The Navigator

Wealth Management

INVESTMENT, TAX AND LIFESTYLE PERSPECTIVES FROM RBC WEALTH MANAGEMENT SERVICES

2018 handy financial planning facts

The following is a summary of some common financial planning-related information. Any values noted below are for 2018 unless stated otherwise.

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

Retirement	
Maximum CPP/QPP benefit at age 65	$1,134.17 per month
Early CPP/QPP maximum benefit at age 60	$725.87 per month (36% max reduction or 0.6% per month)
Deferred CPP/QPP maximum benefit at age 70	$1,610.52 per month (42% max increase or 0.7% per month)
Maximum CPP/QPP contributions employer and employee	CPP $2,593.80 each annually QPP $2,829.60 each annually
Maximum CPP/QPP contributions self-employed	CPP $5,187.60 annually QPP $5,659.20 annually
YMPE – Yearly Maximum Pensionable Earnings	$55,900
Maximum OAS benefit for Q1 at age 65	$586.66 per month
Deferred OAS maximum benefit for Q1 at age 70	$797.86 per month (36% max increase or 0.6% per month)
OAS clawback rate	$0.15 for every $1 of net income above $75,910; the full OAS is eliminated at a net income of $122,843
CANSIM rate	2.16%
RRSP – maximum annual deduction limit	$26,010 for 2017 $26,230 for 2018
RRSP – withholding tax on withdrawals	10% (20% in Quebec) for amounts up to $5,000 20% (25% in Quebec) for amounts over $5,000 up to and including $15,000 30% (30% in Quebec) for amounts over $15,000
Annual TFSA contribution limits	$5,000 each year 2009 - 2012 $5,500 each year 2013 - 2014 $10,000 for 2015 $5,500 for 2016 - 2018
Maximum TFSA contribution limit since inception	$57,500 from 2009 – 2018

IPP	
T4 earnings required to contribute the maximum to an IPP for the year	$145,722 for 2017 $147,222 for 2018
Tax	
EI – maximum annual premium	$858.22 ($672.10 in Quebec due to separate maternity and parental benefits)
EI – maximum annual insurable earnings	$51,700
Federal basic personal amount	$11,809 (base) $1,771 (credit)
Federal age amount	$7,333 (base) $1,100 (credit)
Net income threshold for age amount	$0.15 for every $1 of net income above $36,976; the full age amount is eliminated at a net income of $85,863
Federal tax brackets and rates based on taxable income	**Taxable income** — **Federal rate** Up to $46,605 — 15% Over $46,605 up to $93,208 — 20.5% Over $93,208 up to $144,489 — 26% Over $144,489 up to $205,842 — 29% Over $205,842 — 33%
Eligible dividends (most public companies)	Gross up is 38%; taxable amount is 138%; Federal tax credit is 15.0198% of taxable dividend
Non-eligible dividends	Gross up is 16%; taxable amount is 116%; Federal tax credit is 10.0313% of taxable dividend
Lifetime Capital Gains Exemption (LCGE) for qualified small business corporation shares	$835,716 for 2017 $848,252 for 2018
LCGE for qualified farm or fishing property	$1,000,000 for 2017 and 2018
Education – RESP	
Maximum annual RESP contribution	Unlimited annual contribution up to lifetime maximum of $50,000 per beneficiary
Maximum annual RESP contribution for maximum CESG	CESG of 20% on first $2,500 of contributions per beneficiary up to a maximum of $500 Maximum annual CESG of $1,000 if there is unused grant room from a previous year Lifetime CESG limit of $7,200 per beneficiary
Additional CESG on the first $500 contributed to an RESP	CESG of 20% if net income is under $46,605 CESG of 10% if net income is between $46,605 and $93,208
Disability – RDSP	
Annual CDSG (grant) limit	$1,000 grant for $1,000 contribution if 2016 net income above $93,208 $3,500 grant per $1,500 contribution if 2016 net income less than $93,208
Annual CDSB (bond) limit	$1,000 if 2016 net income is $30,000 or less; Part of the $1,000 if 2016 net income is between $30,000 and $46,605; No bond if 2016 net income is over $46,605
Maximum lifetime CDSG and CDSB limit	$70,000 for CDSG and $20,000 for CDSB
Annual maximum CDSG and CDSB if there is unused carry forward	$10,500 for CDSG and $11,000 for CDSB

U.S. Limits	
U.S. estate and gift tax exemption	$11,200,000 USD
U.S. gift tax exemption – non-U.S. married spouse	$152,000 USD
U.S. gift tax exemption – children/others	$15,000 USD
Government Links	
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_joindre/Pages/nous_joindre.aspx

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

This document has been prepared for use by the RBC Wealth Management member companies, RBC Dominion Securities Inc. (RBC DS)*, RBC Phillips, Hager & North Investment Counsel Inc. (RBC PH&N IC), RBC Global Asset Management Inc. (RBC GAM), Royal Trust Corporation of Canada and The Royal Trust Company (collectively, the "Companies") and their affiliates, RBC Direct Investing Inc. (RBC DI) *, RBC Wealth Management Financial Services Inc. (RBC WMFS) and Royal Mutual Funds Inc. (RMFI). *Member-Canadian Investor Protection Fund. Each of the Companies, their affiliates and the Royal Bank of Canada are separate corporate entities which are affiliated. "RBC advisor" refers to Private Bankers who are employees of Royal Bank of Canada and mutual fund representatives of RMFI, Investment Counsellors who are employees of RBC PH&N IC, Senior Trust Advisors and Trust Officers who are employees of The Royal Trust Company or Royal Trust Corporation of Canada, or Investment Advisors who are employees of RBC DS. In Quebec, financial planning services are provided by RMFI or RBC WMFS and each is licensed as a financial services firm in that province. In the rest of Canada, financial planning services are available through RMFI, Royal Trust Corporation of Canada, The Royal Trust Company, or RBC DS. Estate & Trust Services are provided by Royal Trust Corporation of Canada and The Royal Trust Company. If specific products or services are not offered by one of the Companies or RMFI, clients may request a referral to another RBC partner. Insurance products are offered through RBC Wealth Management Financial Services Inc., a subsidiary of RBC Dominion Securities Inc. When providing life insurance products in all provinces except Quebec, Investment Advisors are acting as Insurance Representatives of RBC Wealth Management Financial Services Inc. In Quebec, Investment Advisors are acting as Financial Security Advisors of RBC Wealth Management Financial Services Inc. RBC Wealth Management Financial Services Inc. is licensed as a financial services firm in the province of Quebec. The strategies, advice and technical content in this publication are provided for the general guidance and benefit of our clients, based on information believed to be accurate and complete, but we cannot guarantee its accuracy or completeness. This publication is not intended as nor does it constitute tax or legal advice. Readers should consult a qualified legal, tax or other professional advisor when planning to implement a strategy. This will ensure that their individual circumstances have been considered properly and that action is taken on the latest available information. Interest rates, market conditions, tax rules, and other investment factors are subject to change. This information is not investment advice and should only be used in conjunction with a discussion with your RBC advisor. None of the Companies, RMFI, RBC WMFS, RBC DI, Royal Bank of Canada or any of its affiliates or any other person accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained herein. ® Registered trademarks of Royal Bank of Canada. Used under licence.
© 2018 Royal Bank of Canada. All rights reserved. NAV0003 (01/18)