

# Wealth Planning Facts & Figures – 2019

The 2019 Wealth Planning Facts and Figures provides important tax, retirement and estate planning information to help you stay informed.

**RRSP & TFSA Contribution Limits**

RRSP contribution limit - 18% of previous year's earned income to a maximum of:	2019 - \$26,500
	2020 - \$27,230
	2021 - Indexed to average wage growth
TFSA contribution limit	2019 - \$6,000
	2020 - \$6,000*

\*Subject to possible \$500 increase due to indexing.

**Withholding Tax Rates for RRSP and RRIF\* Withdrawals**

Amount	Quebec	All Other Provinces
Up to \$5,000	20%	10%
\$5,001 - \$15,000	25%	20%
Over \$15,000	30%	30%

\* On amounts over the annual minimum payment.

**RRIF Minimum Withdrawals**

Fair market value of RRIF on December 31 of previous year multiplied by prescribed factors below					
Age	%	Age	%	Age	%
60	3.33	72	5.40	84	8.08
61	3.45	73	5.53	85	8.51
62	3.57	74	5.67	86	8.99
63	3.70	75	5.82	87	9.55
64	3.85	76	5.98	88	10.21
65	4.00	77	6.17	89	10.99
66	4.17	78	6.36	90	11.92
67	4.35	79	6.58	91	13.06
68	4.55	80	6.82	92	14.49
69	4.76	81	7.08	93	16.34
70	5.00	82	7.38	94	18.79
71	5.28	83	7.71	95+	20.00

**Government Pensions & Allowances**

	CPP & QPP	OAS	GIS	Allowances
Eligibility	Employees & self-employed	Canadian citizens & residents	Low income OAS recipients	Spouse of OAS recipients widows & widowers
Maximum Pension (approx.)	\$13,854.96/yr \$1,154.58/mth	\$7,217.40/yr \$601.45/mth	Single: \$10,779.84/yr Spouse: \$6,489.24/yr	Spouse: \$13,706.64/yr Survivor: \$16,338.72/yr
Taxable	Yes	Yes	No	No
Indexed for Inflation	Yes, adjusted annually	Yes, adjusted quarterly	Yes, adjusted quarterly	Yes, adjusted quarterly
Full Benefit Age	65	65	65	Paid only if 60-64
Earliest Eligibility	60 with benefit reduced	65	65	Paid only if 60-64
Clawback	No	Yes	Yes	Yes
Payable Outside Canada	Yes	Under certain conditions	6 months maximum	6 months maximum

Source: Service Canada: CPP/QPP/OAS Quarterly Report - Rates and Related Figures for January 2019. Visit [servicecanada.gc.ca](http://servicecanada.gc.ca) for updated figures.

**Clawback or Income Level Cut-off**

Type of Benefits	Clawback/Cut-off
OAS	Clawback when net income is between \$77,580 to \$125,696
	OAS clawback is equal to 15% of the amount by which your net income (including OAS) exceeds \$77,580
	Full repayment of OAS when net income is above \$125,696
GIS	Single: cut-off at \$18,240
	Spouse/common-law partner of someone who:
	- does not receive an OAS pension: cut-off at \$43,728 (combined income)
	- receives the full OAS pension: cut-off at \$24,096 (combined income)
- is an Allowance recipient: cut-off at \$43,728 (combined income)	
Allowance	Cut-off at \$33,744 (combined income)
Allowance for Survivor	Cut-off at \$24,552 (individual income)

Source: Service Canada: CPP/QPP/OAS Quarterly Report - Rates and Related Figures for January 2019. Visit [servicecanada.gc.ca](http://servicecanada.gc.ca) for updated figures.

**Important Dates**

**RESP Contribution Deadline**  
Tuesday December 31, 2019  
**RRSP Contribution Deadline for 2019 tax year**  
Monday March 2, 2020  
**Family Loan Interest Deadline for 2019 interest payments**  
Thursday January 30, 2020  
**Last Trade Date for Canadian and U.S. stocks**  
Friday December 27, 2019

**Self-employed Business Tax Filing Deadline**  
Monday June 17, 2019  
**Individual Tax Filing Deadline**  
Tuesday April 30, 2019

**Quarterly Deadlines - Personal Tax Installments**  
March 15, 2019,  
June 15, 2019,  
September 15, 2019,  
December 15, 2019

**Important RESP Limits**

- Lifetime contribution limit per beneficiary .....\$50,000
  - Maximum total CESG limit per beneficiary .....\$7,200
  - Basic CESG rate on the first \$2,500 of annual contributions .....20%
  - Additional CESG rate on the first \$500 or less of RESP contributions made in respect of a beneficiary, based on the adjusted family net income of the beneficiary's primary caregiver. If net family income is:  
\$47,630 or less .....20%  
between \$47,630 and \$95,259 .....10%
  - CESG annual limit per beneficiary\* .....\$500
- \* In the case of unused CESG room, catch-up payments eligible for grant subject to: (i) Lifetime \$7,200 limit, and (ii) Annual limit of \$1,000.

### Canada Pension Plan & Quebec Pension Plan

Type of Benefit	CPP monthly maximum amount as of January 2019	QPP monthly maximum amount as of January 2019
Retirement (at age 65)	\$1,154.58	\$1,154.58
Post-retirement benefit (CPP) (at age 65)	\$28.86	n/a
Retirement pension supplement (QPP)	n/a	\$21.83
Disability	\$1,362.30	\$1,362.27
Survivor – younger than 65	\$626.63	(see Note 1)
Survivor – 65 and older	\$692.75	\$692.75
Children of disabled contributor	\$250.27	\$79.46
Children of deceased contributor	\$250.27	\$250.27
Death (maximum one-time payment)	\$2,500.00	\$2,500.00
<b>Combined Benefits</b>		
Survivor/retirement (retirement at 65)	\$1,154.58	\$1,154.58
Survivor / disability	\$1,362.30	Not applicable
<b>Note 1: QPP Survivor Benefit – Younger than 45</b>		
Not disabled, no child		\$127.12
Not disabled, with child		\$460.85
Disabled		\$496.33
QPP survivors – age 45 to 64		\$496.33

Source: Service Canada: CPP/QPP/OAS Quarterly Report – Rates and Related Figures for January 2019. Visit [servicecanada.gc.ca](http://servicecanada.gc.ca) for updated figures.

#### RRSP Overcontribution Rules

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

#### Spousal RRSP Rules

- Any amounts that may be contributed to an individual's own plan under their personal RRSP deduction limit may be contributed to a Spousal RRSP instead.
- For a 2019 withdrawal, the contributor declares income if contributions were made to any Spousal RRSP in 2017, 2018 or 2019.
- Contributions to a Spousal RRSP may be made by a contributing spouse up to and including the year their spouse turns 71 (tax deductible to contributing spouse), provided the contributor has available RRSP room.

#### TFSA Contribution Limits

- TFSA annual contribution limits are indexed to inflation and will increase in \$500 increments. Individuals must be the age of majority in their province of residence to open a TFSA. In BC, NS, NB, Newfoundland, Yukon, Northwest Territories and Nunavut, the age of majority is 19.
- If you've never contributed to a TFSA and were at least 18 years of age in 2009 and have been a Canadian resident since then, your 2018 contribution limit will be \$63,500.

### 2019 Top Marginal Personal Tax Rates<sup>1</sup> (Combined Federal and Provincial Tax Rates)

	Interest & Ordinary Income	Capital Gains	Eligible Dividends	Non-eligible Dividends
Alberta	48.00%	24.00%	31.71%	42.56%
British Columbia	49.80%	24.90%	31.44%	44.63%
Manitoba	50.40%	25.20%	37.78%	46.67%
New Brunswick	53.30%	26.65%	33.51%	47.75%
Newfoundland & Labrador	51.30%	25.65%	42.61%	44.59%
NWT	47.05%	23.53%	28.33%	36.82%
Nova Scotia	54.00%	27.00%	41.58%	48.28%
Nunavut	44.50%	22.25%	33.08%	37.79%
Ontario	53.53%	26.76%	39.34%	47.40%
PEI	51.37%	25.69%	34.22%	45.22%
Quebec	53.31%	26.65%	40.00%	46.25%
Saskatchewan	47.50%	23.75%	29.64%	40.37%
Yukon	48.00%	24.00%	28.93%	42.17%

<sup>1</sup> This table outlines the 2019 top combined federal and provincial/territorial marginal personal tax rates. The rates apply to taxable incomes over \$210,371 in all jurisdictions except that the thresholds are \$220,000 in Ontario, \$314,928 in Alberta and \$500,000 in Yukon. Note: The rates do not reflect potential changes that the federal and provincial governments may introduce in the upcoming spring 2019 budgets.

#### Probate Fees (For Estates Over \$50,000)

Fee Schedule (Estates over \$50,000) <sup>*</sup>	
Alberta	\$275 to \$525
British Columbia	\$350 + 1.4% of portion >\$50,000
Manitoba	\$70 + 0.7% of portion >\$10,000
New Brunswick	0.5% of estates over \$20,000
Newfoundland & Labrador	\$60 + 0.6% of portion >\$1,000
NWT	\$200 to \$400
Nova Scotia	\$1,003 + 1.695% of portion >\$100,000
Nunavut	\$200 to \$400
Ontario	\$250 + 1.5% of portion >\$50,000
Prince Edward Island	\$400 + 0.4% of portion >\$100,000
Quebec	Nominal fee <sup>**</sup>
Saskatchewan	0.7% of estate
Yukon	\$140

<sup>\*</sup> For some provinces and territories, different rates may apply to smaller estates (less than \$50,000).

<sup>\*\*</sup> Although Quebec does not levy probate fees, Wills (other than notarial Wills) must be authenticated by the Superior Court of Quebec. A nominal fee applies.

### 2019 Canadian Controlled Private Corporations (CCPC) Rates (Combined Federal & Provincial/Territorial Tax Rates effective January 1, 2019)

Jurisdiction	Active Business Income <sup>1</sup>		Investment Income
	Active business income to \$500K (%) <sup>2</sup>	Greater than 500K (%)	(%)
Federal	9.0	15.0	38.67
Alberta	11.0	27.0	50.67
British Columbia	11.0	27.0	50.67
Manitoba	9.0	27.0	50.67
New Brunswick	11.5	29.0	52.67
Newfoundland & Labrador	12.0	30.0	53.67
NWT	13.0	26.5	50.17
Nova Scotia	12.0	31.0	54.67
Nunavut	13.0	27.0	50.67
Ontario <sup>2</sup>	12.5	26.5	50.17
Prince Edward Island	12.5	31.0	54.67
Quebec	15.0 <sup>3</sup>	26.6	50.27
Saskatchewan	11.0 <sup>4</sup>	27.0	50.67
Yukon	11.0	27.0	50.67

<sup>1</sup> Reflects general (non-manufacturing and processing) rates. <sup>2</sup> The federal small business deduction (SBD) applies to the first \$500,000 of income from an active business carried on in Canada by a Canadian-controlled private company ("CCPC"). It must be shared with associated CCPCs and may be clawed back for "large" corporations with taxable capital of associated corporate groups exceeding \$10M and is completely eliminated when the associated group's taxable capital exceeds \$15M (similar rules apply for Quebec tax purposes). For taxation years beginning after 2018, the SBD for a year of a CCPC that earns more than \$50,000 of passive investment income in the previous year will be reduced by \$5 for every \$1 of that investment income over \$50,000 (it is eliminated at \$150,000 of investment income); a CCPC's SBD limit will be reduced by the greater of this new reduction and the existing business limit reduction that applies when associated taxable capital exceeds \$10 million. However, note that Ontario's 2018 Economic Outlook and Fiscal Review announced that Ontario will not parallel this federal measure. <sup>3</sup> Quebec CCPCs are required to meet the "activities" test or "hours paid" test to be eligible for the province's regular CCPC rate of 6% after December 31, 2018 and before January 1, 2020. <sup>4</sup> The provincial SBD threshold is \$600,000 (the rate that applies to active business income from \$500,000 to \$600,000 is 17%).

### U.S. Taxes

U.S. Estate Tax	2019*
Exclusion Amounts (applicable to U.S. citizens)	\$11.4M
Unified Credit Amount Available to U.S. Citizens	\$4,505,800
Highest U.S. Estate Tax Rate	40%

\* Canadian resident (non U.S. citizen) will have a potential U.S. estate tax liability if U.S. assets > USD \$60,000 and worldwide assets > USD \$11.4M

U.S. Source Payments	U.S. Income Tax Withheld*
Interest	Generally exempt
Dividends Paid On U.S. Securities held Inside an RRSP/RRIF/LIRA/LIF/LRIF	Exempt
Dividends Paid On U.S. Securities Held Outside RRSP/RRIF (e.g. TFSA, RESP, Non-registered accounts)	Generally 15%

\* per Canada-U.S. Tax Treaty



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### Attribution Rules

Recipient	Gift	No or Low Interest Loan	Prescribed Rate Loan
<b>Spouse or Partner</b>			
Interest & dividends	Attributed to giftor	Attributed to lender	No attribution
Capital gains	Attributed to giftor	Attributed to lender	No attribution
2 <sup>nd</sup> generation income	No attribution	No attribution	No attribution
<b>Child under 18</b>			
Interest & dividends	Attributed to giftor	Attributed to lender	No attribution
Capital gains	No attribution	No attribution	No attribution
2 <sup>nd</sup> generation income	No attribution	No attribution	No attribution

### 2019 Key Non-Refundable Federal Tax Credits

Personal Tax Credits as Percentage of Base Amounts		
Tax Credit	Percentage Value	
Charitable donations	First \$200	15%
	Amount over \$200*	29% or 33%
Dividend tax credit (on grossed-up amount)	Eligible	15.02%
	Non-eligible	9.0301%

\* As part of tax changes introduced in late 2015, the calculation of the federal charitable donation tax credit was amended to allow higher income donors to claim a 33% federal tax credit, but only on the portion of donations made from income that is subject to the 33% top marginal tax rate. However, top rate taxpayers should note that this 33% donation tax credit rate is only available for donations made after 2015 and will not be available for donations carried forward from a prior year to 2016 or thereafter.

### Federal Amounts

Tax Credit	Dollar Value	
Basic/Spouse/Partner	\$12,069	
Age 65	\$7,494	
Disability	Basic	\$8,416
	Under 18 supplement	\$4,909
Canada Caregiver amount	for infirm dependants, such as: parents, grandparents, brothers, sisters, or close relatives	\$7,140
Canada Caregiver amount	for an infirm dependent spouse or common-law partner, an infirm dependant for whom the individual claims an eligible dependant credit, or an infirm child under age 18	\$2,230
Pension income amount		\$2,000

### \$866,912 Capital Gains Exemption on Qualifying Small Business Corporation Shares (General Rules)

- Small Business Corporation: substantially all (90% or more) of the Canadian-controlled private corporation's assets must be used in carrying on an active business in Canada.
- Only business share owner or "related" person can have owned shares for 24-month period prior to shares being sold.
- Throughout the 24-month period prior to sale of shares, more than 50% of corporation's assets must have been used principally in an active business carried on in Canada.