

The Navigator



**Wealth
Management**

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INVESTMENT, TAX AND LIFESTYLE PERSPECTIVES FROM RBC WEALTH MANAGEMENT SERVICES

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)
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

Taxable income	Federal rate
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%

TAX *continued*

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
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	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_joindre/Pages/nous_joindre.aspx

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2019 – Registered Plan Minimums and Maximums



Age at Dec. 31 of previous year (2018)	RRIF/LRIF/pRRIF/LIF/RLIF Minimum	LIF/RLIF Maximum		
		Federal (incl. Territories)	Manitoba ¹ , Quebec, Nova Scotia	Alberta ² , BC ² , Ontario ² , Newfoundland and Labrador ² , New Brunswick, Saskatchewan ³
55	2.86%	4.69%	6.40%	6.51%
56	2.94%	4.74%	6.50%	6.57%
57	3.03%	4.80%	6.50%	6.63%
58	3.13%	4.86%	6.60%	6.70%
59	3.23%	4.93%	6.70%	6.77%
60	3.33%	5.00%	6.70%	6.85%
61	3.45%	5.08%	6.80%	6.94%
62	3.57%	5.16%	6.90%	7.04%
63	3.70%	5.26%	7.00%	7.14%
64	3.85%	5.36%	7.10%	7.26%
65	4.00%	5.48%	7.20%	7.38%
66	4.17%	5.61%	7.30%	7.52%
67	4.35%	5.75%	7.40%	7.67%
68	4.55%	5.91%	7.60%	7.83%
69	4.76%	6.08%	7.70%	8.02%
70	5.00%	6.28%	7.90%	8.22%
71	5.28%	6.51%	8.10%	8.45%
72	5.40%	6.77%	8.30%	8.71%
73	5.53%	7.07%	8.50%	9.00%
74	5.67%	7.42%	8.80%	9.34%

Sources: *Federal and provincial pension legislations, regulations and policies, 2019*

NOTES:

- RRIF/LRIF/pRRIF/LIF/RLIF plans of every jurisdiction share the same minimum payment rates. LIF/RLIF plans have maximums that vary by jurisdiction.
- Prince Edward Island does not have pension legislation.
- No proration is required in the first year of LIF payments for British Columbia, Manitoba, New Brunswick, Quebec or Alberta where a LIF is opened during the year.
- If you are receiving temporary income, the maximum amount you receive could be adjusted.

FOOTNOTES:

- 1) • Manitoba allows transfers of up to 50% from a LIRA to a prescribed RRIF. Prescribed RRIFs do not have maximum withdrawal limits.
• The maximum LIF payment for Manitoba is the greater of the percentage in the above columns or the sum of the previous year's investment return plus 6% of any amounts transferred in from a LIRA or pension plan in the current year.
- 2) • The maximum LIF payment for Alberta, British Columbia, Newfoundland and Labrador, and Ontario is the greater of the percentage in the above columns or the previous year's investment return.
- 3) • Saskatchewan allows transfers from a LIRA to a prescribed RRIF. Prescribed RRIFs do not have maximum withdrawal limits.
• Saskatchewan LIFs have not been offered since April 2002. Any pre-existing LIF must be converted to a life annuity before December 31 of the year in which you turn 80. Since the LIF will cease to exist at this date, subsequent maximum payment rates do not apply.

Age at Dec. 31 of previous year (2018)	RRIF/LRIF/pRRIF/LIF/RLIF Minimum	LIF/RLIF Maximum		
		Federal (incl. Territories)	Manitoba ¹ , Quebec, Nova Scotia	Alberta ² , BC ² , Ontario ² , Newfoundland and Labrador ² , New Brunswick, Saskatchewan ³
75	5.82%	7.82%	9.10%	9.71%
76	5.98%	8.29%	9.40%	10.15%
77	6.17%	8.83%	9.80%	10.66%
78	6.36%	9.46%	10.30%	11.25%
79	6.58%	10.20%	10.80%	11.96% ³
80	6.82%	11.10%	11.50%	12.82%
81	7.08%	12.19%	12.10%	13.87%
82	7.38%	13.56%	12.90%	15.19%
83	7.71%	15.32%	13.80%	16.90%
84	8.08%	17.67%	14.80%	19.19%
85	8.51%	20.96%	16.00%	22.40%
86	8.99%	25.89%	17.30%	27.23%
87	9.55%	34.12%	18.90%	35.29%
88	10.21%	50.59%	20.00%	51.46%
89	10.99%	100.00%	20.00%	100.00%
90	11.92%	100.00%	20.00%	100.00%
91	13.06%	100.00%	20.00%	100.00%
92	14.49%	100.00%	20.00%	100.00%
93	16.34%	100.00%	20.00%	100.00%
94	18.79%	100.00%	20.00%	100.00%
95 & above	20.00%	100.00%	20.00%	100.00%

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(01/19)