



# Wilson Wealth Management Group

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Hello Clients and Friends,

The TSX is up 1.56% for the week, while the DOW is up for 6 days straight now, finishing up 2.04% for the week. So much for the Brexit turmoil.

As I write this there is a coup, *"a sudden, violent, and illegal seizure of power from a government"*, going on in Turkey right now. Granted Turkey is the 18<sup>th</sup> largest economy in the world. Does it affect how my weekend is going to be spent? NOPE! I'm not downplaying major events in the world, but just highlighting there will always be something happening somewhere that shouldn't derail our long term objectives. In fact this is the 6<sup>th</sup> coup in Turkey in 60 years. It's the fact that this information was showing up on my twitter feed within minutes of something happening was interesting to me, and frustrating to me at the same time.

I compiled a couple great clips from other sources this week I thought I would share with clients, to remain focused in uncertain times.

10 BIG Ideas from Josh Brown. <http://thereformedbroker.com>

- markets work
- investors are compensated for the risks they bear
- some risks pay better than others
- prices contain information
- performance is mean-reverting
- the future is unknowable
- the past is a good guide
- compounding is magic
- costs matter
- less is more

## Negative Tax Rates, on Dividends.

Did you know you can have a negative tax rate on certain types of income in Canada? Depending on your income level, and how your investments are structured, you can actually receive a non-refundable dividend tax credit; yes that's a mouthful indeed. In as plain English as I can, my readers appreciate that I am able to explain things in normal terms.

If you own a company in Canada, and they turn a profit, they will sometimes share this profit with the shareholders, through a dividend. If it is with a Canadian company you get something called a dividend tax credit on your tax return, when you file it. If you have very low income, you won't get these tax credits in form of a refund, hence the term "non-refundable tax credit", but it can be used against some of your other income you receive that is taxed, say interest income from a bond, or regular income. **\*please always consult with your tax advisor\***

If someone has an investment portfolio and is only collecting CPP & OAS in retirement, they would pay different amounts of tax depending on what investment income they receive.

- If they were to receive \$100 in interest income, they would pay approx. \$20.06 of tax on it.
- If they had generated a capital gain of \$100, taxes due would be approx. \$10.03.
- Had they received \$100 in dividends from a Canadian company, they would get a tax CREDIT of \$6.84, yes a credit. If you invest into a Canadian company that pays a dividend you may end up paying little to no taxes, depending on your income level.

Income Range		Other Income	Capital Gains	Eligible Dividends
From	To			
\$0	\$38,210	20.06%	10.03%	-6.84%
\$38,210	\$45,282	22.70%	11.35%	-3.20%
\$45,282	\$76,421	28.20%	14.10%	4.39%
\$76,421	\$87,741	31.00%	15.50%	8.25%
\$87,741	\$90,563	32.79%	16.40%	10.72%
\$90,563	\$106,543	38.29%	19.15%	18.31%
\$106,543	\$140,388	40.70%	20.35%	21.64%
\$140,388	\$200,000	43.70%	21.85%	25.78%
\$200,000	+	47.70%	23.85%	31.30%

Now this does not mean, go out and put your entire portfolio into dividend paying stocks, nor trying to reach for the highest dividend paying companies, I can write about why high dividend companies are not a good investment in a later newsletter.

**Many clients ask me what is the best stock app on the market?**

I have been using Real Time Stock Tracker for a few years now.



You can download it here:

[Stock Tracker: Real Time](#)

Have an excellent week,  
Cameron

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