

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

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|--|--|
| 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

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|--|---|
| 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> <tr> <th>Taxable income</th><th>Federal rate</th></tr> <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> </table> | 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% |
| 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% | | | | | | | | | | | | |
| 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

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|--|--|
| 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*

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

DISABILITY — RDSP

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| 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

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|---|------------------|
| 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

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|---|---|
| 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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