

# 2019 Gen Canadian Tax Update

Revision 1.1  
Last Updated: 2/13/2019

## Revision History

Date	Revision	Author(s)	Description
1/10/2019	1.0	Advicent: JD	Creation of Document
2/13/2019	1.1	Advicent: JD	Corrections to some 2019 values

### Version 1.0 Highlights

- Federal brackets updated by indexation factor
- Age/Credit Amount updated: \$7,494
- Disability Credit amount updated: \$8,416
- Canada Caregiver Credit updated: \$7,140
- Provincial rate/bracket updates
  - Alberta: Tax brackets and amounts are increased by an indexation factor of 1.024
  - British Columbia: brackets and amounts are increased by an indexation factor of 1.026, except for the top tax bracket threshold of \$500,000, which is not indexed.
  - Manitoba: brackets and amounts are increased by an indexation factor of 1.026.
  - New Brunswick: brackets and amounts are increased by an indexation factor of 1.022.
  - Newfoundland & Labrador: brackets and amounts are increased by an indexation factor of 1.018.
  - Northwest Territories: brackets and amounts are increased by an indexation factor of 1.022.
  - Nova Scotia: Maintain all existing bracket percentages and income thresholds
  - Nunavut: brackets and amounts are increased by an indexation factor of 1.022.
  - Ontario: brackets and amounts are increased by an indexation factor of 1.022, except for the \$150,000 and \$220,000 bracket amounts, which are not indexed for inflation. Surtax amounts adjusted for 2019.
  - Prince Edward Island: Surtax change on the basic personal amount
  - Quebec: brackets and amounts are increased by an indexation factor of 1.0171.
  - Yukon: tax brackets and personal tax credits are increased for 2019 by an indexation factor of 1.022, except for the Yukon amount of \$500,000, which is equal to the corporate small business limit.

## Version 1.1 Highlights

- Corrections to Manitoba
  - Basic Personal amount to \$9,626
  - Correction to Average Tax Table based on corrected personal amount
- Correction to Quebec Average Tax Table Values
- Correction to Alberta Average Tax Table Values
- Ontario Charitable Donation Tax Credit Correction

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## Part A – Glossary

### 1. Glossary of Terms

Term / Acronym	Description
NPS	NaviPlan Standard
NPE	NaviPlan Extended
NPSE	NaviPlan Select

## Part B – Executive Summary

### 2. Introduction

**2.1.** The purpose of this document is to identify the annual rates or “known” rates for 2019 concerning:

Federal and provincial personal income tax rates and income brackets

Federal and provincial average and marginal tax rates

Federal and provincial non-refundable tax credits, as well as

Federal premiums paid by employed individuals

Federal benefit programs paid out to retired individuals

The annual Consumers Price Index/Inflation rate, as well as

The annual contribution limits for registered Retirement Savings Plans: These rates are hard-coded values that the application requires for calculations.

The annual contribution limit for TFSAs

**2.2.** Other rates included in this document are:

CANSIM Rate / Reference Rate (LIF Maximum Payout calculations)

Average Return Rates (Historical Returns Calculator/Concept)

General Factor percentages used to calculate credits

Canada Education Savings Grant (CESG) net family income thresholds (Education Goal, Education Calculator/Concept)

### 3. Application types:

#### 3.1. Version #

V19.0 (and proj)

V17.2 (and v17.2 proj)

V17.0.4 (and v17.0.4 proj)

V17.0 (and v17.0 proj)

V16.1 (and v16.1 Proj)

V15.2 (and v15.2 Proj)

V15.0 (and v15.0 Proj)

V14.1 BMO

V12.2 (and v12.2 Proj)

NPE and NPS V8.3M (desktop)

V18.0 (and Proj)

V17.1.10 (and v17.1.10 proj)

V17.1 (and v17.1 proj)

V16.2 (and v16.2 Proj)

V16.0 (and v16.0 Proj)

V15.1 (and v15.1 Proj)

V14.1 (and v14.1 Proj)

V14.0 (and v14.0 Proj)

V11.8 (and v11.8 LTD)

## 3.2. Pinning

GEN CDN NaviPlan Select

GEN CDN NaviPlan Extended

GEN CDN NaviPlan Standard

Calculators/Concepts



## Part C – Functional Design

### 4. Functionality

#### 4.1. Federal Personal Income Tax Rates/Brackets

2018 Taxable Income	Tax Rates
First \$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%

2019 Taxable Income	Tax Rates
First \$47,630	15%
Over \$47,630 up to \$95,259	20.5%
Over \$95,259 up to \$147,667	26%
Over \$147,667 up to \$210,371	29%
Over \$210,371	33%

#### 4.2. Provincial Personal Income Tax Rates/Brackets

These rates can be verified by taking the previous year's rates multiplied by the Indexing Factor where applicable.

**NOTE:** Some areas round up while others do not. Also note that MB, NS, and PE do not index their tax rates, brackets, or credit amounts.

##### 4.2.1. Alberta

2018 Taxable Income	Tax Rates
First \$128,145	10%
Over \$128,145 up to \$153,773	12%
Over \$153,773 up to \$205,031	13%
Over \$205,031 up to \$307,547	14%
Over \$307,547	15%

2019 Taxable Income	Tax Rates
First \$131,220	10%
Over \$131,220 up to \$157,464	12%
Over \$157,464 up to \$209,952	13%
Over \$209,952 up to \$314,928	14%
Over \$314,928	15%

**Note :** Brackets are indexed from 2019+.



## 4.2.2. British Columbia

As of Jan 1 2018, BC has introduced a 6th income tax bracket.

2018 Taxable Income	Tax Rates
First \$39,677	5.06%
Over \$39,677 up to \$79,354	7.70%
Over \$79,354 up to \$91,108	10.50%
Over \$91,108 up to \$110,631	12.29%
Over \$110,631 up to \$150,000	14.70%
Over \$150,000	16.80%

2019 Taxable Income	Tax Rates
First \$40,707	5.06%
Over \$40,707 up to \$81,416	7.70%
Over \$81,416 up to \$93,476	10.50%
Over \$93,476 up to \$113,506	12.29%
Over \$113,506 up to \$153,900	14.70%
Over \$153,900	16.80%

**Note :** Brackets are indexed from 2019+.

## 4.2.3. Manitoba

2018 Taxable Income	Tax Rates
First \$31,843	10.80%
Over \$31,843 up to \$68,821	12.75%
Over \$68,821	17.40%

2019 Taxable Income	Tax Rates
First \$32,670	10.80%
Over \$32,670 up to \$70,610	12.75%
Over \$70,610	17.40%

**Note :** Brackets are indexed from 2019+.

## 4.2.4. New Brunswick

2018 Taxable Income	Tax Rates
First \$41,675	9.68%
Over \$41,675 up to \$83,351	14.82%
Over \$83,351 up to \$135,510	16.52%
Over \$135,510 up to \$154,382	17.84%
Over \$154,382	20.3%

2019 Taxable Income	Tax Rates
First \$42,592	9.68%
Over \$42,592 up to \$85,184	14.82%
Over \$85,184 up to \$138,491	16.52%
Over \$138,491 up to \$157,778	17.84%
Over \$157,778	20.3%

**Note :** Brackets are indexed from 2019+.

## 4.2.5. Newfoundland & Labrador

2018 Taxable Income	Tax Rates
First \$36,926	8.70%
Over \$36,926 up to \$73,852	14.50%
Over \$73,852 up to \$131,850	15.80%
Over \$131,850 up to \$184,590	17.30%
Over \$184,590	18.30%

2019 Taxable Income	Tax Rates
First \$37,591	8.70%
Over \$37,591 up to \$75,181	14.50%
Over \$75,181 up to \$134,224	15.80%
Over \$134,224 up to \$187,913	17.30%
Over \$187,913	18.30%

**Note :** Brackets are indexed from 2019+.

## 4.2.6. Northwest Territories

2018 Taxable Income	Tax Rates
First \$42,209	5.90%
Over \$42,209 up to \$84,420	8.60%
Over \$84,420 up to \$137,248	12.20%
Over \$137,248	14.05%

2019 Taxable Income	Tax Rates
First \$43,137	5.90%
Over \$43,137 up to \$86,277	8.60%
Over \$86,277 up to \$140,267	12.20%
Over \$140,267	14.05%

**Note :** Brackets are indexed from 2019+.

## 4.2.7. Nova Scotia

**4.2.7.1.** Nova Scotia does not index its income thresholds or credit amounts.

2019 Taxable Income	Tax Rates
First \$29,590	8.79%
Over \$29,590 up to \$59,180	14.95%
Over \$59,180 up to \$93,000	16.67%
Over \$93,000 up to \$150,000	17.50%
Over \$150,000	21.00%

## 4.2.8. Nunavut

2018 Taxable Income	Tax Rates
First \$44,437	4.0%
Over \$44,437 up to \$88,874	7.0%
Over \$88,874 up to \$144,489	9.0%
Over \$144,489	11.5%

2019 Taxable Income	Tax Rates
First \$45,414	4.0%
Over \$45,414 up to \$90,829	7.0%
Over \$90,829 up to \$147,667	9.0%
Over \$147,667	11.5%

**Note :** Brackets are indexed from 2019+.

## 4.2.9 Ontario

2018 Taxable Income	Tax Rates
First \$42,960	5.05%
Over \$42,960 up to \$71,500	9.15%
Over \$71,500 up to \$82,000	11.00%
Over \$82,000 up to \$92,000	13.50%
Over \$92,000 up to \$150,000	17.50%

### Surtax

20% on tax exceeding \$4,556 with only basic personal amount \$74,313.

36% on tax exceeding \$5,831 with only basic personal amount \$87,559.

2019 Taxable Income	Tax Rates
First \$43,906	5.05%
Over \$43,906 up to \$87,813	9.15%
Over \$87,813 up to \$150,000	11.16%
Over \$150,000 up to \$220,000	12.16%
Over \$220,000	13.16%

### Surtax

20% on tax exceeding \$4,740 with only basic personal amount \$77,313

36% on tax exceeding \$6,067 with only basic personal amount \$91,101

**Note :** Brackets are indexed from 2019+.

## 4.2.10. Prince Edward Island

### 4.2.10.1. PEI does not index its income thresholds or credit amounts

2016 - 2018 Taxable Income	Tax Rates
First \$31,984	9.80%
Over \$31,984 up to \$63,969	13.80%
Over \$63,969	16.70%

### Surtax

10% on tax exceeding \$12,500 with only basic personal amount \$98,997.

#### 4.2.11. Québec

2018 Taxable Income	Tax Rates
First \$43,055	15.00%
Over \$43,055 up to \$86,105	20.00%
Over \$86,105 up to \$104,765	24.00%
Over \$104,765	25.75%

2019 Taxable Income	Tax Rates
First \$43,790	15.00%
Over \$43,790 up to \$87,575	20.00%
Over \$87,575 up to \$106,555	24.00%
Over \$106,555	25.75%

**Note :** Brackets are indexed from 2019+.

#### 4.2.12. Saskatchewan

2018 Taxable Income	Tax Rates
First \$45,225	10.50%
Over \$45,225 up to \$129,214	12.50%
Over \$129,214	14.50%

2019 Taxable Income	Tax Rates
First \$45,225	10.50%
Over \$45,225 up to \$129,214	12.50%
Over \$129,214	14.50%

**Note :** Brackets are not indexed from 2019+.

#### 4.2.13. Yukon Territory

2018 Taxable Income	Tax Rates
First \$46,605	6.40%
Over \$46,605 up to \$93,208	9.00%
Over \$93,208 up to \$144,489	10.90%
Over \$144,489 up to \$500,000	12.80%
Over \$500,000	15.00%

2019 Taxable Income	Tax Rates
First \$47,630	6.40%
Over \$47,630 up to \$95,259	9.00%
Over \$95,259 up to \$147,667	10.90%
Over \$147,667 up to \$500,000	12.80%
Over \$500,000	15.00%

**Note :** Brackets are indexed from 2019+.

## 4.3. Federal Non-Refundable Credits

### 4.3.1. Basic Personal Amount

**NOTE:** A change to the Basic Personal Amount, federal or provincial will impact the Combined Average / Marginal Tax Rates.

**4.3.1.1.** Basic Personal Credit & Basic Married Credit value – these values are the same, but have slightly different uses (see 2016 Personal Tax Credits return – line 1 for basic amount, line 7 for spouse of common-law partner amount).

2017: \$11,635

2018: \$11,809

2019: \$12,069

### 4.3.2. Child Tax Credit Amount

**4.3.2.1.** Removed as of 2015.

### 4.3.3. Age Amount/Credit (Line 301)

**4.3.3.1.** Age Credit value:

2016: \$7,125

2017: \$7,225

2018: \$7,333

2019: \$7,494

### 4.3.4. Pension Income Amount (Line 314)

**4.3.4.1.** The allowable Pension Credit is the lesser of \$2,000 or annual pension income.

### 4.3.5. Disability Credit Amount (Line 316)

**4.3.5.1.** Disability Credit value:

2016: \$8,001

2017: \$8,113

2018: \$8,235

2019: \$8,416

### 4.3.6. Amount for Infirm Dependents age 18 or older (Canada Caregiver Credit – Line 304/307)

**4.3.6.1.** Change the Canada Caregiver Credit

2016: \$6,788

2017: \$6,883

2018: \$6,986

2019: \$7,140



#### 4.3.7. Canada Employment Credit (Line 363)

##### 4.3.7.1. Change the Canada Employment Credit value

2016: \$1,161

2017: \$1,177

2018: \$1,195

2019: \$1,222

**4.3.7.2.** This credit is applied at the federal level. This is not applicable at the provincial level EXCEPT for Yukon which applies this credit at the provincial level.

#### 4.3.8. Medical Expenses & Allowable Amount for other Dependents (Line 330)

##### 4.3.8.1. Medical Expense Credit value

2016: \$2,237

2017: \$2,268

2018: \$2,302

2019: \$2,352

#### 4.4. Provincial Non-Refundable Credits

##### 4.4.1. Credit rates are per individual Provincial CRA TD1 2013 Personal Tax Credits Return forms

Note that only the provincial Basic Personal Amount Credit rate has been noted in this specification for each province. Other provincial credits may also have been updated.

##### 4.4.2. Basic Personal Credit Amount for Each Province

Basic Personal Amount Credit					
	2019	2018	2017	2016	2015
Federal	\$12,069	\$11,809	\$11,635	\$11,474	\$11,327
AB	\$19,369	\$18,915	\$18,690	\$18,451	\$18,214
BC	\$10,682	\$10,412	\$10,208	\$10,027	\$9,938
MB	\$9,626	\$9,382	\$9,271	\$9,134	\$9,134
NB	\$10,264	\$10,043	\$9,895	\$9,758	\$9,633
NL	\$9,414	\$9,247	\$8,978	\$8,802	\$8,767
NS*	\$8,481	\$8,481	\$8,481	\$8,481	\$8,481
NT	\$14,811	\$14,492	\$14,278	\$14,081	\$13,900
NU	\$13,618	\$13,325	\$13,128	\$12,947	\$12,781
ON	\$10,582	\$10,354	\$10,171	\$10,011	\$9,863
PE	\$9,160	\$8,660	\$8,160	\$8,000	\$7,708
QC	\$15,269	\$15,012	\$14,890	\$11,550	\$11,425
SK	\$16,065	\$16,065	\$16,065	\$15,843	\$15,639
YT	\$12,069	\$11,809	\$11,635	\$11,474	\$11,327



\*Nova Scotia

Effective Jan 1 2018, the basic personal amount, spousal amount and eligible dependent amount will increase \$3,000, from \$8,481 to \$11,481, for individuals with taxable income under \$25,000.

The benefit decreases at a rate of 6% as income increases over \$25,000 and will end when taxable income reaches \$75,000

This leaves a taxpayer with \$75,000 of taxable income with a tax credit based on the original \$8,481

Effective Jan 1 2018, the age amount will increase \$1,465, from \$4,141 to \$5,606, for individuals with taxable income under \$25,000.

It is reduced at the rate of 15% of net income in excess of \$30,828. The maximum benefit will be available to taxpayers with taxable income of less than \$25,000, and will be phased out between taxable incomes of \$25,000 and \$75,000.

#### 4.4.3. Provincial Refundable Credits

##### 4.4.3.1. British Columbia Childhood Tax Benefit:

4.4.3.1.1. There is a credit for families with young children in BC of \$55 monthly (\$660 annually) for each dependent under 6 years old starting April 1, 2015.

4.4.3.1.2. This credit is given to whoever the family member is a dependent of. If the child is a dependent of both members, then it is initially split 50/50 and then possibly reduced by the following rules.

4.4.3.1.3. The credit is reduced for individual incomes over \$100,000 up to income of \$150,000. The formula for the calculation is:  $\$660 * \# \text{ of dependents} - ((\text{net income} - \$100,000) * (\# \text{ of dependents} * 1.32\%))$ . This is a refundable credit. Net income less \$100k would need to be min of \$0.

##### 4.4.4. Surtax Rates

Surtax rates are considered in the tax rates for those provinces where surtax is assessed: Ontario (20% and 36%) and Prince Edward Island (10%).

##### 4.4.5. Ontario Health Premium

Applicable to Premium NaviPlan, the user has the option of using the **Income Tax Method** of **Average Tax** or **Detailed Tax**:

If the Average Tax method is selected:

This method applies 'user selected tax rates' to income.

$\text{ATR} = \text{Total Income Tax} / \text{Total Income}$

Within the tax rate schedule for Ontario (**Plan Management - Assumptions – General – Tax Rates**), the Marginal Tax Rate factors in the Ontario Health Premium (OHP) which contributes an additional 0.76% to the marginal tax rates including the highest tax rate.

An additional 0.76% is added in average tax for all brackets to account for the Ontario Health Premium. This is an assumption based on the average OHP incurred across all brackets.

For income \$200,600 and over, the maximum OHP is \$900.00/yr.

If the Detailed Tax method is selected:

**NOTE :** This method utilizes the calculation prescribed by Ontario legislation:

Taxable Income	Less	Multiplied By	Plus this amount, yields OHP Tax
Not more than \$20,000	n/a	n/a	\$0
\$20,000 - \$25,000	\$20,000	6%	\$0
\$25,000 - \$36,000	n/a	n/a	Tax is \$300
\$36,000 - \$38,500	\$36,000	6%	\$300
\$38,500 - \$48,000	n/a	n/a	Tax is \$450
\$48,000 - \$48,600	\$48,000	25%	\$450
\$48,600 - \$72,000	n/a	n/a	Tax is \$600
\$72,000 - \$72,600	\$72,000	25%	\$600
\$72,600 - \$200,000	n/a	n/a	Tax is \$750
\$200,000 - \$206,000	\$200,000	25%	\$750
More than \$206,000	n/a	n/a	Tax is \$900

#### 4.4.6. Refundable Quebec Abatement Credit

The Quebec Abatement credit is supported at the federal level, and reduces the amount of tax payable.

The Quebec Abatement is considered when calculating tax rates.

The Quebec Abatement is 16.5%, as indicated on Line 440 of the CRA T1 General Tax Return which is retrieved from Line 48 of Schedule 1.

#### 4.5. Combined Average / Marginal Tax Rates – Detailed Tax Method

##### 4.5.1. Provincial – Combined Average / Marginal Tax Rates

The Combined Average Rate as indicated in the fifth column, and the Combined Marginal Rate as indicated in the eighth column in each of the tables below were added for each province for 2019.

Negative rates will be identified as 0.00%.

##### 4.5.2. Average / Marginal Tax Rates – Alberta (AB)

Taxable Income Range		Federal	AB		Fed	AB	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$10,001	\$20,000	5.95%	0.32%	6.26%	15.00%	10.00%	25.00%
\$20,001	\$30,000	8.97%	3.54%	12.51%	15.00%	10.00%	25.00%
\$30,001	\$40,000	10.47%	5.16%	15.63%	15.00%	10.00%	25.00%
\$40,001	\$50,000	11.64%	6.13%	17.77%	20.50%	10.00%	30.50%
\$50,001	\$60,000	13.12%	6.77%	19.89%	20.50%	10.00%	30.50%
\$60,001	\$70,000	14.17%	7.23%	21.40%	20.50%	10.00%	30.50%
\$70,001	\$80,000	14.96%	7.58%	22.54%	20.50%	10.00%	30.50%
\$80,001	\$90,000	15.58%	7.85%	23.43%	20.50%	10.00%	30.50%
\$90,001	\$100,000	16.33%	8.06%	24.39%	26.00%	10.00%	36.00%
\$100,001	\$110,000	17.21%	8.24%	25.45%	26.00%	10.00%	36.00%
\$110,001	\$120,000	17.94%	8.39%	26.33%	26.00%	10.00%	36.00%
\$120,001	\$130,000	18.56%	8.51%	27.07%	26.00%	10.00%	36.00%
\$130,001	\$140,000	19.09%	8.74%	27.83%	26.00%	12.00%	38.00%
\$140,001	\$150,000	19.60%	8.96%	28.56%	29.00%	12.00%	41.00%
\$150,001	\$200,000	21.95%	9.93%	31.88%	29.00%	13.00%	42.00%
\$200,001	\$300,000	25.49%	11.25%	36.75%	33.00%	14.00%	47.00%
\$300,001	\$400,000	27.37%	12.15%	39.52%	33.00%	15.00%	48.00%
\$400,001	\$500,000	28.50%	12.72%	41.22%	33.00%	15.00%	48.00%
\$500,001	\$1,000,000	30.75%	13.86%	44.61%	33.00%	15.00%	48.00%

## 4.5.3. Average / Marginal Tax Rates – British Columbia (BC)

Taxable Income Range		Federal	BC		Fed	BC	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$10,001	\$20,000	5.95%	2.36%	8.31%	15.00%	5.06%	20.06%
\$20,001	\$30,000	8.97%	3.26%	12.22%	15.00%	5.06%	20.06%
\$30,001	\$40,000	10.47%	3.71%	14.18%	15.00%	5.06%	20.06%
\$40,001	\$50,000	11.64%	4.47%	16.11%	20.50%	7.70%	28.20%
\$50,001	\$60,000	13.12%	5.01%	18.12%	20.50%	7.70%	28.20%
\$60,001	\$70,000	14.17%	5.39%	19.56%	20.50%	7.70%	28.20%
\$70,001	\$80,000	14.96%	5.68%	20.64%	20.50%	7.70%	28.20%
\$80,001	\$90,000	15.58%	6.17%	21.75%	20.50%	10.50%	31.00%
\$90,001	\$100,000	16.33%	6.72%	23.05%	26.00%	12.29%	38.29%
\$100,001	\$110,000	17.21%	7.23%	24.44%	26.00%	12.29%	38.29%
\$110,001	\$120,000	17.94%	7.78%	25.72%	26.00%	14.70%	40.70%
\$120,001	\$130,000	18.56%	8.31%	26.87%	26.00%	14.70%	40.70%
\$130,001	\$140,000	19.09%	8.77%	27.86%	26.00%	14.70%	40.70%
\$140,001	\$150,000	19.60%	9.16%	28.76%	29.00%	14.70%	43.70%
\$150,001	\$200,000	21.95%	11.03%	32.98%	29.00%	16.80%	45.80%
\$200,001	\$300,000	25.49%	12.95%	38.45%	33.00%	16.80%	49.80%
\$300,001	\$400,000	27.37%	13.92%	41.29%	33.00%	16.80%	49.80%
\$400,001	\$500,000	28.50%	14.49%	42.99%	33.00%	16.80%	49.80%
\$500,001	\$1,000,000	30.75%	15.65%	46.39%	33.00%	16.80%	49.80%

## 4.5.4. Average / Marginal Tax Rates – Manitoba (MB)

Taxable Income Range		Federal	MB		Fed	MB	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.40%	0.40%	0.00%	10.80%	10.80%
\$10,001	\$20,000	5.95%	5.60%	11.55%	15.00%	10.80%	25.80%
\$20,001	\$30,000	8.97%	7.33%	16.30%	15.00%	10.80%	25.80%
\$30,001	\$40,000	10.47%	8.56%	19.03%	15.00%	12.75%	27.75%
\$40,001	\$50,000	11.64%	9.40%	21.04%	20.50%	12.75%	33.25%
\$50,001	\$60,000	13.12%	9.96%	23.07%	20.50%	12.75%	33.25%
\$60,001	\$70,000	14.17%	10.35%	24.53%	20.50%	12.75%	33.25%
\$70,001	\$80,000	14.96%	11.20%	26.16%	20.50%	17.40%	37.90%
\$80,001	\$90,000	15.58%	11.89%	27.47%	20.50%	17.40%	37.90%
\$90,001	\$100,000	16.33%	12.44%	28.77%	26.00%	17.40%	43.40%
\$100,001	\$110,000	17.21%	12.89%	30.10%	26.00%	17.40%	43.40%
\$110,001	\$120,000	17.94%	13.27%	31.21%	26.00%	17.40%	43.40%
\$120,001	\$130,000	18.56%	13.58%	32.15%	26.00%	17.40%	43.40%
\$130,001	\$140,000	19.09%	13.86%	32.95%	26.00%	17.40%	43.40%
\$140,001	\$150,000	19.60%	14.09%	33.69%	29.00%	17.40%	46.40%
\$150,001	\$200,000	21.95%	14.92%	36.87%	29.00%	17.40%	46.40%
\$200,001	\$300,000	25.49%	15.75%	41.24%	33.00%	17.40%	50.40%
\$300,001	\$400,000	27.37%	16.16%	43.53%	33.00%	17.40%	50.40%
\$400,001	\$500,000	28.50%	16.41%	44.90%	33.00%	17.40%	50.40%
\$500,001	\$1,000,000	30.75%	16.90%	47.65%	33.00%	17.40%	50.40%



## 4.5.5. Average / Marginal Tax Rates – New Brunswick (NB)

Taxable Income Range		Federal	NB		Fed	NB	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$10,001	\$20,000	5.95%	4.71%	10.66%	15.00%	9.68%	24.68%
\$20,001	\$30,000	8.97%	6.37%	15.33%	15.00%	9.68%	24.68%
\$30,001	\$40,000	10.47%	7.20%	17.67%	15.00%	9.68%	24.68%
\$40,001	\$50,000	11.64%	8.45%	20.09%	20.50%	14.82%	35.32%
\$50,001	\$60,000	13.12%	9.52%	22.63%	20.50%	14.82%	35.32%
\$60,001	\$70,000	14.17%	10.27%	24.44%	20.50%	14.82%	35.32%
\$70,001	\$80,000	14.96%	10.84%	25.80%	20.50%	14.82%	35.32%
\$80,001	\$90,000	15.58%	11.37%	26.95%	20.50%	16.52%	37.02%
\$90,001	\$100,000	16.33%	11.89%	28.22%	26.00%	16.52%	42.52%
\$100,001	\$110,000	17.21%	12.31%	29.52%	26.00%	16.52%	42.52%
\$110,001	\$120,000	17.94%	12.66%	30.60%	26.00%	16.52%	42.52%
\$120,001	\$130,000	18.56%	12.96%	31.52%	26.00%	16.52%	42.52%
\$130,001	\$140,000	19.09%	13.23%	32.32%	26.00%	17.84%	43.84%
\$140,001	\$150,000	19.60%	13.53%	33.13%	29.00%	17.84%	46.84%
\$150,001	\$200,000	21.95%	15.13%	37.08%	29.00%	20.30%	49.30%
\$200,001	\$300,000	25.49%	16.85%	42.35%	33.00%	20.30%	53.30%
\$300,001	\$400,000	27.37%	17.71%	45.09%	33.00%	20.30%	53.30%
\$400,001	\$500,000	28.50%	18.23%	46.73%	33.00%	20.30%	53.30%
\$500,001	\$1,000,000	30.75%	19.27%	50.01%	33.00%	20.30%	53.30%

## 4.5.6. Average / Marginal Tax Rates – Newfoundland and Labrador (NFLD)

Taxable Income Range		Federal	NFLD		Fed	NFLD	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.51%	0.51%	0.00%	8.70%	8.70%
\$10,001	\$20,000	5.95%	4.60%	10.55%	15.00%	8.70%	23.70%
\$20,001	\$30,000	8.97%	5.97%	14.94%	15.00%	8.70%	23.70%
\$30,001	\$40,000	10.47%	7.00%	17.48%	15.00%	14.50%	29.50%
\$40,001	\$50,000	11.64%	8.50%	20.14%	20.50%	14.50%	35.00%
\$50,001	\$60,000	13.12%	9.50%	22.62%	20.50%	14.50%	35.00%
\$60,001	\$70,000	14.17%	10.22%	24.39%	20.50%	14.50%	35.00%
\$70,001	\$80,000	14.96%	10.83%	25.79%	20.50%	15.80%	36.30%
\$80,001	\$90,000	15.58%	11.38%	26.96%	20.50%	15.80%	36.30%
\$90,001	\$100,000	16.33%	11.82%	28.15%	26.00%	15.80%	41.80%
\$100,001	\$110,000	17.21%	12.18%	29.39%	26.00%	15.80%	41.80%
\$110,001	\$120,000	17.94%	12.49%	30.43%	26.00%	15.80%	41.80%
\$120,001	\$130,000	18.56%	12.74%	31.30%	26.00%	15.80%	41.80%
\$130,001	\$140,000	19.09%	13.02%	32.11%	26.00%	17.30%	43.30%
\$140,001	\$150,000	19.60%	13.31%	32.91%	29.00%	17.30%	46.30%
\$150,001	\$200,000	21.95%	14.37%	36.32%	29.00%	18.30%	47.30%
\$200,001	\$300,000	25.49%	15.68%	41.17%	33.00%	18.30%	51.30%
\$300,001	\$400,000	27.37%	16.33%	43.70%	33.00%	18.30%	51.30%
\$400,001	\$500,000	28.50%	16.73%	45.22%	33.00%	18.30%	51.30%
\$500,001	\$1,000,000	30.75%	17.51%	48.26%	33.00%	18.30%	51.30%



## 4.5.7. Average / Marginal Tax Rates – Northwest Territories (NWT)

Taxable Income Range		Federal	NWT		Fed	NWT	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$10,001	\$20,000	5.95%	1.53%	7.48%	15.00%	5.90%	20.90%
\$20,001	\$30,000	8.97%	2.99%	11.95%	15.00%	5.90%	20.90%
\$30,001	\$40,000	10.47%	3.72%	14.19%	15.00%	5.90%	20.90%
\$40,001	\$50,000	11.64%	4.52%	16.16%	20.50%	8.60%	29.10%
\$50,001	\$60,000	13.12%	5.20%	18.32%	20.50%	8.60%	29.10%
\$60,001	\$70,000	14.17%	5.69%	19.86%	20.50%	8.60%	29.10%
\$70,001	\$80,000	14.96%	6.05%	21.01%	20.50%	8.60%	29.10%
\$80,001	\$90,000	15.58%	6.49%	22.06%	20.50%	12.20%	32.70%
\$90,001	\$100,000	16.33%	7.06%	23.39%	26.00%	12.20%	38.20%
\$100,001	\$110,000	17.21%	7.52%	24.73%	26.00%	12.20%	38.20%
\$110,001	\$120,000	17.94%	7.91%	25.86%	26.00%	12.20%	38.20%
\$120,001	\$130,000	18.56%	8.24%	26.81%	26.00%	12.20%	38.20%
\$130,001	\$140,000	19.09%	8.53%	27.62%	26.00%	12.20%	38.20%
\$140,001	\$150,000	19.60%	8.89%	28.49%	29.00%	14.05%	43.05%
\$150,001	\$200,000	21.95%	10.18%	32.13%	29.00%	14.05%	43.05%
\$200,001	\$300,000	25.49%	11.47%	36.97%	33.00%	14.05%	47.05%
\$300,001	\$400,000	27.37%	12.12%	39.49%	33.00%	14.05%	47.05%
\$400,001	\$500,000	28.50%	12.50%	41.00%	33.00%	14.05%	47.05%
\$500,001	\$1,000,000	30.75%	13.28%	44.02%	33.00%	14.05%	47.05%

## 4.5.8. Average / Marginal Tax Rates – Nova Scotia (NS)

Taxable Income Range		Federal	NS		Fed	NS	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	1.34%	1.34%	0.00%	8.79%	8.79%
\$10,001	\$20,000	5.95%	5.06%	11.01%	15.00%	8.79%	23.79%
\$20,001	\$30,000	8.97%	6.39%	15.35%	15.00%	14.95%	29.95%
\$30,001	\$40,000	10.47%	8.53%	19.00%	15.00%	14.95%	29.95%
\$40,001	\$50,000	11.64%	9.81%	21.45%	20.50%	14.95%	35.45%
\$50,001	\$60,000	13.12%	10.69%	23.81%	20.50%	16.67%	37.17%
\$60,001	\$70,000	14.17%	11.55%	25.72%	20.50%	16.67%	37.17%
\$70,001	\$80,000	14.96%	12.19%	27.15%	20.50%	16.67%	37.17%
\$80,001	\$90,000	15.58%	12.69%	28.26%	20.50%	16.67%	37.17%
\$90,001	\$100,000	16.33%	13.14%	29.47%	26.00%	17.50%	43.50%
\$100,001	\$110,000	17.21%	13.54%	30.75%	26.00%	17.50%	43.50%
\$110,001	\$120,000	17.94%	13.87%	31.81%	26.00%	17.50%	43.50%
\$120,001	\$130,000	18.56%	14.15%	32.71%	26.00%	17.50%	43.50%
\$130,001	\$140,000	19.09%	14.39%	33.48%	26.00%	17.50%	43.50%
\$140,001	\$150,000	19.60%	14.59%	34.19%	29.00%	17.50%	46.50%
\$150,001	\$200,000	21.95%	16.20%	38.15%	29.00%	21.00%	50.00%
\$200,001	\$300,000	25.49%	17.80%	43.29%	33.00%	21.00%	54.00%
\$300,001	\$400,000	27.37%	18.60%	45.97%	33.00%	21.00%	54.00%
\$400,001	\$500,000	28.50%	19.08%	47.58%	33.00%	21.00%	54.00%
\$500,001	\$1,000,000	30.75%	20.04%	50.79%	33.00%	21.00%	54.00%

## 4.5.9. Average / Marginal Tax Rates – Nunavut (NU)

Taxable Income Range		Federal	NU		Fed	NU	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$10,001	\$20,000	5.95%	1.28%	7.22%	15.00%	4.00%	19.00%
\$20,001	\$30,000	8.97%	2.18%	11.15%	15.00%	4.00%	19.00%
\$30,001	\$40,000	10.47%	2.64%	13.11%	15.00%	4.00%	19.00%
\$40,001	\$50,000	11.64%	3.19%	14.83%	20.50%	7.00%	27.50%
\$50,001	\$60,000	13.12%	3.82%	16.94%	20.50%	7.00%	27.50%
\$60,001	\$70,000	14.17%	4.28%	18.45%	20.50%	7.00%	27.50%
\$70,001	\$80,000	14.96%	4.62%	19.58%	20.50%	7.00%	27.50%
\$80,001	\$90,000	15.58%	4.88%	20.46%	20.50%	7.00%	27.50%
\$90,001	\$100,000	16.33%	5.28%	21.61%	26.00%	9.00%	35.00%
\$100,001	\$110,000	17.21%	5.61%	22.82%	26.00%	9.00%	35.00%
\$110,001	\$120,000	17.94%	5.90%	23.84%	26.00%	9.00%	35.00%
\$120,001	\$130,000	18.56%	6.14%	24.70%	26.00%	9.00%	35.00%
\$130,001	\$140,000	19.09%	6.34%	25.43%	26.00%	9.00%	35.00%
\$140,001	\$150,000	19.60%	6.56%	26.16%	29.00%	11.50%	40.50%
\$150,001	\$200,000	21.95%	7.79%	29.74%	29.00%	11.50%	40.50%
\$200,001	\$300,000	25.49%	9.03%	34.52%	33.00%	11.50%	44.50%
\$300,001	\$400,000	27.37%	9.65%	37.02%	33.00%	11.50%	44.50%
\$400,001	\$500,000	28.50%	10.02%	38.51%	33.00%	11.50%	44.50%
\$500,001	\$1,000,000	30.75%	10.76%	41.51%	33.00%	11.50%	44.50%

## 4.5.10. Average / Marginal Tax Rates – Ontario (ON)

Taxable Income Range		Federal	ON		Fed	ON	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.00%	0.00%	0.00%	5.05%	5.05%
\$10,001	\$20,000	5.95%	2.38%	8.33%	15.00%	5.05%	20.05%
\$20,001	\$30,000	8.97%	4.27%	13.23%	15.00%	5.82%	20.82%
\$30,001	\$40,000	10.47%	4.84%	15.31%	15.00%	5.82%	20.82%
\$40,001	\$50,000	11.64%	5.68%	17.32%	20.50%	9.92%	30.42%
\$50,001	\$60,000	13.12%	6.26%	19.38%	20.50%	9.92%	30.42%
\$60,001	\$70,000	14.17%	6.67%	20.84%	20.50%	9.92%	30.42%
\$70,001	\$80,000	14.96%	7.23%	22.19%	20.50%	11.75%	32.25%
\$80,001	\$90,000	15.58%	7.71%	23.28%	20.50%	14.16%	34.66%
\$90,001	\$100,000	16.33%	8.63%	24.96%	26.00%	18.18%	44.18%
\$100,001	\$110,000	17.21%	9.43%	26.64%	26.00%	18.18%	44.18%
\$110,001	\$120,000	17.94%	10.09%	28.04%	26.00%	18.18%	44.18%
\$120,001	\$130,000	18.56%	10.66%	29.22%	26.00%	18.18%	44.18%
\$130,001	\$140,000	19.09%	11.14%	30.23%	26.00%	18.18%	44.18%
\$140,001	\$150,000	19.60%	11.56%	31.16%	29.00%	19.74%	48.74%
\$150,001	\$200,000	21.95%	13.41%	35.36%	29.00%	19.74%	48.74%
\$200,001	\$300,000	25.49%	15.68%	41.17%	33.00%	21.30%	54.30%
\$300,001	\$400,000	27.37%	16.93%	44.30%	33.00%	21.30%	54.30%
\$400,001	\$500,000	28.50%	17.65%	46.15%	33.00%	21.30%	54.30%
\$500,001	\$1,000,002	30.75%	19.09%	49.84%	33.00%	21.30%	54.30%

The Ontario Health Premium (OHP) is considered a 'third surtax' as incomes \$21,000 and over must pay this premium.

## 4.5.11. Average / Marginal Tax Rates – Prince Edward Island (PEI)

Taxable Income Range		Federal	PEI		Fed	PEI	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.82%	0.82%	0.00%	9.80%	9.80%
\$10,001	\$20,000	5.95%	5.31%	11.26%	15.00%	9.80%	24.80%
\$20,001	\$30,000	8.97%	6.81%	15.77%	15.00%	9.80%	24.80%
\$30,001	\$40,000	10.47%	8.36%	18.83%	15.00%	13.80%	28.80%
\$40,001	\$50,000	11.64%	9.45%	21.09%	20.50%	13.80%	34.30%
\$50,001	\$60,000	13.12%	10.17%	23.29%	20.50%	13.80%	34.30%
\$60,001	\$70,000	14.17%	10.94%	25.11%	20.50%	16.70%	37.20%
\$70,001	\$80,000	14.96%	11.66%	26.62%	20.50%	16.70%	37.20%
\$80,001	\$90,000	15.58%	12.22%	27.80%	20.50%	16.70%	37.20%
\$90,001	\$100,000	16.33%	12.68%	29.01%	26.00%	18.37%	44.37%
\$100,001	\$110,000	17.21%	13.20%	30.41%	26.00%	18.37%	44.37%
\$110,001	\$120,000	17.94%	13.63%	31.57%	26.00%	18.37%	44.37%
\$120,001	\$130,000	18.56%	14.00%	32.56%	26.00%	18.37%	44.37%
\$130,001	\$140,000	19.09%	14.31%	33.40%	26.00%	18.37%	44.37%
\$140,001	\$150,000	19.60%	14.58%	34.18%	29.00%	18.37%	47.37%
\$150,001	\$200,000	21.95%	15.53%	37.48%	29.00%	18.37%	47.37%
\$200,001	\$300,000	25.49%	16.47%	41.97%	33.00%	18.37%	51.37%
\$300,001	\$400,000	27.37%	16.95%	44.32%	33.00%	18.37%	51.37%
\$400,001	\$500,000	28.50%	17.23%	45.73%	33.00%	18.37%	51.37%
\$500,001	\$1,000,000	30.75%	17.80%	48.55%	33.00%	18.37%	51.37%



## 4.5.12. Average / Marginal Tax Rates – Québec (QC)

Taxable Income Range		Federal	QC		Fed	QC	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$10,001	\$20,000	4.97%	3.55%	8.52%	12.53%	15.00%	27.53%
\$20,001	\$30,000	7.49%	7.37%	14.85%	12.53%	15.00%	27.53%
\$30,001	\$40,000	8.75%	9.27%	18.02%	12.53%	15.00%	27.53%
\$40,001	\$50,000	9.72%	11.04%	20.76%	17.12%	20.00%	37.12%
\$50,001	\$60,000	10.95%	12.53%	23.49%	17.12%	20.00%	37.12%
\$60,001	\$70,000	11.83%	13.60%	25.43%	17.12%	20.00%	37.12%
\$70,001	\$80,000	12.49%	14.40%	26.89%	17.12%	20.00%	37.12%
\$80,001	\$90,000	13.01%	15.13%	28.14%	17.12%	24.00%	41.12%
\$90,001	\$100,000	13.64%	16.02%	29.65%	21.71%	24.00%	45.71%
\$100,001	\$110,000	14.37%	16.80%	31.17%	21.71%	25.75%	47.46%
\$110,001	\$120,000	14.98%	17.54%	32.52%	21.71%	25.75%	47.46%
\$120,001	\$130,000	15.50%	18.17%	33.67%	21.71%	25.75%	47.46%
\$130,001	\$140,000	15.94%	18.72%	34.66%	21.71%	25.75%	47.46%
\$140,001	\$150,000	16.37%	19.18%	35.55%	24.22%	25.75%	49.97%
\$150,001	\$200,000	18.33%	20.83%	39.15%	24.22%	25.75%	49.97%
\$200,001	\$300,000	21.29%	22.47%	43.76%	27.56%	25.75%	53.31%
\$300,001	\$400,000	22.85%	23.29%	46.14%	27.56%	25.75%	53.31%
\$400,001	\$500,000	23.79%	23.78%	47.58%	27.56%	25.75%	53.31%
\$500,001	\$1,000,000	25.67%	24.77%	50.44%	27.56%	25.75%	53.31%

## 4.5.13. Average / Marginal Tax Rates – Saskatchewan (SK)

Taxable Income Range		Federal	SK		Fed	SK	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$10,001	\$20,000	5.95%	2.07%	8.01%	15.00%	10.50%	25.50%
\$20,001	\$30,000	8.97%	4.88%	13.84%	15.00%	10.50%	25.50%
\$30,001	\$40,000	10.47%	6.28%	16.76%	15.00%	10.50%	25.50%
\$40,001	\$50,000	11.64%	7.32%	18.96%	20.50%	12.50%	33.00%
\$50,001	\$60,000	13.12%	8.18%	21.30%	20.50%	12.50%	33.00%
\$60,001	\$70,000	14.17%	8.80%	22.97%	20.50%	12.50%	33.00%
\$70,001	\$80,000	14.96%	9.26%	24.22%	20.50%	12.50%	33.00%
\$80,001	\$90,000	15.58%	9.62%	25.20%	20.50%	12.50%	33.00%
\$90,001	\$100,000	16.33%	9.91%	26.24%	26.00%	12.50%	38.50%
\$100,001	\$110,000	17.21%	10.14%	27.35%	26.00%	12.50%	38.50%
\$110,001	\$120,000	17.94%	10.34%	28.28%	26.00%	12.50%	38.50%
\$120,001	\$130,000	18.56%	10.52%	29.08%	26.00%	14.50%	40.50%
\$130,001	\$140,000	19.09%	10.80%	29.90%	26.00%	14.50%	40.50%
\$140,001	\$150,000	19.60%	11.05%	30.65%	29.00%	14.50%	43.50%
\$150,001	\$200,000	21.95%	11.91%	33.86%	29.00%	14.50%	43.50%
\$200,001	\$300,000	25.49%	12.77%	38.27%	33.00%	14.50%	47.50%
\$300,001	\$400,000	27.37%	13.21%	40.58%	33.00%	14.50%	47.50%
\$400,001	\$500,000	28.50%	13.46%	41.96%	33.00%	14.50%	47.50%
\$500,001	\$1,000,000	30.75%	13.98%	44.73%	33.00%	14.50%	47.50%



#### 4.5.14. Average / Marginal Tax Rates – Yukon Territory (YT)

Taxable Income Range		Federal	YK		Fed	YK	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$10,001	\$20,000	5.95%	2.54%	8.49%	15.00%	6.40%	21.40%
\$20,001	\$30,000	8.97%	3.83%	12.79%	15.00%	6.40%	21.40%
\$30,001	\$40,000	10.47%	4.47%	14.94%	15.00%	6.40%	21.40%
\$40,001	\$50,000	11.64%	4.98%	16.62%	20.50%	9.00%	29.50%
\$50,001	\$60,000	13.12%	5.65%	18.76%	20.50%	9.00%	29.50%
\$60,001	\$70,000	14.17%	6.13%	20.30%	20.50%	9.00%	29.50%
\$70,001	\$80,000	14.96%	6.49%	21.45%	20.50%	9.00%	29.50%
\$80,001	\$90,000	15.58%	6.77%	22.34%	20.50%	9.00%	29.50%
\$90,001	\$100,000	16.33%	7.08%	23.41%	26.00%	10.90%	36.90%
\$100,001	\$110,000	17.21%	7.43%	24.64%	26.00%	10.90%	36.90%
\$110,001	\$120,000	17.94%	7.72%	25.66%	26.00%	10.90%	36.90%
\$120,001	\$130,000	18.56%	7.96%	26.52%	26.00%	10.90%	36.90%
\$130,001	\$140,000	19.09%	8.17%	27.26%	26.00%	10.90%	36.90%
\$140,001	\$150,000	19.60%	8.38%	27.98%	29.00%	12.80%	41.80%
\$150,001	\$200,000	21.95%	9.49%	31.44%	29.00%	12.80%	41.80%
\$200,001	\$300,000	25.49%	10.59%	36.09%	33.00%	12.80%	45.80%
\$300,001	\$400,000	27.37%	11.14%	38.51%	33.00%	12.80%	45.80%
\$400,001	\$500,000	28.50%	11.47%	39.97%	33.00%	12.80%	45.80%
\$500,001	\$1,000,000	30.75%	13.24%	43.99%	33.00%	15.00%	48.00%

## 4.6. Average / Marginal Tax Rates – Non Resident

Taxable Income Range		Federal	NonRes		Fed	NonRes	
Start of Tax Bracket	End of Tax Bracket	Avg Tax Rate (using Personal Amount)	Avg Tax Rate (using Personal Amount)	Combined Average Rate	Marginal Tax Rate	Marginal Tax Rate	Combined Marginal Rate
\$0	\$10,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$10,001	\$20,000	5.95%	2.86%	8.80%	15.00%	7.20%	22.20%
\$20,001	\$30,000	8.97%	4.30%	13.27%	15.00%	7.20%	22.20%
\$30,001	\$40,000	10.47%	5.03%	15.50%	15.00%	7.20%	22.20%
\$40,001	\$50,000	11.64%	5.59%	17.23%	20.50%	9.84%	30.34%
\$50,001	\$60,000	13.12%	6.30%	19.41%	20.50%	9.84%	30.34%
\$60,001	\$70,000	14.17%	6.80%	20.97%	20.50%	9.84%	30.34%
\$70,001	\$80,000	14.96%	7.18%	22.14%	20.50%	9.84%	30.34%
\$80,001	\$90,000	15.58%	7.48%	23.05%	20.50%	9.84%	30.34%
\$90,001	\$100,000	16.33%	7.84%	24.17%	26.00%	12.48%	38.48%
\$100,001	\$110,000	17.21%	8.26%	25.47%	26.00%	12.48%	38.48%
\$110,001	\$120,000	17.94%	8.61%	26.55%	26.00%	12.48%	38.48%
\$120,001	\$130,000	18.56%	8.91%	27.47%	26.00%	12.48%	38.48%
\$130,001	\$140,000	19.09%	9.16%	28.26%	26.00%	12.48%	38.48%
\$140,001	\$150,000	19.60%	9.41%	29.01%	29.00%	13.92%	42.92%
\$150,001	\$200,000	21.95%	10.54%	32.49%	29.00%	13.92%	42.92%
\$200,001	\$300,000	25.49%	12.24%	37.73%	33.00%	15.84%	48.84%
\$300,001	\$400,000	27.37%	13.14%	40.51%	33.00%	15.84%	48.84%
\$400,001	\$500,000	28.50%	13.68%	42.18%	33.00%	15.84%	48.84%
\$500,001	\$1,000,000	30.75%	14.76%	45.51%	33.00%	15.84%	48.84%

## 4.7. General Factor

Maintain the General Factor percentages for federal and all other provinces.

Quebec uses the second tax bracket percentage as its General Factor percentage.

## 4.8. Indexing Factor

**4.8.1.1.** The federal/provincial Indexing Factor is currently not used in the CDN NaviPlan applications.

### 4.8.1.2.

2015: 1.017%

2016: 1.013%

2017: 1.014%

2018: 1.015%

2019: 1.022%

## 4.9. Federal Benefit Premiums

### 4.9.1. CPP / QPP Contribution

#### 4.9.1.1. CPP Yearly Maximum Pensionable Earnings

2016: \$54,900

2017: \$55,300

2018: \$55,900

2019: \$57,400

4.9.1.2. The YMPE is also used for the Defined Benefit Pension formula calculation.

#### 4.9.1.3. CPP Employee/Employer maximum annual contribution

2016: \$2,544.30

2017: \$2,564.10

2018: \$2,593.80

2019: \$2,748.90

#### 4.9.1.4. Self-employed maximum annual contribution

2016: \$5,088.60

2017: \$5,128.20

2018: \$5,187.60

2019: \$5,497.80

#### 4.9.1.5. Yearly Basic Exemption remains at an amount of \$3,500

#### 4.9.1.6. Change the existing CPP Employee percentage of premium rate

2018: 4.95%

2019: 5.10%

Employers are responsible for deducting the CPP premium if the employee is 18 to 69 years of age, unless the employee is collecting/receiving a CPP retirement pension or disability benefits.

#### 4.9.1.7. Change the existing CPP Self-Employed percentage of premium rate

2018: 9.90%

2019: 10.20%

## 4.9.2. Employment Insurance Premium

### 4.9.2.1. Federal EI Maximum Insurable Earnings

2016: \$50,800

2017: \$51,300

2018: \$51,700

2019: \$53,100

#### 4.9.2.2. Federal EI Employee Maximum Premium

2016: \$955.04

2017: \$836.19

2018: \$858.22

2019: \$860.22

#### 4.9.2.3. Federal EI Employee Premium Rate

2016: 1.88%

2017: 1.63%

2018: 1.66%

2019: 1.62%

The Canada Employment Insurance Financing Board (CEIFB) is required to set the rate by Nov 14 of each year. However, the Government of Canada has the authority to substitute a different rate no later than Nov 30<sup>th</sup>.

#### 4.10. Federal Benefit Program Payment Rates

##### 4.10.1. CPP / QPP Pension Benefit Payment Rates

TYPE OF BENEFIT	Max monthly benefit 2019	Max monthly benefit 2018	Max monthly benefit 2017	Max monthly benefit 2016
CPP Disability benefit	\$1,362.30	\$1,335.83	\$1313.66	\$1290.81
QPP Disability benefit	\$1,362.27	\$1,335.80	\$1313.63	
Retirement benefit (at age 65)	\$1,154.58	\$1,134.17	\$1,114.17	\$1092.50
Survivors benefit (under age 65)	\$626.63	\$614.62	\$604.32	\$593.62
Survivors benefit (age 65 and over)	\$692.75	\$680.50	\$668.50	\$655.50
Children of disabled contributors benefit	\$250.27	\$244.64	\$241.02	\$237.69
QPP Children of disabled contributors benefit	\$79.46	\$77.67	\$76.52	
Children of deceased contributors benefit	\$250.27	\$244.64	\$241.02	\$237.69
Combined survivors & retirement benefit (pension at age 65)	\$1,154.58	\$1,134.17	\$1,114.17	\$1092.50
Combined survivors & disability benefit	\$1,362.30	\$1335.83	\$1,313.66	\$1290.81
Death Benefit (Maximum lump sum) NOT INDEXED	\$2,500	\$2,500.00	\$2,500.00	\$2,500.00
	FLAT RATE	FLAT RATE	FLAT RATE	FLAT RATE
CPP Disability benefit	\$496.36	\$485.20	\$478.03	\$471.43
QPP Disability benefit	\$496.33	\$485.17	\$478.00	
CPP Survivor benefit - younger than 65	\$193.66	\$189.31	\$186.51	\$183.93

#### 4.10.1.1. For all Retirement, Disability, and Survivor benefits as indicated in 4.10.1..

Note the following:

Gen CDN NaviPlan uses the 'max' monthly benefits, \$1,154.58/month.

#### 4.10.1.2. CPP Disability benefit flat rate

2016: \$471.43

2017: \$478.03

2018: \$485.20

2019: \$496.36

#### 4.10.1.3. CPP Survivor benefit – younger than 65 flat rate

2016: \$183.93

2017: \$186.51

2018: \$189.31

2019: \$193.66

#### 4.10.2. OAS Benefit Payment Rates

OAS BENEFIT	Quarter	2019 Max Monthly Benefit	2018 Max Monthly Benefit	2017 Max Monthly Benefit	2016 Max Monthly Benefit
All recipients	Jan-Mar	\$601.45	\$586.66	\$578.53	\$570.52
All recipients	Apr-Jun		\$589.59	\$578.53	\$570.52
All recipients	Jul-Sep		\$596.67	\$583.74	\$573.37
All recipients	Oct-Dec		\$600.85	\$585.49	\$578.53
Clawback Threshold		\$77,850	\$75,910	\$74,789	\$73,756
Clawback Rate		15%	15%	15%	15%
Eliminated when net income is equal to or greater than		\$125,696	\$123,386	\$121,070	\$119,615

#### 4.10.2.1. The existing OAS (quarterly) Monthly Benefit rate

2016: \$570.52

2017: \$578.53

2018: \$586.66

2019: \$601.45

#### 4.10.2.2. HRDC review the Old Age Security benefit rates in Jan, Apr, Jul, and Oct and adjust rates accordingly to reflect increases in the cost of living as measured by the Consumer Price Index.

The CDN NaviPlan applications use the quarterly rate noted above and multiplies this value by 12 months to determine the OAS annual maximum pension amount. As a result of this calculation the OAS annual maximum pension amount may be understated.



#### **4.10.2.3.** Change the OAS Clawback Income Threshold amount

2016: \$73,756

2017: \$74,789

2018: \$75,910

2019: \$77,850

#### **4.10.2.4.** The OAS Clawback Threshold is indexed to inflation.

#### **4.10.2.5.** Change the OAS Benefit Elimination net income amount

2017: \$121,070 (only a notional value; not actually entered in the app)

2018: \$122,843 (only a notional value; not actually entered in the app)

2019: \$125,696 (only a notional value; not actually entered in the app)

#### **4.10.2.6.** OAS benefits are eliminated when an individual's net income is 125,696 or greater.

Note that the HRSDC may adjust the OAS Benefit Elimination value with each quarter.

**4.10.2.7.** Individuals with net income over \$77,850 (2019) must repay part or the entire maximum OAS pension amount. The OAS clawback applies to net income. Net income in excess of the clawback threshold is clawed back at 15%.

For example using the the 2019 threshold of \$77,850 and a net income of \$80,000 the clawback will be \$322.50. The formula is as follows:

Individual's net income minus the OAS Threshold amount for the year equals the Difference between the individual's income amount and the OAS threshold amount.

Difference multiplied by 15% = the amount of OAS Repayment.

OAS Repayment amounts are deducted on a monthly basis from the following year OAS payments

$\$80,000 - \$77,850 = \$2,150 * 15\% = \$322.50$  TOTAL OAS Repayment for the year 2019.

#### **4.10.3.** RRSP Contribution Limit

##### **4.10.3.1.** RRSP Contribution Limit, the maximum amount:

2016: \$25,370

2017: \$26,010

2018: \$26,230

2019: \$26,500

**4.10.3.2.** The Income Required amount in order to make this maximum contribution is indexed to increases in the Average Industrial Wage beginning in 2010 and following years.

#### **4.10.4.** Defined Benefit/RPP Maximum Pension Benefit Limit

##### **4.10.4.1.** Defined Benefit Maximum Pension Benefit limit amount:

2017: \$2,914.44

2018: \$2,944.44

2019: \$3,025.56

**4.10.4.2.** Note that the Defined Benefit RPP maximum pension benefit limit is 1/9th of the Money Purchase RPP / RRSP annual contribution limit.

Source for both RRSP Contribution limit and Defined Benefit limits:

<http://www.cra-arc.gc.ca/tx/rgstrd/papspapar-fefespfer/lmts-eng.html>

**4.10.5.** Defined Contribution/Money Purchase Plan Contribution Limit

**4.10.5.1.** Defined Contribution Pension Plan contribution limit amount:

2016: \$26,010

2017: \$26,230

2018: \$26,500

2019: \$27,230

**4.10.5.2.** The contribution limit for these plans is similar to the RRSP contribution limit, i.e. 18% of earned income.

**4.10.6.** TFSA Contribution Limit

**4.10.6.1.** From 2009-2012, the TFSA Contribution Limit amount was kept at \$5,000. In 2013, this amount started being indexed for inflation (2013 index amount is 2.0%, 0.9% for 2014).

Starting in 2015, the annual TFSA contribution limit will increase from \$5,500 to \$10,000 and will remain at this level for subsequent years. The limit will no longer be indexed to inflation.

As of 2016, the TFSA limit is reduced back to \$5,500 and indexed at the federal inflation rate. The unrounded indexed amount is rounded to find the annual limit in years going forward:

2017: \$5,500

2018: \$5,500

2019: \$6,000

**4.10.7.** Home Buyers' Plan (HBP) Limits

**4.10.7.1.** For 2019, the existing Home Buyers' Plan withdrawal limit of \$25,000 and 15 years for the number of years for repayment.

**4.10.8.** RRIF Minimum

**4.10.8.1.** As of 2015, Canadians who are 71 will now only have to withdraw 5.28% from their RRIF, down from the current 7.38%.

**4.10.9.** Canada Education Savings Grant (CESG) Qualifying Net Family Income Threshold Amounts

Year	Child's family has qualifying net income for the year of less than (bracket 1)	Child's family has qualifying net income for the year of less than (bracket 2)	More Than (bracket 3)	Bracket 1 Tax Rate	Bracket 2 Tax Rate	Bracket 3 Tax Rate
2019	\$47,630.00	\$95,259.00	\$95,259.01	40.0%	30.0%	20.0%
2018	\$46,605.00	\$93,208.00	\$93,208.01	40.0%	30.0%	20.0%
2017	\$45,916.00	\$91,831.00	\$91,831.01	40.0%	30.0%	20.0%
2016	\$45,282.00	\$90,456.00	\$90,456.01	40.0%	30.0%	20.0%
2015	\$44,700.00	\$89,401.00	\$89,401.01	40.0%	30.0%	20.0%
2014	\$43,953.00	\$87,907.00	\$87,907.01	40.0%	30.0%	20.0%



**4.10.9.1.** The CESG family net income thresholds as noted above in both the Planning levels and the Education Savings Calculator.

The CESG income brackets are indexed yearly based on inflation and are the same as the Federal 15% and 20.5% tax bracket income thresholds.

**4.10.9.2.** All other rates/values associated with the RESP and CESG plans remain the same as previous year.

**4.11.** Dividend Tax Credit – Federal & Provincia

**4.11.1.1.** The Dividend Tax Credit is a federal/provincial non-refundable tax credit.

**4.11.1.2.** Canadian source dividends are either:

*Eligible dividends*, i.e. Enhanced, or

*Other than eligible dividends*, i.e. Existing (or non-eligible)

**4.11.2.** NPE – Dividend Tax Credit Rates - Detailed Tax Method

**4.11.2.1.** Update the Dividend Tax Credit rates, both **Eligible** and **Other than eligible** for those jurisdictions as necessary.

Dividend Tax Credits - NPE (Public Corp - Eligible, Enhanced Tax Credit)					
Province	2019	2018	2017	2016	2015
Alberta	10.00%	10.00%	10.00%	10.00%	10.00%
British Columbia	12.00%	10.00%	10.00%	10.00%	10.00%
Manitoba	8.00%	8.00%	8.00%	8.00%	8.00%
New Brunswick	14.00%	14.00%	14.00%	13.50%	13.50%
Newfoundland/Labrador	5.40%	5.40%	5.40%	5.40%	5.40%
Northwest Territories	11.50%	11.50%	11.50%	11.50%	11.50%
Nova Scotia	8.85%	8.85%	8.85%	8.85%	8.85%
Nunavut	5.51%	5.51%	5.51%	5.51%	5.51%
Ontario	10.00%	10.00%	10.00%	10.00%	10.00%
Prince Edward Island	10.50%	10.50%	10.50%	10.50%	10.50%
Quebec	11.78%	11.87%	11.90%	11.90%	11.90%
Saskatchewan	11.00%	10.50%	10.75%	11.00%	11.00%
Yukon	12.02%	12.02%	13.50%	15.00%	15.00%
			Per the 2017 budget, as of 7/1 it will be 12%. 13.5% is a blend		
Federal	15.02%	15.02%	15.02%	15.02%	15.02%

Dividend Tax Credits - NPE (CCPC*, other than eligible dividends)					
Province	2019	2018	2017	2016	2015
Alberta	1.96%	2.07%	2.19%	3.080%	3.1%
British Columbia	1.96%	2.07%	2.18%	2.47%	2.59%
Manitoba	0.7835%	0.7835%	0.7835%	0.7835%	0.83%
New Brunswick	2.75%	2.853%	3.245%	3.625%	4.00%
Newfoundland/Labrador	3.50%	3.50%	3.50%	3.80%	4.10%
Northwest Territories	6.00%	6.00%	6.00%	6.00%	6.00%
Nova Scotia	2.99%	3.16%	3.33%	3.33%	3.50%
Nunavut	2.61%	2.76%	2.91%	2.91%	3.05%
Ontario	3.2863%	3.1197%	4.2863%	4.2863%	4.50%
Prince Edward Island	2.74%	2.90%	3.051%	3.051%	3.20%
Quebec	5.55%	6.47%	7.05%	7.05%	7.05%
Saskatchewan	3.362%	3.333%	3.367%	3.367%	3.05%
Yukon	2.30%	2.26%	3.143%	3.143%	3.17%
<b>Federal</b>	<b>9.0301%</b>	<b>10.0313%</b>	<b>10.5217%</b>	<b>10.5217%</b>	<b>11.02%</b>

Year	Enhanced Rate Gross Up (all provinces)	Existing General Gross Up (all provinces)
2019	38%	15%
2018	38%	16%
2017	38%	17%
2016	38%	17%
2015	38%	18%
2014	38%	18%
2013	38%	25%
2012	38%	25%
2011	41%	25%

**4.11.2.2.** The taxable amount of Federal *Eligible / Enhanced* dividends gross up rate is as follows:

2017: 138%

2018: 138%

2019: 138%

**4.11.2.3.** The taxable amount of Federal dividend tax credit on the total *Eligible / Enhanced* grossed up amount is unchanged for 2019.

2016: 15.02%

2017: 15.02%

2018: 15.02%

2019: 15.02%

**4.11.2.4.** The Federal dividend tax credit rate factor for *Eligible / Enhanced* dividends is already implemented for 2019.

2015: 13/18

2016: 21/29

2017: 21/29

2018: 8/11

2019: 9/13

**4.11.2.5.** Other than eligible dividend gross-up rate:

Year	Other than eligible dividend gross up	Other than eligible dividend tax credit
2013	125%	13.33%
2014	118%	11.02%
2015	118%	11.0169%
2016	117%	10.5217%
2017	117%	10.5217%
2018	116%	10.0313%
2019	115%	9.0301%

## 4.11.3. NPS – Existing Federal Dividend Tax Credit Calculation Revised

### 4.11.3.1. 2019 Eligible /Enhanced dividends calculation.

Gross Up Rate	138%
Federal Dividend Tax Credit Rate	15.02%
Federal Tax Rate	29.00%
Provincial Dividend Tax Credit Rate - ON	10.00%
Provincial Tax Rate - ON	13.16%

Calculation of tax as follows based on

\$100 of Dividend Amount of Dividend received =	\$100
Taxable dividend amount = \$100 x 138% =	\$138

GROSS Federal Income Tax = \$138 x 29% = \$40.02

MINUS Federal Dividend Tax Credit =  
\$138 x 15.0200% = \$20.73

Net Federal Tax Payable on \$100 Dividend = \$19.29 \$19.29

GROSS Provincial Income Tax = \$138 x 13.16%  
= \$18.16

MINUS Provincial Dividend Tax Credit =  
\$138 x 10.00% = \$13.80

Net Provincial Tax Payable on \$100 Dividend = \$4.36 \$4.36

TOTAL TAX PAYABLE (Federal & Provincial) = \$23.65

2019 Other than eligible / Existing dividends calculation:

Gross Up Rate	116%
Federal Dividend Tax Credit Rate	9.03%
Federal Tax Rate	29.00%
Provincial Dividend Tax Credit Rate - ON	3.29%
Provincial Tax Rate - ON	13.16%

Calculation of tax as follows based on

\$100 of Dividend Amount of Dividend received =	\$100
Taxable dividend amount = \$100 x 116% =	\$116

GROSS Federal Income Tax = \$116 x 29% = \$33.64

MINUS Federal Dividend Tax Credit =

116 \$ x 9.03% = \$10.47

**Net Federal Tax Payable on \$100 Dividend = \$23.17 \$23.17**

GROSS Provincial Income Tax = \$116 x 13.16% \$15.27

=

MINUS Provincial Dividend Tax Credit =

\$116 x 3.29% = \$3.81

**Net Provincial Tax Payable on \$100 Dividend = \$11.45 \$11.45**

**TOTAL TAX PAYABLE (Federal & Provincial) = \$34.62**

#### 4.11.4. NPS – Dividend Tax Credit Rates

##### 4.11.4.1. Provincial Modifier Rounded Percentage values:

2017

Eligible: 1.674

Non-Eligible: 1.334

2018:

Eligible: 1.659

Non-Eligible: 1.320

2019:

Eligible: 1.669

Non-Eligible: 1.305



## 4.11.5. NPS – Existing Federal Dividend Tax Credit Calculation Revised

4.11.5.1. The calculation is the same for both eligible and other than eligible dividends; however the rates used are different.

ELIGIBLE DIVIDENDS		OTHER THAN ELIGIBLE (Non-eligible dividends)	
<b>Using 2018 rates:</b>		<b>Using 2018 rates:</b>	
Gross Up Rate	138%	Gross Up Rate	116%
Federal Dividend Tax <i>Credit</i> Rate	15.0200%	Federal Dividend Tax <i>Credit</i> Rate	10.0313%
Provincial Modifier	1.659%	Provincial Modifier	1.320%
Combined Marginal Tax Rate using ON (mid-point range)	38.68%	Combined Marginal Tax Rate using ON (mid-point range)	38.68%

### 4.11.5.2. Eligible calculation:

Calculation used when the Eligible checkbox is selected in the Cash Flow – Income – Details – Income Details dialog box:

$(\text{Original dividend income amount} * 138\%) / (\text{Combined Marginal Tax Rate} - (15.02\% * 1.669\%)) / 100$

Example:  $(\$100 \text{ dividends} * 138\%) * (.01 * (38.68 - (15.02 * 1.669))) = \$18.78 \text{ tax payable}$

### 4.11.5.3. Other than eligible calculation:

Calculation used when the Eligible checkbox is not selected, i.e. Other than eligible dividends, in the Cash Flow – Income – Details – Income Details dialog box:

$(\text{Original dividend income amount} * 116\%) * (\text{Combined Marginal Tax Rate} - (9.0301\% * 1.305\%)) / 100$

Example:  $\$100 \text{ dividends} * 116\% * (.01 * (38.68 - (9.0301\% * 1.305))) = \$31.20 \text{ tax payable}$

## 4.11.6. Federal Donation Tax Credit

4.11.6.1. As part of the 2016 Liberal budget, an amendment was made to the federal donation tax credit rate for donations over \$200 so that the rate will be 33% to the extent that an individual has taxable income that will be taxed at 33%.

Tax Rate	33% Bracket Threshold
2016	\$200,000
2017	\$202,800
2018	\$205,842
2019	\$210,371

4.11.6.2. If an individual has taxable income below the 33% bracket threshold, the rate for donations will remain at 29%.

For example: if an individual has taxable income of \$220,000 in 2016 and makes a donation of \$25,200, the tax credit will be calculated as  $15\% * \$200$  plus  $\$20,000 * 33\%$  plus  $\$5,000 * 29\%$ .

This is applicable on donations made in 2016 and forward.

## 4.11.7. Ontario Charitable Donation Tax Credit

4.11.6.1. For donations and gifts between \$0 and \$200, the credit rate is 5.05%. For donations exceeding \$200, the credit is 17.41%. This has been the same since 2011. (Added September 6, 2013)

## 4.11.8. Alberta Charitable Donation Tax Credit

4.11.8.1. Effective October 2015, the credit is going to be maintained at 21% for donations over \$200



#### 4.11.9. Newfoundland Charitable Donation Tax Credit

Charitable Donations Credit	2016	2017	2018
First \$200	8.2%	8.7%	8.7%
Over \$200	16.8%	16.8%	18.3%

#### 4.11.10. Yukon Donation tax credit

Charitable Donations Credit	2017	2018
First \$200	6.40%	6.40%
Over \$200	12.80%	12.80%

#### 4.12. LIF Payouts – Maximum – CANSIM Rate/Reference Rate

**4.12.1.** Source: The CANSIM Rate is the Government of Canada marketable bonds, average yield +10 year released on Nov 30<sup>th</sup> by the Bank of Canada, Series V122487.

2016: 2.17%

2017: 2.06%

2018: 2.16%

2019: 2.39%

<http://www.osfi-bsif.gc.ca/eng/pp-rr/faq/pages/lif-frv.aspx>

#### 4.12.2. Maintain the existing Reference Rate value of 6.00%.

Depending on the Governing Jurisdiction or Origin of Plan either the CANSIM or Reference Rate will be used when calculating the LIF Maximum payout.

#### 4.13. Canada Child Benefit

**4.13.1.** As of July 1, 2016 the Canada Child Benefit (CCB) replaced the UCCB (never supported in NaviPlan) and the CCTB (supported June 30 2016 and previous years).

The Canada Child Benefit will provide a maximum benefit of \$6,400 (as of 2016) per child under the age of 6 and \$5,400 per child aged 6 through 17 (as of 2016).

On the portion of adjusted family net income between \$30,000 and \$65,000, the benefit will be phased out at a rate of 7 per cent for a one-child family, 13.5 per cent for a two-child family, 19 per cent for a three-child family and 23 per cent for larger families. Where adjusted family net income exceeds \$65,000, remaining benefits will be phased out at rates of 3.2 per cent for a one-child family, 5.7 per cent for a two-child family, 8 per cent for a three-child family and 9.5 per cent for larger families, on the portion of income above \$65,000.

In NaviPlan, the CCB is reported as a miscellaneous cash inflow.

- Starting in 2018, the benefit and threshold amounts will start to index in July of every year.

Amount per child under 6: \$6496

Amount per child aged 6 through 17: \$5481

First income threshold: \$30,450

Second income threshold: \$65,975

- 2019 (Projected 2019-2020)

Amount per child under 6: \$6,639

Amount per child aged 6 through 17: \$5,602

First income threshold: \$31,120

Second income threshold: \$67,426

Source: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/frequently-asked-questions-individuals/adjustment-personal-income-tax-benefit-amounts.html>

**4.13.2.** The phase-out rates are as follows:

2019

Number of children	Phase-out Rates	
	\$31,120 to \$67,426	Over \$67,426
1 child	7.0%	3.2%
2 children	13.5%	5.7%
3 children	19.0%	8.0%
4 or more children	23%	9.5%

**4.14.** Life Expectancy

**4.14.1.** Per the most recent data from Statistics Canada, the life expectancy for males is 79.4 years, while the life expectancy for females is 83.6 years. Overall life expectancy is 81.5.

**4.15.** Asset Class Average Return Rates / Historical Returns Concept/Calculator

**4.15.1.** 5-Year GIC CDN Interest Rates (Guaranteed Investment Certificates):

Year	Return %
2015	1.47%
2016	1.42%
2017	1.39%
2018	1.69%

This rate is the average of 12 month rates for Bank of Canada – Chartered Bank Administered GIC - 5 year Interest Rates.

#### 4.15.2. Canadian Fixed Income [Canadian Bonds (Mid-Term)]

Year	Return %
2015	3.14%
2016	1.36%
2017	2.34%
2018	1.28%

This is the iShares Canadian Universe Bond Index ETF.

#### 4.15.3. Canadian Long Bonds

Year	Return %
2015	2.17%
2016	1.92%
2017	2.28%
2018	2.33%

#### 4.15.4. Canadian Equity

Year	Return %
2015	-11.09%
2016	17.51%
2017	5.29%
2018	-6.48%

#### 4.15.5. US Equity

Year	S&P 500 in \$US	S&P 500 in \$CDN
2015	-1.09%	20.14%
2016	9.54%	5.50%
2017	20.80%	12.80%
2018	-6.59%	-0.78%

#### 4.15.6. International Equity

Year	%Return in \$USD	%Return in \$CDN
2015	-6.44%	13.64%
2016	-1.88%	-5.50%
2017	26.24%	17.88%
2018	-11.36%	-5.84%

The MSCI EAFE Standard Core index is reported in USD and therefore, we will calculate returns by converting \$US \$CDN to calculated Canadian performance of the International equity asset class.

#### 4.15.7. CDN Real Estate

Year	Return %
2015	10.24%
2016	7.29%
2017	-2.79%
2018	-1.53%

This is the latest average price across Canada for a 12 month period; Source: Canadian Real Estate Association

#### 4.15.8. International Bonds

RPIBX performance - adjusted close			
Year	Open	Close	% Change
2015	9.13	8.27	-9.42%
2016	8.27	8.31	0.48%
2017	8.31	9.06	9.03%
2018	9.09	8.48	-6.71%

**4.15.8.1.** The return rate is based on the performance of the T Rowe Price International Bond Fund (RPIBX).

#### 4.16. Average Inflation / Consumer Price Index (CPI)

This information is used by the:

Plan – Assumptions – General – Inflation – Inflation Rate Graph

Historical Returns Calculator/Concept

Inflation History Calculator/Concept

##### 4.16.1. Update the Average Annual CPI rate

2015: 1.13%

2016: 1.42%

2017: 1.60%

2018: 1.70%

#### 4.17. Private Corporations – Corporate Taxation – Federal

<http://www.fin.gc.ca/drleg-apl/2015/nwmm-amvm-1215-n-eng.pdf>

FEDERAL CORPORATE TAX RATES					
Year	PART I - Basic Rate	Basic Rate of Part I after federal tax abatement	PART IV Tax Amount	PART I Refundable Tax Amount	Refundable Portion of PART I Tax Amount
2019	38.00%	28.00%	38.33%	10.67%	30.67%
2018	38.00%	28.00%	38.33%	10.67%	30.67%
2017	38.00%	28.00%	38.33%	10.67%	30.67%
2016	38.00%	28.00%	38.33%	10.67%	30.67%
2015	38.00%	28.00%	33.33%	6.67%	26.67%
2014	38.00%	28.00%	33.33%	6.67%	26.67%
2013	38.00%	28.00%	33.33%	6.67%	26.67%
2012	38.00%	28.00%	33.33%	6.67%	26.67%
2011	38.00%	28.00%	33.33%	6.67%	26.67%
2010	38.00%	28.00%	33.33%	6.67%	26.67%
2009	38.00%	28.00%	33.33%	6.67%	26.67%
2008	38.00%	28.00%	33.33%	6.67%	26.67%

As part of the 2016 CCPC changes, the Dividend Refund value (Currently set at 1/3 of all taxable dividends paid out in a year) is changing to 38 1/3 %

#### 4.18. Private Corporations – Corporate Taxation – Provincial

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/crprtns/prv/menu-eng.html>

Province	2019	2018	2017
Alberta	12.00%	12.00%	12.00%
British Columbia	12.00%	12.00%	11.00%
Manitoba	12.00%	12.00%	12.00%
New Brunswick	14.00%	14.00%	14.00%
Newfoundland	15.00%	15.00%	15.00%
Nova Scotia	16.00%	16.00%	16.00%
North West Territories	11.50%	11.50%	11.50%
Nunavut	12.00%	12.00%	12.00%
Ontario	11.50%	11.50%	11.50%
Prince Edward Island	16.00%	16.00%	16.00%
Quebec	11.60%	11.70%	11.80%
Saskatchewan	12.00%	12.00%	11.75%
Yukon	12.00%	12.00%	15.00%

##### 4.18.1. Quebec

According to Quebec's Corporate Income Tax Rate page, the general tax rate is reduced each year by 0.1% until 2020. Thus, it will be 11.7% in 2018, 11.6% in 2019 and 11.5% in 2020



## Part D – Tax Calculations

NaviPlan offers a choice of 2 Income Tax methods: Average Tax, and Detailed Tax. Average Tax uses user-selected or user-entered tax rates to compute tax payable. Detailed Tax uses the bracketed federal and applicable provincial Marginal Tax rates to compute tax payable.

**Average Tax** is the ratio of income tax payable to gross income for the year, which is generally lower than the marginal tax rate. Average tax rate can be calculated by dividing total tax due by gross income. Average Tax is applied to the following: salary, self-employed, defined benefit pension, government benefits (CPP/QPP & OAS), and other taxable.

The Average Tax rate is used in NPS v8.3, v11.0, and NPSE v11.8, v12.2, and v14.0+ when in Average Tax mode.

**Marginal Tax** is the rate of tax applied to the next dollar earned. Income within a given bracket or range (low end to high end of the income range) is taxed at a stated rate. Marginal Tax is applied to income types such as Royalty and Alimony, as well as investment income i.e. interest, dividends, capital gains, and deferred growth.

The Marginal Tax rate is used in NPE v8.3, and NPSE v11.8, v12.2, and v14.0+ when in Detailed Tax mode.

**NOTE:** For the year 2017, there are 2 provinces that assess Surtax on these tax rates: Ontario and Prince Edward Island. These surtax rates are included in the tax rates.

Using the raw data provided by the federal and provincial budgets (i.e. the start/end of brackets) the basic personal amount, the income tax rates, and the marginal rate for each of the brackets, a calculation is performed to determine:

1. The base tax for this bracket.
2. Tax with and without the basic personal amount (using the base tax figure and the marginal tax rate for the bracket).
3. Average tax rate with and without the basic personal amount
4. Provincial average tax rates are added to the federal average tax rates for each progressive tax bracket range, which is then applied and used in the application.

Raw data from the budgets that are input for all jurisdictions are:

- Start of Tax Bracket
- End of Tax Bracket
- Basic Personal Amount
- Marginal Tax Rate
- Additional Surcharges



Details calculated are:

- Base Tax
- Tax (without using the Personal Amount)
- Tax (using the Personal Amount)
- Average Tax Rate (without the Personal Amount)
- Average Tax Rate (using the Personal Amount)

## EXAMPLE 1 - FEDERAL:

For the Federal Average tax rate the following is used in the calculations:

Start of 1<sup>st</sup> tax bracket (**SB1**) = \$0

End of 1<sup>st</sup> tax bracket (**EB1**) = \$45,282

Basic Personal Amount (**BPA**) = \$11,474

Marginal Rate for this bracket (**MR**) = 15% for this bracket

Base Tax (**BT**) = \$0

**Base Tax is calculated as:**

The Tax without using the Basic Personal Amount for the previous tax bracket.

**Tax without using the Basic Personal Amount is calculated as:**

$((EB1 - SB1) * MR) + BT$ :

$((\$45,282 - \$0) * 15\%) + \$0 = \$6,792.30$

**Tax using the Basic Personal Amount is calculated as:**

$((((EB1 - SB1) * MR) + BT) - (BPA * MR))$ :

$((((\$45,282 - \$0) * 15\%) + \$0) - (\$11,474 * 15\%)) = \$5,071.20$

**Average Tax Rate without the Basic Personal Amount is calculated as:**

Tax without Basic Personal Amount / EB1 OR

$\$6,792 / \$45,282 = 15.00\%$

**Average Tax Rate using the Basic Personal Amount is calculated as:**

Tax using Basic Personal Amount / EB1 OR

$\$5,071 / \$45,282 = 11.20\%$

The Average Tax Rates used in the application include the Basic Personal Amount. The federal average tax rates are added to the provincial average tax rates to determine the “combined” average tax rates used in the application.

## EXAMPLE 2 – PROVINCIAL - ONTARIO:

Surtax 1 (**S1**): 20% over \$4,484

Surtax 2 (**S2**): 36% over \$5,739

Start of second tax bracket (**SB2**) = \$41,537

End of second tax bracket (**EB2**) = \$83,075

Basic Personal Amount (**BPA**) = \$10,011

Marginal Rate for the second tax bracket (**MR**) = 9.15%

Base Tax (**BT**) = \$2,098

### Base Tax calculation:

$((EB1 - SB2) * MR) + BT$

$((\$41,536 - \$0) * 5.05\%) + \$0 = \$2,098$

### Tax without using the Basic Personal Amount is calculated as:

$((((EB2 - SB2) * MR) + BT) + (((((EB2 - SB2) * MR) + BT) - S1 \text{ Amount}) * S1 \text{ Percentage}) + (((((EB2 - SB2) * MR) + BT) - S2 \text{ Amount}) * S2 \text{ Percentage}))))$

Normal tax:  $((($83,075 - $41,537 * 9.15\%) + $2,098) +$

First surtax:  $((($83,075 - $41,537) * 9.15\%) + $2,098) - $4,484) * 20\% +$

Second surtax:  $((($83,075 - $41,537) * 9.15\%) + $2,098) - $5,739) * 36\%)) =$

Total tax: \$6,030

### Tax using the Basic Personal Amount is calculated as:

$((((EB2 - SB2) * MR) + BT) - (BPA * MR) + (((EB2 - SB2) * MR) + BT) - (BPA * MR)) - S1 \text{ Bracket} * S1 \text{ Percentage})$

$(((((EB2 - SB2) * MR) + BT) - S1 \text{ Amount}) * S1 \text{ Percentage}) + (((((EB2 - SB2) * MR) + BT) - S2 \text{ Amount}) * S2 \text{ Percentage}))))$

Normal tax:  $((($80,242 - 40,121) * 9.15\%) + 2,026) - (9,670 * 5.05\%) +$

First surtax:  $((($80,242 - 40,121) * 9.15\%) + 2,026) - (9,670 * 5.05\%)) - 4,331) * 20\% +$

No second surtax (not met when including the basic personal amount) =

Total tax: \$5,384

### Average Tax Rate without the Basic Personal Amount is calculated as:

Tax without Basic Personal Amount / EB2

$\$6,030 / \$80,242 = 7.51\%$

### Average Tax Rate using the Basic Personal Amount is calculated as:

Tax with Basic Personal Amount / EB2

$\$5,384 / \$80,242 = 6.71\%$

The Average Tax Rates used in the application include the Basic Personal Amount. Ontario also has the Ontario Health Premium, OHP which also adds 0.76% to the Ontario Marginal rate.

All of these items are considered and factored in when determining the Average and Marginal Tax Rates. The tax rates indicated on the Assumptions page of NaviPlan are federal rates plus the appropriate provincial rates calculated on a progressive basis for the jurisdiction and level of income to which they apply. These various inputs and formulas combine the federal and provincial (or territorial) income taxes payable, including surtaxes, and assume only the Basic Personal Amount is claimed, and that all income is either interest or ordinary income such as salary.

## Part E – Federal / Provincial Taxation

### 5. Tax Credits Supported in NaviPlan (excluding Québec)

#### 5.1. Non-refundable Tax Credits

The following non-refundable tax credits are supported in the NaviPlan NPE app, and NPS v11.8 Detailed Tax Method:

- Basic Personal Amount
- Spousal/Equivalent to spouse amount / Dependant amount
- Age Credit / Age 65 Credit
- Disability Amount
- Amount for Infirm Dependents age 18 or older
- Child Tax Credit Amount for each dependent child under 18 years of age, children born in 1993 or later
- Pension Income Amount
- Canada Employment Amount
- Medical Expenses
- General Factor

#### 5.2. Refundable Tax Credits

Refundable tax credits are currently not supported in the CDN NaviPlan applications.

#### 5.3. Indexing Factor

The income tax thresholds and many of the non-refundable credits, both federal and provincial are indexed. Indexing means that these values are adjusted based on changes to the Consumer Price Index, CPI factor. To (prove out the rates) calculate the indexed income thresholds and personal amounts for the upcoming year, multiply the existing amount by the indexing factor, i.e. Federal  $\$43,561 * 1.009 = \$43,954$  (off by \$1); Ontario  $\$39,723 * 1.01 = \$40,120$

MB, NS, and PE do not apply an indexing amount.

The government has the discretion to “override” this calculated value.

#### 5.4. Child Care Expense Credit

The maximum annual amounts that can be claimed for child care expenses will increase by \$1000. As a result, starting 2015, the following per child maximums will apply:

Under age 6 (at the end of the year) - \$8000

Age 7 to 16 - \$5000

Children eligible for the disability tax credit - \$11,000

## Part F – Québec Taxation

### 6. Québec Only Tax Credits Supported in NaviPlan

#### 6.1. Québec Health Services Fund Contribution (tax, from line 446)

**6.1.1.** For Quebec, there is a contribution/tax on income other than employment income (specifically, self-employment income). Explicitly, “all of the individual’s income is subject to the contribution except:

- Employment income
- Taxable support payments received
- The grossed-up portion of dividends received from taxable Canadian corporations
- OAS benefits

**6.1.2.** The tables below reflect the tax calculation for line 446’s health services fund:

2013	
Income Subject to Contribution	2013 Contribution
0 - \$14,000	No Contribution
\$14,001 - \$29,000	1% of income > \$14,000
\$29,001 - \$133,670	\$150 plus 1% of income > \$48,670
\$133,671 and more	\$1,000

2014	
Income Subject to Contribution	2014 Contribution
0 - \$14,135	No Contribution
\$14,136 - \$29,135	1% of income > \$14,135
\$29,136 - \$134,140	\$150 plus 1% of income > \$49,140
\$134,141 and more	\$1,000

2015	
Income Subject to Contribution	2015 Contribution
0 - \$14,285	No Contribution
\$14,286 - \$29,135	1% of income > \$14,286
\$29,136 - \$134,140	\$150 plus 1% of income > \$49,660
\$134,141 and more	\$1,000

2016	
Income Subject to Contribution	2016 Contribution
0 - \$14,440	No Contribution
\$14,441 - \$29,440	1% of income > \$14,440
\$29,441 - \$137,200	\$150 plus 1% of income > \$52,200
\$137,200 and more	\$1,000

2017	
Income Subject to Contribution	2017 Contribution
0 - \$14,545	No Contribution
\$14,546 - \$29,546	1% of income > \$14,545
\$29,546 - \$135,570	\$150 plus 1% of income > \$50,570
\$135,570 and more	\$1,000

2018	
Income Subject to Contribution	2018 Contribution
0 - \$14,665	No Contribution
\$14,665 - \$29,790	1% of income > \$14,665
\$29,790 - \$135,950	\$150 plus 1% of income > \$50,985
\$135,950 and more	\$1,000

2019	
Income Subject to Contribution	2018 Contribution
0 - \$14,915	No Contribution
\$14,916 - \$51,855	1% of income > \$14,000
\$51,856 - \$135,950	\$150 plus 1% of income > \$48,670
\$135,950 and more	\$1,000



## 6.2. Quebec health contribution

6.2.1. The table below reflects the tax calculation for line 448's health contribution

2013	
Individual Income	2013 Calculations
\$0 - \$18,000	\$0
\$18,001 - \$20,000	5% of amount over \$18,000
\$20,001 - \$40,000	\$100
\$40,001 - \$42,000	\$100 plus 5% of amount over \$40,000
\$42,001 - \$130,000	\$200
\$130,001 - \$150,000	\$200 plus 4% of income in excess of amount over \$130,000
\$150,001 - \$300,000	\$1,000

2014	
Individual Income	2014 Calculations
\$0 - \$18,175	\$0
\$18,176 - \$20,175	5% of income in excess of \$18,175
\$20,176 - \$42,390	\$100 plus 5% of income in excess of \$40,390
\$42,391 - \$151,260	\$200 plus 4% of income in excess of \$131,260
Over \$151,261	\$1,000

2015	
Individual Income	2015 Calculations
\$0 - \$18,370	\$0
\$18,370 - \$20,370	5% of income in excess of \$18,175
\$20,370 - \$40,820	\$100
\$40,820 - \$42,820	\$100 plus 5% in excess of \$40,820
\$42,820 - \$132,650	\$200
\$132,650 - \$152,650	\$200 plus 4% in excess of \$132,650
Over \$152,650	\$1,000

Exemption Threshold	
Type of Household	Exemption Threshold
1 adult, no children	\$18,370
1 adult, 1 child	\$23,880
1 adult, 2 or more children	\$27,055
2 adults, no children	\$23,880
2 adults, 1 child	\$27,055
2 adults, 2 or more children	\$29,985

**6.2.2.** As per the 2017 Quebec budget, the Health Contribution is phased out in 2016 and is eliminated as of Jan 1 2017.

2016 & 2017		
Individual Income	2016 Calculations	2017 Calculations
\$0 - \$18,570	\$0	As per the 2017 Budget, the Health Contribution is eliminated as of Jan 1 2017
Over \$18,570 up to \$41,265	\$0	
Over \$41,265 up to \$134,095	\$0	
Over \$134,095	4% of income in excess of \$134,095 to a maximum of \$1,000	

## Part G - Tax Credit

### 7. Tax Credits Supported in CDN NaviPlan

As a result of differences in Québec's taxation from the rest of Canada, the following is a comprehensive listing of the tax credits supported for Québec:

- Personal
- Age
- Dependants
- QPP (Self-employment)
- UIC
- Pension
- Disabled
- Transfer from Spouse/Dependant
- Dividend
- Union Dues
- Child credit
- Living Alone
- Tax reduction for families
- Québec Abatement credit (supported at the federal level)

The Québec abatement reduces the balance owing. The abatement is provided under the federal-provincial fiscal arrangement. If the individual is a resident of Québec on Dec 31<sup>st</sup> and does not have a business outside of Québec, the refundable Québec abatement is 16.5% of the basic federal tax payable on Line 48 of Schedule 1.

#### 7.1. Québec Tax Credits Not Supported in NaviPlan

##### 7.1.1. Québec Employment Insurance Premium

Please note that the actual Québec EI Employee Premium Rate/Percentage is lower than the EI percentage for Canada due to the Québec Parental Insurance Plan, QPIP.

The QPIP is not currently supported in NaviPlan.

##### 7.1.2. Québec Experienced Worker Tax Credit for ages 65+

Individuals who reside in Québec and are 65 years of age or older on Dec 31<sup>st</sup> of the taxation year.

The amount of the credit depends upon the eligible amount of work income, i.e. salaries, wages and other remuneration including gratuities from employment.

##### 7.1.3. Québec Deduction for Workers

##### 7.1.4. Québec Solidarity Tax Credit

## Part H – Tax Terminology

### Average Tax Rates

The Average Tax Rate (ATR) is the total income tax payable for a year divided by the total income for the year.

Average Tax Rates = Total Income Tax/Total Income

A taxpayer's average tax rate is a somewhat crude measure because 2 taxpayers in the same province with the same total income can have different average tax rate.

An individual with a total income of \$75,000 and total income tax of \$25,000 with no deduction for an RRSP contribution will have an average tax rate of 33.3%, calculated as (total income tax/total income) or \$25,000/\$75,000.

Same situation, but now the individual makes a \$10,000 to their RRSP and claims a deduction for this contribution, the total income is still \$75,000 but the total income tax would drop to about \$20,000, calculating an average tax rate of 26.7%, \$20,000/\$75,000.

### Marginal Tax Rates

The Marginal Tax Rate (MTR) is the rate a taxpayer would pay on their next dollar of taxable income.

Marginal Tax Rate = Federal Income Tax Rate + Provincial Income Tax Rate

Various deductions can reduce total income.

An individual with \$44,552.85 of taxable income will be in a 22% federal tax bracket. This same individual will be in a provincial tax bracket of 12.75% (MB), making their Marginal Tax Rate 34.75%, calculated as Federal Marginal Tax Rate + Provincial Marginal Tax Rate, or 22% + 12.75% = 34.75%.

### Effective Tax Rate and Estimated Tax Rate

NaviPlan also uses the 'effective' and 'estimated' tax rates.

Effective – provides the actual rate of tax on total income. This is calculated as:

- i. Taxes Payable/Total Income, or
- ii. Line 435 divided by Line 150 of the T1 General Tax Return
- iii. NaviPlan performs a complete calculation of current tax and then another complete calculation with 1 dollar more, and uses the difference to determine the rate.

Estimated – is based solely on current net income.

NaviPlan does not perform a calculation but rather compares the current net income to the applicable tax rate table and uses this rate, i.e. the tax rate on your last dollar of earnings.

## Tax Deduction

Tax deductions must not be confused with tax credits, and vice versa.

A tax deduction reduces the amount of taxable income, i.e. is an amount that is deducted from total income and is effectively not subject to tax.

A common tax deduction is an RRSP contribution.

- An RRSP contribution of \$5,000 effectively excludes \$5,000 of income from being taxed.

The higher the taxpayer's marginal tax rate, the more a tax deduction reduces the taxpayer's income taxes.

- An individual making a \$5,000 contribution to an RRSP reduces their taxable income to a lower federal and provincial tax bracket, thereby reducing their taxes by \$1,738, i.e. the deduction multiplied by the MTR,  $\$5,000 \times 34.75\% = \$1,737.50$

Refer to Section An individual with \$44,552.85 of taxable income will be in a 22% federal tax bracket. This same individual will be in a provincial tax bracket of 12.75% (MB), making their Marginal Tax Rate 34.75%, calculated as Federal Marginal Tax Rate + Provincial Marginal Tax Rate, or  $22\% + 12.75\% = 34.75\%$ . for additional details.

Other examples of tax deductions would include : RPP contributions, professional and union dues, child care expenses, moving expenses, carrying charges and interest expenses, other deductions such as support payments, tool expenses for apprentice mechanics and tradespersons, elected split-pension amounts, exploration and development expenses, and UCCB repayments.

## Tax Credit

Tax credits reduce the amount of tax to be paid, i.e. are used to reduce the amount of tax payable owed by the individual to the CRA aka Government of Canada – Department of Finance.

A tax credit is an amount that is deductible from income tax otherwise payable.

A tax credit reduces the taxpayer's income tax by the same amount regardless of his/her marginal tax rate.

The conversion rate for most federal and provincial tax credits is the tax rate for the lowest tax bracket.

## Non-refundable Tax Credit

Non-refundable tax credits can only be used in the current tax year to reduce the amount of income tax owing by an individual to zero. Non-refundable credits cannot be used to generate a refund.

Non-refundable tax credits cannot be used by a taxpayer with no taxable liability to obtain a payment from the government.

The individual must meet certain criteria in order to claim the credit.

In some instances, the credit can be transferred to a spouse or parent for their use should the individual not have sufficient taxable income to use all of the credit.

Examples of credits that can be transferred are the:

- Age Credit
- Pension Credit
- Tuition, Textbook and Education Tax Credit
- Disability Tax Credit

Non-refundable credits are claimed on Schedule 1 of the Federal General Income Tax package

## Refundable Tax Credit

Refundable tax credits are payable to the taxpayer regardless of whether they have any taxable income.

The individual must meet certain criteria in order to claim the credit.

Federal refundable tax credits are limited to the :

- Goods & Services Tax (GST) Credit,
- WITB, Working Income Tax Benefit
- Political contributions
- Investments in labor sponsored funds
  - Federal claimed on Page 1 of the T1 General Tax Return, and Schedule 1

Provincial/territorial refundable tax credits vary per province. Examples:

- MB Education Property Tax Credit
- MB School Tax Credit
  - Claimed on Line 479 of the T1 General Tax Return, per values claimed and calculated on provincial Forms and Schedules applicable to the province of residence.
- Ontario Sales Tax Credit
- Ontario Property Tax Credit
  - The Ontario credits are new refundable credits introduced for the 2010 tax year as a result of implementing the HST.

## Taxable Benefits

Employers often provide taxable benefits, the value of which must be considered 'employment income'. A taxable benefit may be paid in cash (meal allowance, reimbursement of personal cellular phone charges, etc.) or otherwise (parking space, gifts, etc.). The value of this taxable benefit must also include any GST/HST or PST. These values are added together and indicated as a taxable benefit/income on the employee's T4 slip.

A listing of taxable allowances/benefits can be located in the CRA tax guide T4130 - Taxable Benefits and Allowances.

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