

The Navigator



Wealth
Management

INVESTMENT, TAX AND LIFESTYLE PERSPECTIVES FROM RBC WEALTH MANAGEMENT SERVICES



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2018 handy financial planning facts

The following is a summary of some common financial planning-related information. Any values noted below are for 2018 unless stated otherwise.

Retirement	
Maximum CPP/QPP benefit at age 65	\$1,134.17 per month
Early CPP/QPP maximum benefit at age 60	\$725.87 per month (36% max reduction or 0.6% per month)
Deferred CPP/QPP maximum benefit at age 70	\$1,610.52 per month (42% max increase or 0.7% per month)
Maximum CPP/QPP contributions employer and employee	CPP \$2,593.80 each annually QPP \$2,829.60 each annually
Maximum CPP/QPP contributions self-employed	CPP \$5,187.60 annually QPP \$5,659.20 annually
YMPE – Yearly Maximum Pensionable Earnings	\$55,900
Maximum OAS benefit for Q1 at age 65	\$586.66 per month
Deferred OAS maximum benefit for Q1 at age 70	\$797.86 per month (36% max increase or 0.6% per month)
OAS clawback rate	\$0.15 for every \$1 of net income above \$75,910; the full OAS is eliminated at a net income of \$122,843
CANSIM rate	2.16%
RRSP – maximum annual deduction limit	\$26,010 for 2017 \$26,230 for 2018
RRSP – withholding tax on withdrawals	10% (21% in Quebec) for amounts up to \$5,000 20% (26% in Quebec) for amounts over \$5,000 up to and including \$15,000 30% (31% in Quebec) for amounts over \$15,000
Annual TFSA contribution limits	\$5,000 each year 2009 - 2012 \$5,500 each year 2013 - 2014 \$10,000 for 2015 \$5,500 for 2016 - 2018
Maximum TFSA contribution limit since inception	\$57,500 from 2009 – 2018

IPP

T4 earnings required to contribute the maximum to an IPP for the year

\$145,722 for 2017
\$147,222 for 2018

Tax

EI – maximum annual premium

\$858.22
(\$672.10 in Quebec due to separate maternity and parental benefits)

EI – maximum annual insurable earnings

\$51,700

Federal basic personal amount

\$11,809 (base) \$1,771 (credit)

Federal age amount

\$7,333 (base) \$1,100 (credit)

Net income threshold for age amount

\$0.15 for every \$1 of net income above \$36,976;
the full age amount is eliminated at a net income of \$85,863

	Taxable income	Federal rate
Federal tax brackets and rates based on taxable income	Up to \$46,605	15%
	Over \$46,605 up to \$93,208	20.5%
	Over \$93,208 up to \$144,489	26%
	Over \$144,489 up to \$205,842	29%
	Over \$205,842	33%

Eligible dividends (most public companies)

Gross up is 38%; taxable amount is 138%;
Federal tax credit is 15.0198% of taxable dividend

Non-eligible dividends

Gross up is 16%; taxable amount is 116%;
Federal tax credit is 10.0313% of taxable dividend

Lifetime Capital Gains Exemption (LCGE)
for qualified small business corporation shares

\$835,716 for 2017
\$848,252 for 2018

LCGE for qualified farm or fishing property

\$1,000,000 for 2017 and 2018

Education – RESP

Maximum annual RESP contribution

Unlimited annual contribution up to lifetime maximum of \$50,000 per beneficiary

Maximum annual RESP contribution for maximum CESG

CESG of 20% on first \$2,500 of contributions per beneficiary up to a maximum of \$500
Maximum annual CESG of \$1,000 if there is unused grant room from a previous year
Lifetime CESG limit of \$7,200 per beneficiary

Additional CESG on the first \$500 contributed to an RESP

CESG of 20% if net income is under \$46,605
CESG of 10% if net income is between \$46,605 and \$93,208

Disability – RDSP

Annual CDSG (grant) limit

\$1,000 grant for \$1,000 contribution if 2016 net income above \$93,208
\$3,500 grant per \$1,500 contribution if 2016 net income less than \$93,208

Annual CDSB (bond) limit

\$1,000 if 2016 net income is \$30,000 or less;
Part of the \$1,000 if 2016 net income is between \$30,000 and \$46,605;
No bond if 2016 net income is over \$46,605

Maximum lifetime CDSG and CDSB limit

\$70,000 for CDSG and \$20,000 for CDSB

Annual maximum CDSG and CDSB if there is unused carry forward

\$10,500 for CDSG and \$11,000 for CDSB

U.S. Limits

U.S. estate and gift tax exemption	\$11,200,000 USD
U.S. gift tax exemption – non-U.S. married spouse	\$152,000 USD
U.S. gift tax exemption – children/others	\$15,000 USD

Government Links

Canada Revenue Agency website	http://www.cra-arc.gc.ca/
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 https://www.canada.ca/en/employment-social-development/corporate/contact/index.html
Phone number and website for QPP queries	1-800-463-5185 http://www.rrq.gouv.qc.ca/en/services/nous_joinre/Pages/nous_joinre.aspx

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