

# 2019 FINANCIAL PLANNING FACTS AND FIGURES (AS OF NOVEMBER 30, 2018)

## RRIF ANNUAL MINIMUM WITHDRAWAL AMOUNTS

(Fair market value of non-qualifying RRIF on December 31 of previous year multiplied by prescribed factors below)

Age	Non-qualifying RRIF Min.	Age	Non-qualifying RRIF Min.
71	0.0528	84	0.0808
72	0.0540	85	0.0851
73	0.0553	86	0.0899
74	0.0567	87	0.0955
75	0.0582	88	0.1021
76	0.0598	89	0.1099
77	0.0617	90	0.1192
78	0.0636	91	0.1306
79	0.0658	92	0.1449
80	0.0682	93	0.1634
81	0.0708	94	0.1879
82	0.0738	95 or older	0.2000
83	0.0771		

\* RRSPs must be converted by the end of the year in which the planholder turns 71.

\*\* For annuitants under 71 years of age. Annual Minimum Payment (AMP) for non-qualifying RRIF = (value of RRIF at beginning of the year \* 1/90-planholder's or spouse's age).

## MAXIMUM CONTRIBUTION LIMITS

Year	RRSP <sup>1</sup>	TFSA <sup>3</sup>	RPP <sup>2</sup>
2017	\$26,010	\$5,500	\$26,230
2018	\$26,230	\$5,500	\$26,500
2019	\$26,500	\$6,000	\$27,230

1. Annual RRSP contributions are limited to the lesser of 18% of your earned income from the prior year or the annual maximum contribution noted above plus any carry-forward contribution room.

2. The RPP annual contribution limits apply to defined contribution pension plans only.

3. The cumulative TFSA limit for 2019 is \$63,500.

## RRSP OVERCONTRIBUTION RULES

• A monthly penalty tax of 1% is applied to RRSP contributions made in excess of the maximum contribution limits.

• If an individual is 19 years of age or over at any time in the current year, they are entitled to a cumulative lifetime over-contribution amount of \$2,000 before the penalty is applied.

Source: Service Canada

## RESP LIMITS

Lifetime contribution limit per beneficiary	\$50,000
Maximum total CESG limit per beneficiary	\$7,200
Basic CESG rate on the first \$2,500 of annual contributions	20%
CESG Annual limit per beneficiary	\$500
In the case of unused CESG room, catch-up payments eligible for grant subject to:	
– Lifetime Limit	\$7,200
– Annual Limit	\$500

Source: Service Canada

## WITHHOLDING TAX RATES FOR RRSP AND RRIF WITHDRAWALS<sup>1</sup>

Amount	All provinces excluding Quebec <sup>2</sup>	Quebec <sup>3</sup>
Up to \$5,000	10%	(5% + 15%) = 20%
\$5,000.01 to \$15,000	20%	(10% + 15%) = 25%
Above \$15,000	30%	(15% + 15%) = 30%

1. There is no withholding tax on RRIF minimum amounts.

2. Rates apply to RRSP Withdrawals and RRIF withdrawals in excess of RRIF minimums.

3. Quebec applies a flat 15% withholding tax on all RRIF withdrawals excluding RRIF minimum payment amounts. Federal withholding tax rates will be added on RRIF withdrawals in excess of RRIF minimum payments of up to \$5,000 (5%), \$5,001 to \$15,000 (10%), and over \$15,000 (15%) respectively.

## SPOUSAL RRSP RULES

- Any amounts that may be contributed to an individual's own plan under their personal RRSP deduction limit may be contributed to a Spousal RRSP instead.
- For a 2018 withdrawal, the contributor declares income if contributions were made to any Spousal RRSP in 2016, 2017 or 2018.
- Contributions to a Spousal RRSP may be made by a contributing spouse up to and including the year their spouse turns 71 (tax deductible to contributing spouse), provided the contributor has available RRSP room.

Source: Service Canada

## PENSION INCOME SPLITTING RULES

Age	Eligible Income
65 and older	Eligible pension income includes annuity and registered retirement income fund (including life income fund) payments, registered retirement savings plan (RRSP) annuity payments (not withdrawals), and the taxable part of life annuity payments from a superannuation or pension fund or plan.
Younger than 65	Eligible pension income includes the taxable part of life annuity payments from a superannuation or pension fund or plan and certain payments if they are received as a result of the death of a spouse or common-law partner.

## MAXIMUM CAPITAL GAINS EXEMPTION

Year	QSBC Shares	Farming/Fishing Property
2017	\$835,716	\$1,000,000
2018	\$848,252	\$1,000,000
2019	\$866,912	\$1,000,000

## OAS PENSION RECOVERY TAX ("OAS CLAWBACK") INCOME THRESHOLDS

Income Year	Income Level Clawback Begins at:	Full Clawback at	Clawback Period
2016	\$73,756	\$119,512	July 2017 – June 2018
2017	\$74,788	\$121,314	July 2018 – June 2019
2018	\$75,910	\$123,386	July 2019 – June 2020

## RDSP LIMITS

Contribution Room	\$200,000 lifetime maximum
Plan Opening/Contribution Age Minimum	No minimum age, however, before the end of calendar year in which the contributor turns 59 years of age is the maximum age to open a plan
Plan End Date Requirement	By December 31 following the calendar year in which the beneficiary (i) dies, or (ii) when the beneficiary is no longer considered to have a severe or prolonged impairment in physical or mental functions that qualify them for the disability amount and an election to extend the period for which an RDSP may remain open is not filed
Annual Contribution Deadline	December 31
Tax on Income/Capital Gains	Deferred until withdrawn
Government Grants	Canada Disability Savings Grant (CDSG): Subject to family income-based eligibility requirements (\$70,000 lifetime maximum). Canada Disability Savings Bond (CDSB): Subject to family income-based eligibility requirements (\$20,000 lifetime maximum).

Source: Service Canada

## CPP/QPP & OAS THRESHOLDS

Maximum CPP/QPP at 65 for 2019:	\$1,154.58/month
Maximum OAS Pension for 2019:	\$601.45/month (Q1) changes quarterly

## ATTRIBUTION RULES

Type	Gift	No or low-interest loan	Loan at prescribed or commercial rate
Spouse			
Income	Attributed to 'gifter'	Attributed to lender	No attribution
Capital Gains	Attributed to 'gifter'	Attributed to lender	No attribution
Second Generation Income	No attribution	No attribution	No attribution
Child under 18			
Income	Attributed to 'gifter'	Attributed to lender	No attribution
Capital Gains	No attribution	No attribution	No attribution
Second Generation Income	No attribution	No attribution	No attribution

\* No attribution for Child over 18

# 2019 FINANCIAL PLANNING FACTS AND FIGURES (AS OF NOVEMBER 30, 2018)

## 2019 CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC) RATES

(Combined Federal & Provincial/Territorial Tax Rates)

Jurisdiction	Active Business Income to \$500K (%) <sup>1</sup>	Active Business Income Greater Than 500K (%)	Investment Income (%)
Federal	9	15	38.67
Alberta	11	27	50.67
British Columbia	11	27	50.67
Manitoba	9	27	50.67
New Brunswick	11.5	29	52.67
Newfoundland & Labrador	12	30	56.67
NWT	13	26.5	50.17
Nova Scotia	12	31	54.67
Nunavut	13	27	50.67
Ontario	12.5	26.5	50.17
PEI	12.5	31	54.67
Quebec	15	26.6	50.27
Saskatchewan	11	27	50.67
Yukon	11	27	50.67

1. The federal small business deduction (SBD) applies to the first \$500,000 of income from an active business carried on in Canada by a Canadian-controlled private company ("CCPC"). It must be shared with associated CCPCs and may be clawed back for "large" corporations with taxable capital of associated corporate groups exceeding \$10M (and is completely eliminated when the associated group's taxable capital exceeds \$15M). Similarly, the provinces and territories offer reduced rates, generally up to the first \$500,000 of active business income.

## 2019 U.S. GIFTS AND ESTATE TAX

Giftor	Receiver	Gift tax annual exclusion amount
U.S. citizen	Other than spouse	USD \$15,000 per donee
U.S. citizen	U.S. spouse	Unlimited
U.S. citizen	Non-U.S. spouse	USD \$155,000

1. U.S. citizens and U.S. domiciliaries are subject to estate and gift tax at a progressive rate of 18-40%.  
 2. The combined lifetime gift and estate exemption amount is USD \$11.40 million in 2019.  
 3. Non-U.S. citizens with U.S. situs assets over USD \$60,000 and worldwide assets over USD \$1.40 million.

## PROBATE FEES

Province	Estate Size	Fee/Tax
Alberta	First \$10,000	\$35
	\$10,000 to \$250,000	Progressive to \$400
	Over \$250,000	\$525
British Columbia	First \$25,000	\$0
	\$25,000 to \$50,000	0.6% + \$200 admin fee
	Over \$50,000	\$150 + 1.40% of excess + \$200 admin fee
Manitoba	First \$10,000	\$70
	Over \$10,000	\$70 + 0.70% of excess
New Brunswick	First \$5,000	\$25
	\$5,000 to \$20,000	Progressive to \$100
	Over \$20,000	\$100 + 0.50% of excess
Newfoundland & Labrador	First \$1,000	\$60
	Over \$1,000	\$60 + 0.60% of excess
Northwest Territories and Nunavut	Less than \$10,000	\$30
	\$10,000 to \$250,000	Progressive to \$325
	Over \$250,000	\$435
Nova Scotia	First \$10,000	\$86
	\$10,000 to \$100,000	Progressive to \$1,002.65
	Over \$100,000	\$1,002.65 + 1.695% of excess
Ontario	\$1,000 or less	\$0
	First \$50,000	0.50%
	Over \$50,000	\$250 + 1.50% of excess
PEI	First \$10,000	\$50
	\$10,000 to \$100,000	Progressive to \$400
	Over \$100,000	\$400 + 0.40% of excess
Quebec	Notarial Wills	No fee
	Verification of Wills for a natural and legal person	\$202
Saskatchewan	All Estates	0.70%
Yukon	\$25,000 or less	\$0
	Over \$25,000	\$140

## 2019 TOP MARGINAL PERSONAL TAX RATES (%)\*

	Ordinary Income	Capital Gains	Eligible Dividends	Non-eligible Dividends
Federal	33.00%	16.50%	24.81%	27.57%
Alberta	48.00% <sup>1</sup>	24.00% <sup>1</sup>	31.71% <sup>1</sup>	42.56% <sup>1</sup>
British Columbia	49.80%	24.90%	31.44%	44.64%
Manitoba	50.40%	25.20%	37.78%	46.67%
New Brunswick	53.30%	26.65%	33.51%	47.75%
Newfoundland & Labrador	51.30%	25.65%	42.62%	44.59%
NWT	47.05%	23.53%	28.33%	36.82%
Nova Scotia	54.00%	27.00%	41.58%	48.28%
Nunavut	44.50%	22.25%	33.08%	37.99%
Ontario	53.53% <sup>2</sup>	26.76% <sup>2</sup>	39.34% <sup>2</sup>	47.40% <sup>2</sup>
PEI	51.37%	25.69%	34.23%	45.22%
Quebec	53.31%	26.65%	39.99%	46.25%
Saskatchewan	47.50%	23.75%	29.64%	40.37%
Yukon	48.00% <sup>3</sup>	24.00% <sup>3</sup>	28.93% <sup>3</sup>	42.17% <sup>3</sup>

1. Incomes over \$314,928  
 2. Incomes over \$220,000  
 3. Incomes over \$500,000

\* As of November 2018 prior to spring 2019 provincial budgets

- Dividends and proceeds from the disposition of taxable Canadian property earned by non-residents are subject to a federal withholding tax of 25% and the rate of such withholding may be lowered where a tax treaty applies.
- Generally, eligible dividends are paid from income which is subject to the general corporate tax rate, excluding investment income. • Generally, non-eligible dividends are those paid by CCPCs from income eligible for the Small Business Deduction or from investment income.
- A taxpayer's ability to claim the full dividend tax credit will be dependent on the other sources of income earned, with the higher rate applying if the taxpayer has no other income.
- A non-resident will pay tax on taxable income below \$12,069 if the non-resident does not qualify for the federal personal basic tax credit.
- Non-resident rates for interest and dividends apply only in limited cases; generally, interest (other than most interest paid to arm's-length non-residents) and dividends are subject to Part XIII non-resident withholding tax.
- Applies to incomes over \$210,371 – i.e. highest federal tax bracket. Unless the highest provincial tax bracket applies as otherwise indicated.

## IMPORTANT DATES

RESP Contribution Deadline	December 31, 2019
2018 Self-employed Business Tax Filing Deadline	June 15, 2019
Quarterly Deadlines – Personal Tax Installments	March 15, 2019 June 15, 2019 September 15, 2019 December 15, 2019
RRSP Contribution Deadline for 2019 tax year	March 2, 2020
2018 Individual Tax Filing Deadline	April 30, 2019

\*If the deadline falls on Saturday, Sunday or a holiday, taxpayers have until the next business day to file.

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