

2014 Handy Financial Planning Facts

Commonly used planning numbers

Throughout your life, many opportunities and choices will arise that have financial implications – both for the short and long term. Looking at these opportunities in the context of your overall financial situation and plan will help you ask the right questions so you can better understand the issues and make the best financial choices.

The following is a summary of some common financial planning-related information that you can use as a handy reference. Any values noted below are for 2014.

Retirement	
Maximum CPP/QPP benefit at age 65	\$1,038.33 per month
Maximum CPP/QPP benefit at age 60 if born before 1954	CPP: \$689.45 per month (33.6% maximum reduction) QPP: \$726.83 per month (30% maximum reduction)
Maximum CPP/QPP benefit at age 60 if born after 1953	CPP: \$689.45 per month (33.6% maximum reduction) QPP: \$708.14 per month (31.8% maximum reduction)
Maximum CPP/QPP at age 70	\$1,474.43 per month (42% maximum increase)
Maximum CPP contribution – employer and employee	\$2,425.50 each annually
Maximum CPP contribution for self-employed	\$4,851 annually
YMPE (Yearly Maximum Pensionable Earnings)	\$52,500
Maximum OAS benefit for Q1	\$551.54 per month
OAS clawback rate	\$0.15 for every \$1 of net income above \$71,592 The full OAS is eliminated at a net income of \$115,716 or higher
CANSIM rate	3.01% (minimum rate for provinces is still 6%)
RRSP – maximum annual deduction limit	\$23,820 for 2013 \$24,270 for 2014
RRSP – withholding tax on withdrawals by a resident of Quebec/rest of Canada respectively	21%/10% for up to \$5,000 26%/20% for \$5,000 - \$15,000 31%/30% for over \$15,000
TFSA contribution room created on January 1	\$5,000 each year for 2009 - 2012 \$5,500 each year for 2013 - 2014



Education

Maximum annual RESP contribution	Unlimited annual contribution; lifetime maximum of \$50,000 per beneficiary
Annual RESP contribution for maximum CESG	20% of first \$2,500 per beneficiary = up to \$500 of CESG Plus 20% of next \$2,500 per beneficiary if carry forward room is available = up to an additional \$500 of CESG Maximum annual CESG = \$1,000 per year, per beneficiary

Tax

EI – maximum annual premium	\$913.68 (\$767.88 in Quebec due to separate maternity and parental benefits)										
EI – insured earnings	\$48,600										
Basic personal tax exemption	\$11,138 (base) = \$1,671 (credit)										
Federal tax brackets and rates based on taxable income	<table> <thead> <tr> <th>Taxable income</th> <th>Federal rate</th> </tr> </thead> <tbody> <tr> <td>\$0 - \$43,953</td> <td>15%</td> </tr> <tr> <td>\$43,954 - \$87,907</td> <td>22%</td> </tr> <tr> <td>\$87,908 - \$136,270</td> <td>26%</td> </tr> <tr> <td>\$136,271 - and over</td> <td>29%</td> </tr> </tbody> </table>	Taxable income	Federal rate	\$0 - \$43,953	15%	\$43,954 - \$87,907	22%	\$87,908 - \$136,270	26%	\$136,271 - and over	29%
Taxable income	Federal rate										
\$0 - \$43,953	15%										
\$43,954 - \$87,907	22%										
\$87,908 - \$136,270	26%										
\$136,271 - and over	29%										
Eligible dividends (most public companies)	Gross up is 38% Taxable amount is 138% Federal tax credit is 15.0198% of taxable amount										
Other than eligible dividends	Gross up is 18% Taxable amount is 118% Federal tax credit is 11% of taxable amount										
Personal tax calculator website	www.ey.com/ca/en/services/tax/tax-calculators										

Government links

Canada Revenue Agency website	www.cra-arc.gc.ca/menu-e.html
Canada Revenue Agency General Help Line	1-800-959-8281
Phone number and website for CPP/OAS queries	1-800-277-9914 www.servicecanada.gc.ca/eng/common/contactus/index.shtml#cpp
Phone number and website for QPP queries	Régie des rentes: 1-800-463-5185 www.rq.gouv.qc.ca/en/services/nous_joinre/Pages/nous_joinre.aspx

If you have any questions or require clarification of any of the issues discussed in this document, do not hesitate to discuss these with your advisor.



RBC Financial Planning

© / ™ Trademark(s) of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada. ©2013 Royal Bank of Canada.

The material in this article is intended as a general source of information only, and should not be construed as offering specific tax, legal, financial or investment advice. Every effort has been made to ensure that the material is correct at time of publication, but we cannot guarantee its accuracy or completeness. Interest rates, market conditions, tax rulings and other investment factors are subject to rapid change. You should consult with your tax advisor, accountant and/or legal advisor before taking any action based upon the information contained in this article.

RBC Financial Planning is a business name used by Royal Mutual Funds Inc. (RMFI). Financial planning services and investment advice are provided by RMFI. RMFI, RBC Global Asset Management Inc., Royal Bank of Canada, Royal Trust Corporation of Canada and The Royal Trust Company are separate corporate entities which are affiliated. RMFI is licensed as a financial services firm in the province of Quebec. VPS86048 20589 (01/2014)