

# The Navigator



Wealth Management

RBC Wealth Management Services

## 2016 handy financial planning facts

The following is a summary of some common financial planning-related information that you can use as a handy reference. Any values noted below are for 2016 unless stated otherwise.

Please contact us for more information about the topics discussed in this article.

Retirement	
Maximum CPP/QPP benefit at age 65	\$1,092.50 per month
Maximum CPP/QPP benefit at age 60	\$699.20 per month (36% max reduction or 0.60% per month)
Maximum CPP/QPP at age 70	\$1,551.35 per month (42% max increase or 0.7%/month)
Maximum CPP/QPP contributions employer and employee	CPP \$2,544.30 each annually QPP \$2,737.05 each annually
Maximum CPP/QPP contributions self-employed	CPP \$5,088.60 annually QPP \$5,474.10 annually
YMPE — Yearly Maximum Pensionable Earnings	\$54,900
Maximum OAS benefit for Q1	\$570.52 per month
OAS clawback rate	\$0.15 for every \$1 of net income above \$73,756; the full OAS is eliminated at a net income of \$119,398
CANSIM rate	2.17%
RRSP — maximum annual deduction limit	\$24,930 for 2015 \$25,370 for 2016
RRSP — withholding tax on withdrawals by a resident of Quebec/rest of Canada respectively	21%/10% for amounts up to \$5,000 26%/20% for amounts over \$5,000 up to \$15,000 31%/30% for amounts over \$15,000
TFSA contribution room created on Jan. 1st	\$5,000 each year 2009 – 2012 \$5,500 each year 2013 – 2014 \$10,000 for 2015 \$5,500 for 2016
TFSA maximum room since inception	\$46,500 from 2009-2016
IPP	
Maximum T4 earnings required in order to contribute the maximum to an IPP for the year.	\$140,945 for 2015 \$144,500 for 2016

Education				
Maximum annual RESP contribution	Unlimited annual contribution up to lifetime maximum of \$50,000 per beneficiary			
Maximum Annual RESP contribution for maximum CESG	20% of first \$2,500 per beneficiary = CESG up to \$500. Plus 20% of next \$2,500 per beneficiary if carry forward room is available = additional CESG up to \$500. Maximum annual CESG = \$1,000/year/beneficiary.			
Tax				
EI — maximum annual premium	\$955.04 (\$772.16 in Quebec due to separate maternity and parental benefits)			
EI — insured earnings	\$50,800			
Federal basic personal tax exemption	\$11,474 (base) \$1,721 (credit)			
Federal tax brackets and rates based on taxable income	<b>Taxable income</b>	<b>Federal rate</b>	<b>Taxable income</b>	<b>Federal rate</b>
	Up to \$45,282	15%	Over \$140,388 to \$200,000	29%
	Over \$45,282 to \$90,563	20.5%	Over \$200,000	33%
	Over \$90,563 to \$140,388	26%		
Eligible dividends (most public companies)	Gross up is 38%; taxable amount is 138% Federal tax credit is 15.0198% of taxable dividend			
Other than eligible dividends	Gross up is 17%; taxable amount is 117%. Federal tax credit is 10.52% of taxable dividend.			
Lifetime Capital Gains Exemption (LCGE) for qualified small business corporation shares	\$813,600 for 2015 \$824,176 for 2016			
LCGE for qualified farm or fishing property	\$1,000,000 for 2016			
Personal tax calculator website	<a href="http://www.ey.com/ca/en/services/tax/tax-calculators">http://www.ey.com/ca/en/services/tax/tax-calculators</a>			
Automobile				
Allowable lease amount	\$800/month maximum			
Purchase capital cost ceiling for passenger vehicles	\$30,000 maximum			
Allowable interest deduction	\$300/month maximum			
Tax-exempt allowances paid by the employer to the employee (based on the distance traveled in their personal automobile for business purposes)	First 5,000 kms – 54 cents (58 cents for territories) Additional kms – 48 cents (52 cents for territories)			
Prescribed taxable benefit for personal use of an employer's automobile	26 cents per km 23 cents per km for auto salespersons			
U.S. limits				
US Estate Tax exemption	\$5,450,000 USD			
US Gift Tax exemption – Non-US Spouse	\$148,000 USD			
US Gift Tax exemption – Children/Others	\$14,000 USD			
Government links				
Canada Revenue Agency website	<a href="http://www.cra-arc.gc.ca/menu-e.html">www.cra-arc.gc.ca/menu-e.html</a>			
Canada Revenue Agency General Help Line	1-800-959-8281			
Phone number for CPP/OAS queries	1-800-277-9914 <a href="http://www.servicecanada.gc.ca/eng/common/contactus/index.shtml#cpp">http://www.servicecanada.gc.ca/eng/common/contactus/index.shtml#cpp</a>			
Phone number for QPP queries	Régie des rentes: 1-800-463-5185 <a href="http://www.rrq.gouv.qc.ca/en/services/nous_joindre/Pages/nous_joindre.aspx">http://www.rrq.gouv.qc.ca/en/services/nous_joindre/Pages/nous_joindre.aspx</a>			

If you have any questions or require clarification of any of the information in this document, do not hesitate to discuss these with your RBC advisor.



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