

Financial Planning & Advisory Services – Quick Tax Reference Guide

COMBINED FEDERAL, PROVINCIAL AND TERRITORIAL INCOME TAX FOR INDIVIDUALS (ORDINARY INCOME ONLY)

Taxable Income (\$)	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland and Labrador	Yukon	Northwest Territories	Nunavut	Canadian Non-Resident
20,000	1,872	1,723	2,022	2,675	1,971	2,258	2,426	2,433	2,626	2,346	2,088	1,839	1,746	4,440
25,000	2,875	2,973	3,322	3,965	2,974	3,685	3,631	3,623	3,866	3,481	3,190	2,884	2,696	5,550
30,000	3,878	4,223	4,622	5,255	3,976	5,111	4,836	4,838	5,106	4,616	4,292	3,929	3,646	6,660
35,000	4,881	5,473	5,922	6,623	4,979	6,537	6,041	6,335	6,466	5,899	5,394	4,974	4,596	7,770
40,000	5,986	6,723	7,222	8,011	6,072	8,001	7,332	7,833	7,906	7,274	6,496	6,083	5,557	8,880
45,000	7,363	8,215	8,846	9,640	7,522	9,829	8,929	9,572	9,588	8,891	7,931	7,505	6,899	10,348
50,000	8,848	9,815	10,596	11,378	9,079	11,748	10,634	11,420	11,378	10,616	9,515	9,035	8,349	11,976
55,000	10,333	11,415	12,346	13,115	10,637	13,666	12,339	13,267	13,168	12,341	11,099	10,565	9,799	13,604
60,000	11,818	13,015	14,096	14,853	12,194	15,585	14,044	15,129	14,958	14,066	12,683	12,095	11,249	15,232
70,000	14,788	16,215	17,596	18,467	15,373	19,422	17,454	19,996	18,713	17,566	15,851	15,155	14,149	18,488
80,000	17,973	19,415	21,096	22,407	18,844	23,334	20,881	22,863	22,583	21,096	19,019	18,386	17,065	21,744
90,000	21,625	22,892	24,872	26,624	23,061	27,802	24,597	27,006	26,730	24,902	22,635	22,082	20,441	25,409
100,000	25,454	26,492	28,772	30,964	27,402	32,373	28,437	31,331	31,031	28,832	26,436	25,902	23,941	29,257
110,000	29,505	30,092	32,672	35,304	31,743	36,944	32,277	35,681	35,468	32,762	30,237	29,722	27,441	33,105
120,000	33,575	33,692	36,634	39,644	36,084	41,515	36,117	40,031	39,905	36,692	34,039	33,542	30,941	36,953
130,000	37,681	37,328	40,770	44,020	40,461	46,116	40,168	44,417	44,377	40,658	37,892	37,540	34,507	40,854
140,000	42,051	41,228	45,170	48,660	45,102	50,937	44,498	49,067	49,114	44,888	42,132	41,845	38,557	45,146
150,000	46,421	45,128	49,570	53,300	49,743	55,759	48,828	53,717	53,851	49,118	46,372	46,150	42,607	49,438
200,000	68,271	64,628	71,570	76,500	72,948	79,866	70,478	78,717	77,536	70,268	67,571	67,675	62,857	70,898
300,000	111,971	103,628	115,570	122,900	119,357	128,081	113,778	128,717	124,906	112,568	109,969	110,725	103,357	113,818
400,000	155,671	142,628	159,570	169,300	165,767	176,296	157,978	178,717	172,276	154,868	152,367	153,775	143,857	156,738
500,000	199,371	181,628	203,570	215,700	212,177	224,511	200,378	228,717	219,646	197,168	194,765	196,825	184,357	199,658
750,000	308,621	279,128	313,570	331,700	328,201	345,049	309,628	353,717	338,071	302,918	300,760	304,450	285,607	306,958
1,000,000	417,871	376,628	423,570	447,700	444,225	465,586	416,878	478,717	456,496	408,668	406,755	412,075	386,857	414,258

* This table cannot be used if taxable income includes Canadian dividends.

* Tax includes federal, provincial and territorial tax (and surtax, where applicable), but does not take into account minimum tax.

* In 2011, all provinces and territories are using a "Tax-on-income" system and apply provincial and territorial tax rates to taxable income. Tax for non-residents is equal to 148% of basic federal tax.

* In calculating tax, only the basic personal non-refundable credits, both federal and provincial/territorial, have been considered. The non-refundable credits for EI and CPP/QPP contributions,

the northern resident deduction, low income tax reductions and credits and refunds of GST and provincial sales taxes have not been considered. Note that the basic personal credit was not taken into account in the case of a non-resident individual.

* This table does not include health premiums contributions.

Note: This table was updated to June 7, 2011 and incorporates the 2011 federal, provincial and territorial budgets.

Top Marginal Tax Rates (%)

Ordinary income	43.70%	39.00%	44.00%	46.40%	46.41%	48.22%	43.30%	50.00%	47.37%	42.30%	42.40%	43.05%	40.50%	42.92%
Non-eligible dividends	33.71%	27.71%	32.08%	39.15%	32.57%	36.35%	30.83%	36.21%	41.17%	29.96%	30.41%	29.65%	28.96%	*
Eligible dividends	23.91%	17.72%	23.36%	26.74%	28.19%	31.85%	20.96%	34.85%	27.33%	20.96%	14.28%-17.72%	21.31%	25.73%	*
Capital Gains	21.85%	19.50%	22.00%	23.20%	23.20%	24.11%	21.65%	25.00%	23.69%	21.15%	21.20%	21.53%	20.25%	21.46%

* Dividends earned by non-residents are subject to a federal withholding tax of 25% and the rate of such withholding may be lowered where a tax treaty applies.

* Generally, eligible dividends are dividends paid from income which is subject to the general corporate tax rate, excluding investment income.

* Generally, non-eligible dividends are those paid by CCPCs from income eligible to the SBD or from investment income.

¹ A taxpayer's ability to claim the full dividend tax credit will be dependent on the other sources of income earned. Where a taxpayer has only eligible dividend income, the tax rate will be 17.72%. Where the taxpayer has other sources of income, the rate may be as low as 14.28%.



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- **TAX STRATEGIES** including income splitting, RESPs, interest deductibility and estate freezes.
- **BUSINESS SUCCESSION STRATEGIES** including facilitating discussions and identifying issues on exit strategies, succession concerns and post succession planning.

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MAXIMUM CONTRIBUTION LIMITS

Year	RRSP	TFSA	RPP*
2011	\$22,450	\$5,000	\$22,970
2012	\$22,970	Indexed to nearest \$500	Indexed
2013	Indexed	Indexed to nearest \$500	Indexed

*The RPP annual contribution limits apply to defined contribution pension plans only.

Note: Annual RRSP contributions are limited to the lesser of 18% of your earned income from the prior year or the annual maximum contribution noted above.

OVERCONTRIBUTION RULES (RRSP OR TFSA)

- A monthly penalty tax of 1% is applied to contributions made in excess of the maximum contribution limits.
- If an individual is over the age of 18 then they are entitled to a cumulative overcontribution limit of \$2,000 to an RRSP before the penalty tax is applied.

NON-RESIDENT TAX

NRT applies when dividends are paid to a non-resident of the country in which the security resides or Canadian interest earned on credit balances is paid to a non-resident.

DIVIDENDS ON CANADIAN EQUITIES

15% Treaty Country
25% Non-treaty Country

DIVIDENDS ON U.S. EQUITIES

15% Treaty Country
25% Non-treaty Country

Notes:

1. The recent addition of the fifth Protocol to the Canada/U.S. treaty eliminates withholding tax on cross-border interest payments between arm's length persons which are on or after the first day of the second month that begins after the Protocol's entry into force; and related persons which are subject to the Limitation of Benefits article, and phases it out over three years from 10% to 7%, retroactively on amounts paid or credited after December 31, 2007, to 4% in 2009 and to nil after 2009.
2. Commencing 2008, Canadian withholding tax is eliminated on most interest paid to arm's-length non-residents. (For a detailed listing of treaty countries and other withholding rates please contact a Financial Planning Consultant)

CPP/QPP & OAS

- Maximum CPP/QPP benefit for 2011: \$960/month
- Maximum OAS pension for 2011: \$533.70/month (changes quarterly)
- For 2011, the threshold at which the OAS clawback starts is \$67,668 of net income (including OAS)
- OAS will be entirely clawed back if your net income exceeds \$110,038

SPOUSAL RRSP RULES

- Any amounts that may be contributed to an individual's own plan under his/her personal deduction limit may be contributed to a spousal loan instead.
- For a 2011 withdrawal, the contributor declares income if contributions were made to a spousal RRSP in 2009, 2010 or 2011.
- Contributions to a spousal RRSP may be made by an individual up to and including the year the spouse turns 71.

PROBATE RATES

Province	Estate size	Fee/tax
British Columbia	Estates under \$10,000	\$0
	Estates between \$10,001 and \$25,000 in value	Filing Fee of \$208
	\$25,001 - \$50,000	0.60%
Alberta	Over \$50,000	\$350 + 1.40%
	First \$10,000	\$25
	\$10,001 - \$249,999	Progressive to \$300
Saskatchewan	Over \$250,000	\$400 (maximum)
	All Estates	0.70%
Manitoba	First \$10,000	\$70
	Over \$10,000	\$70 + 0.70%
Ontario	\$1000 or less	\$0
	\$1001 to \$50,000	0.50%
	Over \$50,000	\$250 + 1.50%
Quebec	Notarial Wills	No fee
	Verification of Wills for a natural person	\$97
	Verification of Wills for a corporation	\$109
New Brunswick	First \$5,000	\$25
	\$5,001 to \$20,000	Progressive to \$100
	Over \$100,000	0.50%
Nova Scotia	First \$10,000	\$78.54
	\$10,001 to \$100,000	Progressive to \$920.07
	Over \$100,000	\$920.07 + 1.553%
Prince Edward Island	First \$10,000	\$50
	\$10,001 to \$100,000	Progressive to \$400
	Over \$100,000	\$400 + 0.40%
Newfoundland & Labrador	First \$1,000	\$90
	Over \$1,000	\$90 + 0.50%
Yukon	\$25,000 or less	\$0
	Over \$25,000	\$140
Northwest Territories	Less than \$10,000	\$25
(includes Nunavut)	\$10,000 - \$250,000	Progressive to \$300
	\$250,001 or more	\$400

WITHHOLDING TAX RATES FOR RRSP AND RRIF WITHDRAWALS

Amount	All provinces excluding Quebec	
	Quebec	Quebec
Up to \$5,000	10%	(5% + 16%) = 21%
\$5,000.01 - \$15,000	20%	(10% + 16%) = 26%
Above \$15,000	30%	(15% + 16%) = 31%

Notes:

1. There is no withholding tax on RRIF minimum amounts
2. Quebec applies a flat 16% withholding tax on all RRIF withdrawals including RRIF minimums. Federal withholding tax rates will be added on RRIF withdrawals in excess of RRIF minimums of up to \$5,000 (5%), \$5,001 to \$15,000 (10%), and over \$15,000 (15%) respectively.

PENSION INCOME SPLITTING RULES

Individuals who earn income eligible for the pension income tax credit may reduce their overall household tax bill through the pension income splitting measure introduced by the federal government in October 2006.

When it comes time to prepare personal tax returns, the higher income earning spouse can allocate up to 50% of their eligible pension income to their lower income earning spouse, where it will be taxed at their lower marginal rate.

- **For people age 65 and older**, eligible pension income includes lifetime annuity payments under a registered pension plan (RPP), a registered retirement savings plan (RRSP) or a deferred profit sharing plan (DPSP), and payments received upon the death of a spouse or common-law partner.
- **For individuals younger than 65**, eligible pension income includes only lifetime annuity payments from an RPP (employer-sponsored pension) and certain other payments received upon the death of a spouse or common-law partner.

It is advised however, that a couple use caution and consult their own tax advisor before implementing this income splitting strategy.

CHANGES TO THE CPP

Changes to the Canada Pension Plan (CPP) were recommended on May 25, 2009 to modernize the Plan and to better reflect the many different paths people take to retirement today. These changes include:

1. Improved Flexibility
 - a. Removal of the Work Cessation Test - in 2012
 - b. Increase in the General Low Earning Drop-Out (to 16% in 2012 and 17% in 2014)
2. Improved Pension Coverage – working beneficiaries to participate in the CPP (Mandatory before 65 and voluntary after 65) – in 2012
3. Improved Fairness in the Pension Adjustments for Early and Late CPP Take-Up (done over a period of 3 years starting in 2011)

For more information please visit the Department of Finance Canada (http://www.fin.gc.ca/n08/data/09-051_1-eng.asp).

Anyone currently receiving a CPP retirement pension, disability benefits, survivor benefits or combined benefits will not have these benefits affected by the proposed changes.

RRIF MINIMUM WITHDRAWAL AMOUNTS

(Fair market value of RRIF multiplied by prescribed factors below)

Age on Jan 1	General	Qualifying RRIFs
71	7.38%	5.26%
72	7.48%	5.56%
73	7.59%	5.88%
74	7.71%	6.25%
75	7.85%	6.67%
76	7.99%	7.14%
77	8.15%	7.69%
78	8.33%	8.33%
79	8.53%	8.53%
80	8.75%	8.75%
81	8.99%	8.99%
82	9.27%	9.27%
83	9.58%	9.58%
84	9.93%	9.93%
85	10.33%	10.33%
86	10.79%	10.79%
87	11.33%	11.33%
88	11.96%	11.96%
89	12.71%	12.71%
90	13.62%	13.62%
91	14.73%	14.73%
92	16.12%	16.12%
93	17.92%	17.92%
94 or older	20.00%	20.00%

Notes:

- RSPs must be converted by age 71
- For ages below 71, the formula is 1/(90-age)
- A qualifying RRIF is generally a registered retirement income fund entered into before 1993

ATTRIBUTION RULES

	Gift	No or low-interest loan	Loan at prescribed or commercial rate
Spouse			
Income	Attributed to 'gifter'	Attributed to lender	No attribution
Capital Gains	Attributed to 'gifter'	Attributed to lender	No attribution
Second Generation Income	No attribution	Attributed to lender	No attribution
Child under 18			
Income	Attributed to 'gifter'	Attributed to lender	No attribution
Capital Gains	No attribution	No attribution	No attribution
Second Generation Income	No attribution	No attribution	No attribution
Child Over 18			
Income	No attribution	No attribution	No attribution
Capital Gains	No attribution	No attribution	No attribution
Second Generation Income	No attribution	No attribution	No attribution