

2019 Tax Facts & Figures

Personal Marginal Tax Rates (%)

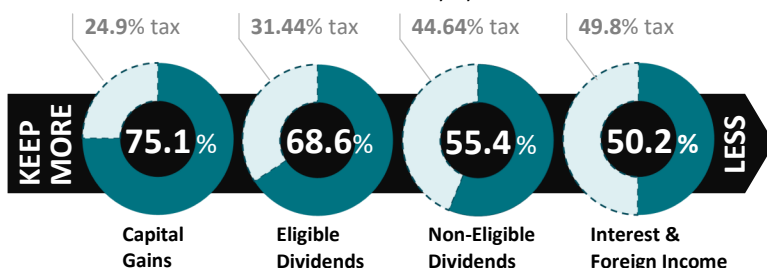
Taxable Income (\$)	Interest & Regular Income	Capital Gains	Eligible Canadian Dividends	Non-Eligible Canadian Dividends
First 40,707	20.06	10.03	-9.60	10.43
*Up to 47,630	22.70	11.35	-5.96	13.47
*Up to 81,416	28.20	14.10	1.63	19.80
*Up to 93,476	31.00	15.50	5.49	23.02
*Up to 95,259	32.79	16.40	7.96	25.07
*Up to 113,506	38.29	19.15	15.55	31.40
*Up to 147,667	40.70	20.35	18.88	34.17
*Up to 153,900	43.70	21.85	23.02	37.62
*Up to 210,371	45.80	22.90	25.92	40.04
Over 210,371	49.80	24.90	31.44	44.64

*Portion of taxable income over the amount listed in the row above.

The combined federal and BC marginal tax rates above reflect the basic personal amount and maximum eligible and ineligible dividend tax credits.

Personal Tax Efficiency

Efficiency is measured by the cash you keep after-tax, based on top, marginal, combined federal and BC tax rates. Rates vary by taxable income.



Tax-Free Dividend Limits

Eligible Dividends are paid by Canadian resident corporations from income that has been subject to the general federal corporate tax rate. **\$51,800**

Non-Eligible Dividends are paid by CCPCs from income eligible for the small business deduction (SBD) or from investment income, other than eligible dividends. **\$22,150**

Approximate cash amount of dividends for an individual with no other income.

Charitable donations of up to 75% of net income can be claimed in the year of gift or the following five years.

► **Exception:** In the year of death or the year preceding death, donations totalling 100% of net income can be claimed.

Capital gains arising on donations of publicly traded securities are not taxable.

► The donor still receives a donation tax credit for market value of the donated securities.

Important Dates

Tax Filing Deadline: Individual	Apr 30, 2019
Tax Filing Deadline: Self-Employed	Jun 17, 2019
Tax-Loss Selling ¹	Dec 27, 2019
Charitable Donations	Dec 31, 2019
RESP Contribution Deadline	Dec 31, 2019
Family Loan Interest Payment Deadline ²	Jan 30, 2020
RRSP Contribution Deadline	Mar 2, 2020
Quarterly Instalments ³	15 th of Mar / Jun / Sep / Dec

¹ Last trade date for Canadian and U.S. markets to settle in 2019.

² CRA's prescribed interest is 2% (Q1 2019).

³ Where the installment date lands on a weekend or statutory holiday, the payment is due on the first following business day.

Key 2019

Tax Credits

	FEDERAL (\$)		BC (\$)	
	Base Amount	Credit (@15%)	Base Amount	Credit (@5.06%)
Basic Personal	12,069	1,810	10,682	540
Spouse/Partner⁴	12,069	1,810	9,147	463
Age (65+)⁴	7,494	1,124	4,791	242
CDN Caregiver⁴				
• Infirm partner/eligible dependent/child < 18	2,230	335	0	0
• Infirm adult dependent relative	7,140	1,071	4,674	237
Disability				
• Basic	8,416	1,262	8,012	405
• < 18 Supplement ⁴	4,909	736	4,674	237
Pension Income	2,000	300	1,000	51
Medical Expenses	15% of amount above the lesser of 3% of net income or \$2,352		5.06% of amount above the lesser of 3% of net income or \$2,220	
Eligible Dividends⁵	15.02%		12%	
Non-Eligible Dividends⁵	9.03%		1.96%	

⁴ Subject to limitations and reductions based on net income.

⁵ On grossed-up taxable amount.

Charitable donations give rise to a non-refundable tax credit. The combined federal and BC tax credits are 20.06% on the first \$200 of donations and 45.8% or 49.8% on the remainder.

For donations made in 2016 onward, the higher rate includes a 33% federal donation tax credit, but only on the portion of donations made from income that is subject to the 33% top federal marginal tax rate.

Government Benefits (As of January 2019, rounded to the nearest dollar)

Canada Pension Plan (CPP) Benefits	Annual Maximum (\$)	Monthly Maximum (\$)
Retirement at Age 65 (survivor/retirement combined)	13,855	1,154
▶ Early Retirement at Age 60	8,867	739
If you take your CPP retirement pension before age 65, your pension will be reduced by 0.6% for each month (7.2% per year) you receive it before age 65, by up to 36% at age 60.		
▶ Deferred Retirement at Age 70	19,674	1,639
If you take your CPP retirement pension after age 65, your pension will increase by 0.7% for each month (8.4% per year) you receive it after age 65, by up to 42% at age 70.		
Post-Retirement at Age 65	348	29
If you continue to work while receiving your CPP retirement pension, and are under age 70, you can make contributions that will increase your retirement income by way of post-retirement benefits (PRB).		
Disability (survivor/disability combined)	16,344	1,362
Survivor < Age 65	7,524	627
≥ Age 65	8,316	693
Children of Disabled/Deceased Contributor	3,000	250
Death (one-time payment of up to)	2,500	-

CPP Sharing

You can share your Canada Pension Plan retirement pension with your spouse or common-law partner. To do so, you must be receiving your pension, or be eligible to receive it, and be living with your spouse or common-law partner.

You **must apply** to share your pension.

CPP sharing is different from pension income splitting on your income tax return. OAS benefits cannot be split or shared.

Annual Maximum CPP Contributions

Employees	5.10%	\$2,749
Self-Employed	10.20%	\$5,498

Old Age Security (OAS) Benefits

	Annual Maximum (\$)	Monthly Maximum (\$)
Age 65	7,217	601.45
Age 70	9,816	817.97

If you take your OAS pension **after** age 65, your pension will increase by 0.6% for each month (7.2% per year) you receive it after age 65, by up to 36% at age 70.

OAS Clawback

- 15% for every \$1 of net income (including OAS amount) over \$77,580 per person.
- Full OAS clawback at net income of \$125,696.
- Clawback thresholds are indexed for inflation.

In addition to the OAS pension, there are three types of non-taxable OAS benefits available to residents of Canada who have low income:

- **Guaranteed Income Supplement (GIS):** Age 65+
- **Allowance:** Age 60-64
- **Allowance for the Survivor:** Age 60-64

Estate Planning

Questions to review periodically:

- Do you have an up-to-date will, power of attorney and representation agreement?
- Has anything significantly changed since these documents were drafted (e.g., marriage, kids, divorce, death)?
- Have any of your estate planning objectives or intentions changed since you drafted your will?
- Are the named executors, attorneys and representatives still the right people for the job (e.g., willing, able)?
- Are the named beneficiaries on your life insurance, pensions and registered accounts (e.g., RRSPs, TFSAs) up-to-date?

Probate (For estates over \$50,000)

\$350 + 1.4% of portion over \$50,000

2019 Tax Facts & Figures | Income Tax, Wealth Management and Government Benefits

RRSP	2019	2020
Annual Limit	\$26,500	\$27,230

Contribution Limit | You may contribute the lesser of 18% of your previous year's earned income or the annual limit. Contribution room may be claimed over multiple years – ask us about the carryforward rules.

Over-Contributions | Subject to a 1% monthly penalty tax, your cumulative over-contribution limit is \$2,000 (for those over age 18), before the penalty tax is applied.

Spousal RRSP | For withdrawals, the contributor must declare the income if contributions were made to a spousal RRSP in the past three calendar years.

If you just turned 71, you may still contribute to a spousal RRSP up to when your spouse turns 71, given available RRSP room.

RRIF Minimum Withdrawals

Age	%	Age	%	Age	%
60	3.33	72	5.40	84	8.08
61	3.45	73	5.53	85	8.51
62	3.57	74	5.67	86	8.99
63	3.70	75	5.82	87	9.55
64	3.85	76	5.98	88	10.21
65	4.00	77	6.17	89	10.99
66	4.17	78	6.36	90	11.92
67	4.35	79	6.58	91	13.06
68	4.55	80	6.82	92	14.49
69	4.76	81	7.08	93	16.34
70	5.00	82	7.38	94	18.79
71	5.28	83	7.71	95+	20.00

TFSA	2019	2020
Annual Limit	\$6,000	\$6,000
Cumulative Room ¹	\$63,500	\$69,500

TFSA contributions do not have a deadline, and unused room is carried forward.

TFSA room accumulates at age 18, but individuals must be the age of majority (19 in BC) to open a TFSA.

Withdrawals from the TFSA increase your contribution room in the following calendar year.

¹ If you were at least 18 years old in 2009, when TFSAs were first introduced.

RESP Limits (per beneficiary)

Lifetime Contribution	\$50,000
Maximum Total CESG*	\$7,200
Annual CESG Limit	\$500

Annual Contributions & Grants | At a basic rate of 20%, annual contributions of \$2,500 give rise to a \$500 CESG.

Catch-Up Payments | Beneficiaries aged 17 or younger with unused CESG room may receive up to \$1,000 in annual CESG if the account subscriber contributes \$5,000 or more per year.

*Canada Education Savings Grant

Some provinces offer additional incentives, such as the British Columbia Training and Education Savings Grant (BCTESG), a one-time grant of \$1,200 available on an eligible child's sixth birthday.

RDSP Grants (per beneficiary)

Up to **\$3 granted** for every **\$1 in RDSP** contributions.

Depending on the beneficiary's net family income and contribution level, the government may grant up to a maximum Canada Disability Savings Grant (CDSG) of **\$3,500 per year**, with a **lifetime limit of \$70,000**.

Withholding Tax on RRSP/RRIF² Withdrawals

Up to \$5,000	10%
Between \$5,000 and \$15,000	20%
Over \$15,000	30%

² There is no withholding tax on RRIF minimum payments.

Canadian-Controlled Private Corporations (CCPCs)

Combined federal and BC tax rates as of January 1, 2019

Active Business Income up to \$500,000	11.0%*
Active Business Income Over \$500,000	27.0%
Investment Income (e.g., interest, foreign)	50.67%
Capital Gains	25.34%
Dividends from Canadian Corporations	38.33%

*The federal and BC Small Business Deduction (SBD) applies to the first \$500,000 of income from an active business carried on in Canada by a CCPC. It must be shared with associated CCPCs and may be clawed back for corporations with taxable capital of associated corporate groups exceeding \$10M and is completely eliminated when the associated group's taxable capital exceeds \$15 million.

Effective January 1, 2019, the SBD may also be clawed back if a CCPC's adjusted aggregate investment income (AAIL) exceeds \$50,000 annually and is completely eliminated once AAIL reaches \$150,000.

Lifetime Capital Gains Exemption (LCGE)

Qualified Small Business Corporation (QSBC) Shares **\$866,912**

Qualified Farming or Fishing Property **\$1,000,000**

A Small Business Corporation is a CCPC that has substantially all (90% or more) of its assets used in carrying on an active business in Canada.

Throughout the 24 months immediately preceding the disposition of QSBC shares:

- the shares must not have been owned by anyone other than the individual or a person or partnership related to the individual selling the shares, and
- more than 50% of the fair market value of the assets of the corporation must have been used principally in an active business carried on primarily in Canada.

U.S. Source Payments

U.S. Withholding Tax

Interest Generally Exempt

Dividends Paid on U.S. Securities Held Inside a "Retirement Account"¹ Exempt²

Dividends Paid on U.S. Securities Held Outside a "Retirement Account"³ Generally 15%

¹ Such as an RRSP, RRIF, LIRA, LIF or LRIF.

² Per Canada-U.S. Tax Treaty.

³ Such as a non-registered account, TFSA, RESP or RDSP.

U.S. Estate Tax

2019

Exclusion Amount (worldwide assets) US\$11,400,000

Highest Tax Rate 37%

Canadian residents (non-U.S. persons) may have a U.S. estate tax liability if U.S. situs assets (e.g., shares in a U.S. corporation) exceed US\$60,000 and worldwide assets exceed US\$11.40 million. An additional spousal credit

Additional Resources

Canada Revenue Agency

cra-arc.gc.ca
1-800-959-8281

Service Canada Public Pensions

canada.ca/en/services/benefits/publicpensions
1-800-277-9914



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If you would like to discuss your portfolio or if I can be of assistance, contact me today.

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