

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 |
|---|---|---|---------------------------------------|
| Spouse or Partner | | | |
| Income | Attributed to "gifter" | Attributed to lender | No attribution |
| Capital Gains | Attributed to "gifter" | Attributed to lender | No attribution |
| 2 nd 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 |
| 2 nd Generation Income | No attribution | No attribution | No attribution |
| Child over 18 | | | |
| Income | No attribution | No attribution* | No attribution |
| Capital Gains | No attribution | No attribution* | No attribution |
| Corporation (excluding small business corporation) | | | |
| | 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

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