

## PERSONAL TAX RATES

### 2019 Combined BC and Federal Marginal Tax Rates

Taxable Income	Other Income	Capital Gains	Eligible Dividends	Ineligible Dividends
First \$40,707	20.06%	10.03%	-9.60%	10.43%
Over \$40,707 to \$47,630	22.70%	11.35%	-5.96%	13.47%
Over \$47,630 to \$81,416	28.20%	14.10%	1.63%	19.79%
Over \$81,416 to \$93,476	31.00%	15.50%	5.49%	23.01%
Over \$93,476 to \$95,259	32.79%	16.40%	7.96%	25.07%
Over \$95,259 to \$113,506	38.29%	19.15%	15.55%	31.39%
Over \$113,506 to \$147,667	40.70%	20.35%	18.88%	34.17%
Over \$147,667 to \$153,900	43.70%	21.85%	23.02%	37.62%
Over \$153,900 to \$210,371	45.80%	22.90%	25.92%	40.03%
<b>Over \$210,371</b>	<b>49.80%</b>	<b>24.90%</b>	<b>31.44%</b>	<b>44.63%</b>

Marginal tax rate for dividends is a % of actual dividends received (not grossed-up amount).

## CORPORATE TAX RATES

### 2019 Combined BC and Federal Marginal Tax Rates

Active Income Tax (CCPC)	11% on income < \$500K and 27% on income > \$500 K
Passive Income Tax	50.67%
Canadian Dividend Income Tax	38.33%
RDTOH Credit	\$1 tax refund for every \$2.61 in dividends paid out (or 38.33%)

## OTHER PERSONAL TAX INFORMATION

LCGE on Qualified Small Business Shares	\$866,912
LCGE on Qualified Farm Property	\$1,000,000
Gross-up of Non-eligible Dividends	15%
Tax Credit on Non-eligible Dividends	10.99% of actual dividend
Gross-up of Eligible Dividends	38%
Tax Credit on Eligible Dividends	27.01% of actual dividend

## RRSP CONTRIBUTION LIMITS

Year	Maximum RRSP Contribution
2019	\$27,230
2020	Indexed

Unused contribution space can be carried forward indefinitely.

## CORPORATE AND PERSONAL TAX COMPARISON

### 2019 Combined BC and Federal Marginal Tax Rates

	Business Income		Investment Income
	(<500K)	(>500K)	
Income in corp	1,000.0	1,000.0	1,000.0
Corporate tax	-110.0	-270.0	-506.7
Dividend refund	0.0	0.0	306.7
Available for dividend	890.0	730.0	800.0
Personal tax	-397.2	-229.5	-357.1
<b>Net after-tax cash</b>	<b>492.8</b>	<b>500.5</b>	<b>443.0</b>
Income earned directly	1,000.0	1,000.0	1,000.0
Personal tax	-498.0	-498.0	-498.0
<b>Net after-tax cash</b>	<b>502.0</b>	<b>502.0</b>	<b>502.0</b>
<b>Possible deferral</b>	<b>388.0</b>	<b>228.0</b>	<b>0.0</b>
Deferral as %	38.8%	22.8%	0.0%
Savings (cost)	-9.2	-1.5	-59.0
Savings (cost) as %	-0.9%	-0.1%	-5.9%

## TAX FILING DEADLINES

Personal tax filing	April 30
Self-employed	June 15 (pay by April 30)
Terminal return	Latest of 6 months after death or April 30
RRSP deadline	60 days after December 31
Corporate tax return filing	6 mths after fiscal year-end
Trust return	90 days after year-end
T4 + T4A + T5 Deadline	End of February
T3 deadline	90 days after December 31

## CRA INTEREST RATES

Low interest loans	
Shareholder / employee loan	2.0%
Excess remittances to CRA	4.0%
Overdue amounts to CRA	6.0%

## BC PROPERTY TRANSFER TAX

First \$200,000	1%
After \$200,000 - \$2 M	2%
After \$2 M - \$3 M	3%
Over \$3 M (residential)	5%

**Exemptions:** New Home - \$750,000 (after Feb 16, 2016)

First time home buyers \$500,000 (must meet eligibility criteria).

## BC PROBATE FEES

Value of Estate	Fees / Tax
Less than \$25,000	\$0
\$25,001 to \$50,000	\$208 + \$6 per \$1,000 in excess of \$25,000
\$50,001 or more	\$358 + \$14 per \$1,000 in excess of \$50,000

CANADA PENSION PLAN (CPP)	
Type of Benefit	Maximum Monthly Benefit 2019
Disability benefit	\$1,362.30
Retirement pension (at age 65)	\$1,154.58
Survivor's pension (under age 65)	\$626.63
Survivor's pension (age 65 and over)	\$692.75
Children of disabled or deceased contributor's benefit	\$250.27
Combined survivor's and retirement benefit (pension at age 65)	\$1,154.58
Combined survivor's disability benefit	\$1,362.30
Death benefit (maximum lump sum)	\$2,500.00
Post retirement benefit (at age 65)	\$28.86
<i>Employee/er contribution: 5.1% max \$2,748.90 (up to \$57,400 earnings)</i>	
<i>Self employed contribution: 10.2% max \$5,497.80 (up to \$57,400 earnings)</i>	

CPP BENEFIT ADJUSTMENTS (Prior to or after age 65)		
Year	Taken Early (% decrease/mth)	Deferred (% increase /mth)
2019	(0.60)	0.70
<i>Formula: If 60 in 2019 then 60 mths * 0.6 = 36.0% reduction</i>		
<i>If 70 in 2019 then 60 mths * 0.7% = 42% increase</i>		

RRIF/LIF MIN. AND MAX. ANNUAL WITHDRAWALS (%)				
Age	RRIF		LIF	
	Minimum	Age	Maximum	Age
71**	5.28%	60	6.85%	
72	5.40%	65	7.38%	
73	5.53%	70	8.22%	
74	5.67%	71	8.45%	
75	5.82%	72	8.71%	
76	5.98%	73	9.00%	
77	6.17%	74	9.34%	
78	6.36%	75	9.71%	
79	6.58%	76	10.15%	
80	6.82%	77	10.66%	
81	7.08%	78	11.25%	
82	7.38%	79	11.96%	
83	7.71%	80	12.82%	
84	8.08%	81	13.87%	
85	8.51%	82	15.19%	
86	8.99%	83	16.90%	
90	11.92%	84	19.19%	
Over 94	20.00%	Over 92	20.00%	

*RRIF: Minimum annual withdrawals below age 71, applied 1/(90 - Age)*  
*LIF: Greater of maximum rate or the previous year's ROI*

OLD AGE SECURITY (OAS)	
Max Monthly Benefit	\$601.45
Maximum Annual Income	pensioners with an individual net income above \$77,580 must repay part or all of the maximum OAS pension amount. Repayment amounts are normally deducted from monthly payments before they are issued. The full OAS pension is completely eliminated when a pensioner's net income is \$125,695 or more.

**OAS Clawback Formula = (Taxable income - \$77,580) \* 0.15**

REGISTERED DISABILITY SAVINGS PLAN (RDSPs)	
Criteria:	Canadian resident, under age 60, eligible for disability tax credit and has a valid SIN.
Maximum:	\$200,000 lifetime and no annual limits. Contribute till age 49.
Benefits:	CDSG (max \$3,500 /yr since 2008 and lifetime \$70,000) + CDSB (max \$1,000 /yr and lifetime \$20,000). Grant and bond are based on beneficiary's taxable income (if minor based on family income).
Withdrawals:	Partly taxable (grant, bond and growth). Must wait 10yrs to avoid repayment of grant/bond and begin latest at age 60.
Other:	No impact on eligibility for Federal, OAS, GIS, CPP and BC Disability benefits. The maximum CDSG that can be paid in any year is \$10,500 and the maximum CDSB is \$11,000 (to recapture unused grant and bond). CDSG = Canadian Disability Savings Grant CDSB = Canadian Disability Savings Bond

REGISTERED EDUCATION SAVINGS PLAN (RESPs)	
Criteria:	Canadian resident, age 17 and under and has a valid SIN.
Maximum:	\$50,000 lifetime and no annual limits. 31 yrs (35 yrs if disabled).
Benefits:	CESG (max \$500 /yr since 1998) + CLB (\$500 for first year and \$100/yr thereafter until age 15 to maximum of \$2,000)
Withdrawals:	Education Assistance Payments (EAP) partly taxable (grant, bond and growth). EAP limited to \$5,000 first 13 wks, thereafter no limits for F/T students (\$2,500 for P/T).
Other:	The maximum annual contribution to attract CESG is \$5,000 /yr (\$2,500 for current year and \$2,500 for missed years). Plan wound up after 35 years (40 if disabled). To RDSPs. CESG = Canadian Education Savings Grant CLB = Canadian Learning Bond

TAX FREE SAVINGS ACCOUNTS (TFSA's)	
Criteria:	Canadian resident, 18 years or older and has a valid SIN.
Maximum:	\$6,000 for 2019. Can be carried forward if not used (room available since 2009 max \$63,500)
Benefits:	Income earned is tax free.
Withdrawals:	Tax free and generate additional room year after.
Other:	The plan can be transferred to a spouse at death if named as successor/beneficiary.