

# The Navigator



Wealth Management

INVESTMENT, TAX AND LIFESTYLE PERSPECTIVES FROM RBC WEALTH MANAGEMENT SERVICES



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## 2019 handy financial planning facts

The following is a summary of some common financial planning-related information. Any values noted below are for 2019 unless stated otherwise.

### GOVERNMENT LIMITS

RRSP — maximum annual deduction limit	\$26,500 for 2019; \$26,230 for 2018
RRSP — withholding tax on withdrawals	10% (20% in Quebec) for amounts \$0 – \$5,000 20% (25% in Quebec) for amounts \$5,001 – \$15,000 30% (30% in Quebec) for amounts over \$15,000
TFSA — maximum annual contribution limits	\$5,000 each year 2009 – 2012 \$5,500 each year 2013 – 2014 \$10,000 for 2015 \$5,500 for 2016 – 2018 \$6,000 for 2019
TFSA — maximum contribution limit since inception	\$63,500 from 2009 – 2019
IPP — Employment earnings required to contribute the maximum	\$151,278 for 2019; \$147,222 for 2018
YMPE — yearly maximum pensionable earnings	\$57,400
CANSIM rate	2.39%

### GOVERNMENT BENEFITS

CPP/QPP — maximum benefit at age 65	\$1,154.58 per month
CPP/QPP — early maximum benefit at age 60	\$738.93 per month (36% max reduction or 0.6% per month)
CPP/QPP — deferred maximum benefit at age 70	\$1,639.50 per month (42% max increase or 0.7% per month)

**GOVERNMENT BENEFITS** *continued*

CPP/QPP — maximum employee and employer contributions	CPP \$2,748.90 each annually QPP \$2,991.45 each annually
CPP/QPP — maximum self-employed contributions	CPP \$5,497.80 annually QPP \$5,982.90 annually
OAS — maximum benefit for Q1 at age 65	\$601.45 per month
OAS — deferred maximum benefit for Q1 at age 70	\$817.97 per month (36% max increase or 0.6% per month)
OAS — clawback rate	\$0.15 for every \$1 of net income above \$77,580; the full OAS is eliminated at a net income of \$125,696
EI — maximum annual premiums for employee and self-employed	\$860.22 (\$663.75 in Quebec due to separate maternity and parental benefits)
EI — maximum annual insurable earnings	\$53,100

**TAX**

Federal basic personal amount	\$12,069 (base) \$1,810 (credit)												
Federal age amount	\$7,494 (base) \$1,124 (credit)												
Net income threshold for age amount	\$0.15 for every \$1 of net income above \$37,790; the full age amount is eliminated at a net income of \$87,750												
Federal tax brackets and rates based on taxable income	<table> <thead> <tr> <th><b>Taxable income</b></th> <th><b>Federal rate</b></th> </tr> </thead> <tbody> <tr> <td>Up to \$47,630</td> <td>15%</td> </tr> <tr> <td>Over \$47,630 up to \$95,259</td> <td>20.5%</td> </tr> <tr> <td>Over \$95,259 up to \$147,667</td> <td>26%</td> </tr> <tr> <td>Over \$147,667 up to \$210,371</td> <td>29%</td> </tr> <tr> <td>Over \$210,371</td> <td>33%</td> </tr> </tbody> </table>	<b>Taxable income</b>	<b>Federal rate</b>	Up to \$47,630	15%	Over \$47,630 up to \$95,259	20.5%	Over \$95,259 up to \$147,667	26%	Over \$147,667 up to \$210,371	29%	Over \$210,371	33%
<b>Taxable income</b>	<b>Federal rate</b>												
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Over \$47,630 up to \$95,259	20.5%												
Over \$95,259 up to \$147,667	26%												
Over \$147,667 up to \$210,371	29%												
Over \$210,371	33%												
Eligible dividends (most public companies)	Gross up is 38%; taxable amount is 138%; Federal tax credit is 15.02% of taxable dividend												
Non-eligible dividends	Gross up is 15%; taxable amount is 115%; Federal tax credit is 9.03% of taxable dividend												
Lifetime Capital Gains Exemption (LCGE)	\$866,912 for qualified small business corporation shares \$1,000,000 for qualified farm or fishing property												

**EDUCATION — RESP**

Maximum contributions	Unlimited annual contributions up to a lifetime maximum of \$50,000 per beneficiary
Annual <u>basic</u> CESG (grant) limit	20% on first \$2,500 of contributions per beneficiary (up to a maximum of \$500)
Annual <u>additional</u> CESG limit	Additional 20% on first \$500 of contributions per beneficiary (up to a maximum of \$100), if net income is \$47,630 or less; Additional 10% on first \$500 of contributions per beneficiary (up to a maximum of \$50) if net income is between \$47,631 and \$95,259

**EDUCATION — RESP** *continued*

Maximum lifetime CESG limit	\$7,200 per beneficiary
Maximum annual CESG if unused carry-forwards	\$1,000

**DISABILITY — RDSP**

Maximum contributions	Unlimited annual contributions up to a lifetime maximum of \$200,000
Annual CDSG (grant) limit	\$3,500 grant per \$1,500 contribution if 2017 net income is \$95,259 or less; \$1,000 grant for \$1,000 contribution if 2017 net income above \$95,259
Annual CDSB (bond) limit	\$1,000 if 2017 net income is \$30,000 or less; A portion of the \$1,000 if 2017 net income is between \$30,000 and \$47,630; No bond if 2017 net income is over \$47,630
Maximum lifetime CDSG and CDSB limit	\$70,000 for CDSG and \$20,000 for CDSB
Maximum annual CDSG and CDSB if unused carry-forwards	\$10,500 for CDSG and \$11,000 for CDSB

**U.S. LIMITS**

U.S. estate and gift tax exemption	\$11,400,000 USD
U.S. gift tax exemption — non-U.S. married spouse	\$155,000 USD
U.S. gift tax exemption — children/others	\$15,000 USD

**GOVERNMENT LINKS**

Canada Revenue Agency website	<a href="http://www.cra-arc.gc.ca/">http://www.cra-arc.gc.ca/</a>
Canada Revenue Agency General Help Line for Individuals	1-800-959-8281
Phone number and website for CPP and OAS queries	1-800-277-9914 <a href="https://www.canada.ca/en/employment-social-development/corporate/contact/index.html">https://www.canada.ca/en/employment-social-development/corporate/contact/index.html</a>
Phone number and website for QPP queries	1-800-463-5185 <a href="http://www.rrq.gouv.qc.ca/en/services/nous_joinre/Pages/nous_joinre.aspx">http://www.rrq.gouv.qc.ca/en/services/nous_joinre/Pages/nous_joinre.aspx</a>

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