extra when you need it – without having to worry about affecting your taxable income, or your government benefits.

Don't forget to get help with your finances to ensure you're staying on track.

What's the difference?

	RRSP	TFSA
Putting money in	No minimum age Maximum age is 71	Minimum age is 18 No maximum age
	Up to 18% of last years earnings (up to CRA limit)	Up to \$7,000 a year
	May lower the income tax you have to pay	Won't lower the income tax you have to pay
Leaving money in	Don't pay tax on growth while it's in the plan	
	Many different funds to choose from	

	RRSP	TFSA
Taking money out	May raise the income tax you have to pay	Won't raise the income tax you have to pay
	May affect government retirement benefits	Won't affect government retirement benefits
	Won't affect your contribution limit	Raises next year's contribution limit by the amount to take out
	Tax-free up to a specific amount to: <ul style="list-style-type: none"> • Buy your first home • Pay for education for you or your spouse • Repay within time limit or pay tax on what's left 	Tax-free, in any amount, for any reason *No reason to repay

*Information in part with Manulife



UPCOMING EVENT

Hillcrest Luncheon at the ZooUpcoming
Event!

If you haven't already done so, please email us to register for our Luncheon at the Zoo on January 24th.

- Speaker: Andrew Coyne, *Nationally Syndicated Political Journalist*
- Wednesday, January 24, 2024
- 11:30 a.m. to 1:30 p.m.
- Buffet lunch begins at 11:30 a.m.
- Enmax Conservatory, Calgary Zoo (parking code will be provided)

Andrew Coyne will offer insights on the intersection between policy, politics and the economic and social challenges facing the country, and how well governments are facing up to them.

A LUNCHEON WITH  Hillcrest

The Political Landscape: Where Are We headed?

SPEAKER

Andrew Coyne
*Nationally Syndicated
Political Journalist*

LOCATION

**Enmax Conservatory,
Calgary Zoo**

DATE

**Wednesday,
January 24, 2024**

TIME

11:30am – 1:30pm
Buffet lunch begins at 11:30 a.m.

RSVP

Send us an email to reserve your spot.
dave@hillcrest-financial.com

WaterSchool Gift Catalogue: Give Hope and Health

“This year, I wanted to share with you a new way to support WaterSchool while also shopping for your loved ones: **our new gift catalogue!** It’s an easy way to give a thoughtful, generous gift to someone you love, while also making an impact in the world.

Here’s how it works...

1. Choose a gift for a loved one

Browse the WaterSchool gift catalogue and select gifts for your loved ones. These items also make great gifts for teachers, clients, neighbours, coaches and others in your community!

2. Give health and hope

Every dollar you give will be used to bring clean water, health and hope to families across Uganda through WaterSchool’s clean water access programs, community transformation programs, and support of women and girls.

3. Send a Christmas card

Together with our team, we’ll make sure your loved one receives an e-card or mailed card letting them know of your thoughtful and compassionate Christmas gift in their honour.

As you explore the catalogue, you’ll see that you can champion a family for WaterSchool’s complete training program, build a rainwater collection tank, and much more.

No matter which gifts you choose, you’ll be empowering community transformation in Uganda. That’s because 100% of every dollar you give through WaterSchool’s gift catalogue goes directly to our clean water access projects, hygiene education seminars, and sanitation training programs. **And don’t forget that Hillcrest is matching all contributions made before December 31st up to \$10,000.**

Thank you for giving hope and health this Christmas season with WaterSchool!



Be sure to checkout
the website at
waterschool.com

