Wealth Management

the Navigator

INVESTMENT, TAX AND LIFESTYLE PERSPECTIVES FROM RBC WEALTH MANAGEMENT SERVICES

2022 handy financial planning facts



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PRIVATE INVESTMENT MANAGEMENT™

TFSA[1]	
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 – 2022
Maximum contribution limit since inception	$81,500 from 2009 – 2022, if born in 1991 or earlier and resident of Canada during those years

1) You automatically accumulate contribution room each year (starting in 2009) if you were a tax resident of Canada at any time during the year and you were at least 18 years of age at any time during the year.

RRSP / RRIF			
RRSP maximum annual deduction limit	18% of the prior year's earned income to a maximum of: $29,210 for 2022 – deadline March 1, 2023 $27,830 for 2021 – deadline March 1, 2022		
Withholding tax on RRSP withdrawals or payments over the annual minimum for a RRIF	Amount	All provinces except Quebec	Quebec
	$0 – $5,000	10%	20%
	$5,001 – $15,000	20%	25%
	Over $15,000	30%	30%

SPOUSAL RRSP / RRIF	
Spousal RRSP/RRIF attribution	• Attribution of a withdrawal from a spousal RRSP/RRIF to the plan annuitant's spouse (the "contributor") will apply if the contributor made a contribution in the year of withdrawal or in the two previous tax years. • An exception applies to RRIF minimum payments, which are not subject to attribution. • The amount attributed is limited to the total amount of the spousal RRSP contributions made by the contributor during the three-year period.

IPP	
Employment earnings required to contribute the maximum	$171,000 for 2022; $162,278 for 2021

PENSION AMOUNTS	
YMPE – yearly maximum pensionable earnings	$64,900
CANSIM rate	2.03%

U.S. THRESHOLDS	
Lifetime U.S. estate and gift tax exemption[2]	US $12,060,000
Annual U.S. gift tax exemption – non U.S. married spouse	US $164,000
Annual U.S. gift exemption – children / others	US $16,000

2) A Canadian resident (non U.S. person) with U.S. situs property > US $60,000 and a worldwide estate > US $12.06 million may have exposure to U.S. estate tax. A Canadian resident with U.S. situs property > US $60,000 must file a U.S. estate tax return.

RESP – per beneficiary:				
Maximum contributions	Lifetime limit of $50,000. No annual limit.			
Maximum lifetime CESG limit	$7,200			
Contribution deadline	December 31st			
	Income level from 2020	CESG%	Max contribution to attract CESG	Max CESG
Maximum annual basic CESG	Any	20%	$2,500	$500
Maximum annual basic CESG if unused carry-fwds	Any	20%	$5,000	$1,000
Maximum annual additional CESG	$50,197 or less	20%	$500	$100
	$50,197 to $100,392	10%	$500	$50

RDSP – per beneficiary:			
Maximum contributions	Lifetime limit of $200,000. No annual limit.		
Maximum lifetime CDSG and CDSB limit	$70,000 for CDSG and $20,000 for CDSB		
Maximum annual CDSG and CDSB if unused carry-fwds	$10,500 for CDSG and $11,000 for CDSB		
Contribution deadline	December 31st		
	Income level from 2020	Max contribution to attract CESG	Max CDSG/CDSB
Annual CDSG limit	$100,392 or less	$1,500	$3,500
	Above $100,392	$1,000	$1,000
Annual CDSB limit	$32,797 or less	N/A	$1,000
	Between $32,797 and $50,197	N/A	$1,000 prorated
	Over $50,197	N/A	$0

MARGINAL vs AVERAGE TAX RATE	
Marginal tax rate	Tax rate applicable to the last dollar of income earned. It does not consider deductions and credits.
Average (or effective) tax rate	Actual tax rate paid. It considers deductions, credits and graduated tax brackets.

FEDERAL TAX CREDITS	BASE AMOUNT	TAX CREDIT
Basic personal amount[3]	$12,719 to $14,398	$1,908 to $2,160
Spouse or common-law partner amount	$12,719 to $14,398	$1,908 to $2,160
Age amount	$7,898	$1,185
Net income threshold for age amount	$0.15 for every $1 of net income above $39,826; the full age amount is eliminated at a net income of $92,479	
Disability amount	$8,870	$1,330
Disability supplement amount (for minors)	$5,174	$776
Pension income amount	$2,000	$300
Medical expense tax credit	Lesser of 3% of net income or $2,479	

3) The federal basic/spouse/common-law partner amounts range from $12,719 to $14,398 for taxpayers with taxable income below $155,625. The benefit of the increased amounts gradually declines until it is eliminated when taxable income reaches $221,708.

FEDERAL TAX BRACKETS and RATES	
Taxable income	Tax rate
Up to $50,197	15%
Over $50,197 up to $100,392	20.50%
Over $100,392 up to $155,625	26%
Over $155,625 up to $221,708	29%
Over $221,708	33%

FEDERAL DIVIDEND TAX RATES	GROSS-UP
Eligible dividends	38%
Non-eligible dividends	15%

LIFETIME CAPITAL GAINS EXEMPTION (LCGE)	
For qualified small business corporation shares	$913,630
For qualified farm or fishing property	$1,000,000

FEDERAL CHARITABLE DONATIONS		
Donation amount	For individuals not taxed at the highest federal rate of 33%[4]	For individuals taxed at the highest federal rate of 33%[5]
First $200	15%	15%
Excess over $200	29%	33% or 29%[5]

4) Highest federal rate begins when income is over $221,708.
5) A 33% donation tax credit is available for donations to the extent an individual has income that is subject to the 33% top marginal tax rate. A 29% donation tax credit is available on the remaining amount of the donation.

IMPORTANT PERSONAL TAX DEADLINES[6]	
Personal income tax instalments	March 15, 2022 June 15, 2022 September 15, 2022 December 15, 2022
Personal income tax return filing	May 2, 2022
Self-employed income tax return filing	June 15, 2022
Balance owing for taxes payable	May 2, 2022

6) When the due date falls on a Saturday, a Sunday, or a public holiday recognized by the CRA, your payment or return is considered on time if the CRA receives it or it is postmarked on the next business day.

OTHER DEADLINES	
Prescribed rate loan interest payment due by	Jan. 30, 2022 for 2021 interest; Jan. 30, 2023 for 2022 interest[7]
Last trade date for Canadian and U.S. stocks	December 28, 2022, assuming a 2-day settlement

7) January 30, 2022 falls on a weekend. Be sure to make arrangements to ensure the interest payments are made by the due date as the deadline is not extended to the next business day.

CANADA PENSION PLAN and QUEBEC PENSION PLAN		
Maximum amounts:	CPP	QPP
Retirement benefit at age 65	$1,253.59/mo	$1,253.59/mo
Post-retirement benefit at age 65	$36.26/mo	N/A
Retirement benefit supplement	N/A	$28.08/mo
Early retirement benefit at age 60 (36% max reduction or 0.6% per month)	$802.30/mo	$802.30/mo
Deferred retirement benefit at age 70 (42% max increase or 0.7% per month)	$1,780.10/mo	$1,780.10/mo
Disability benefit	$1,464.83/mo	$1,464.83/mo
Survivor's benefit – younger than 65	$674.79/mo	See chart below
Survivor's benefit – 65 and older	$752.15/mo	$751.15/mo
Children of disabled CPP/QPP contributors	$264.53/mo	$83.99/mo
Children of deceased CPP/QPP contributors	$264.53/mo	$257.58/mo
Combined survivor's and retirement benefit at age 65	$1,257.13/mo	$1,257.13/mo
Combined survivor's and disability benefit	$1,467.04/mo	Undisclosed
Death benefit (one time payment)	$2,500.00	$2,500.00
Employee and employer contributions	$3,499.80/yr	$3,776.10/yr
Self-employed contributions	$6,999.60/yr	$7,552.20/yr
QPP SURVIVOR'S BENEFIT – younger than 65		
Age	Situation	QPP
Under 45	Without any dependant children	$605.68/mo
Under 45	With one or more dependant children	$958.43/mo
Under 45	Disabled, with or without dependant children	$995.92/mo
Between 45 and 64	All situations	$995.92/mo

OLD AGE SECURITY	
Maximum benefits as of Q1:	OAS
Benefit at age 65	$642.25/mo
Deferred benefit at age 70 (36% max increase or 0.6% per month)	$873.46/mo
Clawback rate	$0.15 for every $1 of net income above $81,761; the full OAS is eliminated at a net income of $133,141 as of Q1

GOVERNMENT CONTACT INFORMATION	
CRA general help line for individuals	EN: 1-800-959-8281; FR: 1-800-959-7383
Phone number for CPP and OAS queries	EN: 1-800-277-9914; FR: 1-800-277-9915
Phone number for QPP queries	1-800-463-5185

GUARANTEED INCOME SUPPLEMENT as of Q1		
For those receiving a full OAS pension:	GIS[8]	Income cut-off
Single, widowed or divorced	$959.26/mo	$19,464/yr (individual)
If your spouse receives the full OAS pension	$577.43/mo	$25,728/yr (combined)
If your spouse does not receive an OAS pension	$959.26/mo	$46,656/yr (combined)
If your spouse receives the Allowance[9]	$577.43/mo	$46,656/yr (combined)
Allowance[9]: If your spouse receives GIS and the full OAS pension	$1,219.68/mo	$36,048/yr (combined)
Allowance for the survivor[10]: If you are a surviving spouse	$1,453.93/mo	$26,256/yr (individual)

Any reference to a spouse in this section also includes a common-law partner.

8) The GIS is a monthly non-taxable benefit to OAS recipients who have a low income. It is added to OAS.

9) The Allowance is available to low-income individuals aged 60 to 64 who are the spouse of a GIS recipient.

10) The Allowance for the Survivor is available to people aged 60 to 64 who have a low income, and whose spouse has died.

This document is compiled based on a number of federal and provincial government sources including the Government of Canada, the Canada Revenue Agency, and Retraite Québec as at January 2022.



Wealth Management

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