

# THE NAVIGATOR

## 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.

### RETIREMENT

|                                                                                           |                                                                                                                           |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Maximum CPP/QPP benefit at age 65                                                         | \$1,092.50 per month                                                                                                      |
| Maximum CPP/QPP benefit at age 60                                                         | \$699.20 per month<br>(36% max reduction or 0.60% per month)                                                              |
| Maximum CPP/QPP at age 70                                                                 | \$1,551.35 per month<br>(42% max increase or 0.7%/month)                                                                  |
| Maximum CPP/QPP contributions employer and employee                                       | CPP \$2,544.30 each annually<br>QPP \$2,737.05 each annually                                                              |
| Maximum CPP/QPP contributions self-employed                                               | CPP \$5,088.60 annually<br>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<br>\$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<br>26%/20% for amounts over \$5,000 up to \$15,000<br>31%/30% for amounts over \$15,000 |
| TFSA contribution room created on Jan. 1st                                                | \$5,000 each year 2009 – 2012<br>\$5,500 each year 2013 – 2014<br>\$10,000 for 2015<br>\$5,500 for 2016                   |
| TFSA maximum room since inception                                                         | \$46,500 from 2009-2016                                                                                                   |
| <b>IPP</b>                                                                                |                                                                                                                           |
| Maximum T4 earnings required in order to contribute the maximum to an IPP for the year.   | \$140,945 for 2015<br>\$144,500 for 2016                                                                                  |



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## 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.<br><b>Plus</b> 20% of next \$2,500 per beneficiary if carry forward room is available = additional CESG up to \$500.<br>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                                  | Taxable income                                                                                                          | Federal rate |
|                                                                                         | Up to \$45,282                                                                                                          | 15%          |
|                                                                                         | Over \$45,282 up to \$90,563                                                                                            | 20.5%        |
|                                                                                         | Over \$90,563 up to \$140,388                                                                                           | 26%          |
|                                                                                         | Over \$140,388 up to \$200,000                                                                                          | 29%          |
|                                                                                         | Over \$200,000                                                                                                          | 33%          |
| Eligible dividends (most public companies)                                              | Gross up is 38%; taxable amount is 138%<br>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<br>\$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)<br>Additional kms – 48 cents (52 cents for territories) |
| Prescribed taxable benefit for personal use of an employer's automobile                                                                        | 26 cents per km<br>23 cents per km for auto salespersons                                                      |

## US 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<br><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<br><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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