

# 2019 TAX PLANNING

## Quick Reference Guide

### Provincial/Territorial Income Tax Rates\*

(current to Jan. 2019)

Province/Territory	Income Bracket	Rate
British Columbia	First \$40,707	5.06%
	\$40,708 – \$81,416	7.70%
	\$81,417 – \$93,476	10.50%
	\$93,477 – \$113,506	12.29%
	\$113,507 – \$153,900	14.70%
Alberta	\$153,901 and over	16.80%
	First \$131,220	10.00%
	\$131,221 – \$157,464	12.00%
	\$157,465 – \$209,952	13.00%
	\$209,953 – \$314,928	14.00%
Saskatchewan	\$314,929 and over	15.00%
	First \$45,225	10.50%
	\$45,226 – \$129,214	12.50%
Manitoba	\$129,215 and over	14.50%
	First \$32,670	10.80%
	\$32,671 – \$70,610	12.75%
Ontario	\$70,611 and over	17.40%
	First \$43,906	5.05%
	\$43,907 – 87,813	9.15%
	\$87,814 – \$150,000	11.16%
Quebec	\$150,001 – 220,000	12.16%
	\$220,001 and over	13.16%
	First \$43,790	15.00%
	\$43,791 – \$87,575	20.00%
	\$87,576 – \$106,555	24.00%
New Brunswick	\$106,556 and over	25.75%
	First \$42,592	9.68%
	\$42,593 – \$85,184	14.82%
	\$85,185 – \$138,491	16.52%
	\$138,492 – 157,778	17.84%
Nova Scotia	\$157,779 and over	20.30%
	First \$29,590	8.79%
	\$29,591 – \$59,180	14.95%
	\$59,181 – \$93,000	16.67%
	\$93,001 – \$150,000	17.50%
Prince Edward Island	\$150,001 and over	21.00%
	First \$31,984	9.80%
	\$31,985 – \$63,969	13.80%
	\$63,970 and over	16.70%
Newfoundland & Labrador	First \$37,591	8.70%
	\$37,592 – \$75,181	14.50%
	\$75,182 – \$134,224	15.80%
	\$134,225 – \$187,913	17.30%
Yukon	\$187,914 and over	18.30%
	First \$47,630	6.40%
	\$47,631 – \$95,259	9.00%
	\$95,260 – \$147,667	10.90%
Northwest Territories	\$147,668 – \$500,000	12.80%
	\$500,001 and over	15.00%
	First \$43,137	5.90%
	\$43,138 – \$86,277	8.60%
Nunavut	\$86,278 – \$140,267	12.20%
	\$140,268 and over	14.05%
	First \$45,414	4.00%
	\$45,415 – \$90,829	7.00%
	\$90,830 – \$147,667	9.00%
	\$147,668 and over	11.50%

\*The table includes and assumes all proposed rates from 2018 provincial budgets, where applicable, have been passed.

### 2019 Top Marginal Tax Rates (Federal and Provincial Rates Combined)\*

Province/Territory	Interest/Foreign Dividends	Capital Gains**	Eligible Dividends	Non-Eligible Dividends
British Columbia	49.80%	24.90%	31.43%	44.64%
Alberta	48.00%	24.00%	31.71%	42.47%
Saskatchewan	47.50%	23.75%	29.64%	40.38%
Manitoba	50.40%	25.20%	37.78%	46.68%
Ontario	53.53%	26.77%	39.34%	47.39%
Quebec	53.30%	26.65%	39.99%	46.25%
New Brunswick	53.30%	26.65%	33.51%	47.76%
PEI	51.37%	25.69%	34.22%	45.24%
Nova Scotia	54.00%	27.00%	41.58%	48.28%
Newfoundland/Labrador	51.30%	25.65%	42.61%	44.59%
Yukon	48.00%	24.00%	28.93%	42.17%
NWT	47.05%	23.53%	28.33%	36.83%
Nunavut	44.50%	22.25%	33.08%	37.80%

\*Rates include federal and provincial combined marginal tax rates, including provincial surtaxes.

\*\*The capital gains rate for qualifying securities donated to registered charities in-kind is 0%.

### RRSP/TFSA Contribution Limits

18% of previous year's earned income to a maximum of:	2019 – \$26,500 2020 – \$27,230
TFSA Contribution Limit	2019 – \$6,000
*Accumulated TFSA Contribution Limit \$63,500	

\*subject to meeting certain criteria.

### Withholding Tax Rates for RRSP/RRIF Withdrawals

	Quebec	All Other Provinces
Up to \$5,000	21%	10%
\$5,001 – \$15,000	26%	20%
Over \$15,001	31%	30%

### Attribution Rules

Recipient	Gift	No or low interest loan	Loan at prescribed or commercial rate
<b>Spouse or Partner</b>			
Income	Attributed to "gifter"	Attributed to lender	No attribution
Capital Gains	Attributed to "gifter"	Attributed to lender	No attribution
2 <sup>nd</sup> Generation Income	No attribution	No attribution	No attribution
<b>Child under 18</b>			
Income	Attributed to "gifter"	Attributed to lender	No attribution
Capital Gains	No attribution	No attribution	No attribution
2 <sup>nd</sup> Generation Income	No attribution	No attribution	No attribution
<b>Child over 18</b>			
Income	No attribution	No attribution*	No attribution
Capital Gains	No attribution	No attribution*	No attribution
<b>Corporation (excluding small business corporation)</b>			
	Attribution may result if reason for transfer is to confer a benefit on a family member and reduce family tax payable	Attribution may result if reason for transfer is to confer a benefit on a family member and reduce family tax payable	No attribution

\* Anti-avoidance provision can apply to attribute income and capital gains if one of the main reasons for the loan is to reduce taxes payable. Note: Attribution generally ceases on death or in cases of non-residency.

### 2019 Federal Income Tax Rates

First \$47,630	15.0%
\$47,631 – \$95,259	20.5%
\$95,260 – \$147,667	26.0%
\$147,668 – \$210,371	29.0%
\$210,372 and over	33.0%
Basic personal exemption	\$12,069

# 2019 TAX PLANNING

## 2019 Employment Insurance (EI) Premiums

	All provinces/territories except Quebec	Quebec
Maximum Yearly Insurable Earnings	\$53,100	\$53,100
Employee's Premium Rate	1.62%	1.25%
Employer's Premium Rate	2.268%	1.75%
Maximum Yearly Employee Premium	\$860.22	\$663.75
Maximum Yearly Employer Premium	\$1,204.31	\$929.25

## 2019 Canada Pension Plan Premiums

	All provinces/territories except Quebec	Quebec*
Maximum Pensionable Earnings	\$57,400	\$57,400
Basic Exemption	\$3,500	\$3,500
Maximum Contributory Earnings	\$53,900	\$53,900
Employee and Employer Rate	5.10%	5.55%
Maximum Employee/Employer contribution	\$2,748.90	\$2,991.45
Maximum Self-employed contribution	\$5,497.80	\$5,982.90

\*In Quebec contributions are made to the Quebec Pension Plan.

## 2019 CPP and QPP Retirement Benefit

Maximum monthly benefit (assuming payments begin at age 65): **\$1,154.58**

## 2019 Old Age Security (OAS) Payment Rates (January to March 2019)

Maximum Monthly Benefit	\$601.45
Maximum Annual Income	For the 2019 tax year, pensioners with net income of \$77,580 or more are subject to OAS clawback. Clawback rate is 15% for each dollar beyond \$77,580. OAS is fully eliminated once net income reaches \$125,696. Applicable to payments made from July 2020 to June 2021.

## RRIF Minimum Withdrawals

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

## Marginal versus Effective Tax Rates – What's the Difference?

**Marginal Tax Rate:** Tax rate applicable to last dollar of income earned. Does not consider deductions and credits available to taxpayer.

**Effective Tax Rate:** Actual rate of tax paid by taxpayer. Considers deductions, credits and graduated tax brackets.

## Commonly Used CRA Guides

<b>P105</b>	Students and Income Tax	<b>RC4178</b>	Death of a RRIF Annuitant
<b>P113</b>	Gifts and Income Tax	<b>T4002</b>	Business and Professional Income
<b>RC4092</b>	Registered Education Savings Plans (RESPs)	<b>T4011</b>	Preparing Returns for Deceased Persons
<b>RC4110</b>	Employee or Self-employed?	<b>T4036</b>	Rental Income
<b>RC4112</b>	Lifelong Learning Plan (LLP)	<b>T4037</b>	Capital Gains
<b>RC4169</b>	Tax Treatment of Mutual Funds for Individuals	<b>T4040</b>	RRSPs and Other Registered Plans for Retirement
<b>RC4466</b>	Tax Free Savings Account Guide for Individuals	<b>T4055</b>	Newcomers to Canada
<b>RC4177</b>	Death of an RRSP Annuitant or a PRPP Member	<b>T4058</b>	Non-Residents and Income Tax

## Mackenzie Tax Brochures

- Education Planning
- Income Splitting
- Guide to Tax-Efficient Investing: Corporate Class Funds – Series T
- Mackenzie Charitable Giving Fund Program Guide
- Strategies for Trusts in Tax and Estate Planning
- TFSA Investor Guide
- Registered Disability Savings Plan Investor Guide
- Tax & Estate Planning for Business Owners Kit
- Canadians & US Estate Tax

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